Schedule of Service

G. Octopus Card Online Payment Services Agreement (mPOS (Gateway)) ("Octopus mPOS Service")

BACKGROUND

(A) OCL (as defined below) develops, maintains and operates (1) an electronic payment system (the "**Octopus System**") with contactless smart cards or products called "Octopus" as the instrument of payment and (2) a network-based stored value service (the "**Octopus Wallet Service**") whereby a holder of an account in respect thereof can perform, among other things, payment for goods and services.

(B) OCL and BOCCC have entered into an agreement (the "**Acquirer Agreement**") under which BOCCC has been appointed by OCL as an acquirer to procure merchants to accept the use of Octopus and/or the Octopus Wallet Service in Hong Kong through online channels as payment for goods and services offered and/or provided by merchants at their respective physical retail outlets.

(C) The Company offers and/or provides goods and/or services at the physical retail outlets owned, operated and/or managed by the Company and is desirous that BOCCC shall provide and supply online payment gateway platform(s) and mPOS Terminals (as defined below) to facilitate acceptance of online payment for the goods and/or services offered and/or provided by the Company at the said retail outlets.

(D) The Company intends to participate in, and BOCCC agrees to procure OCL to admit the Company to, the Octopus System and the Octopus Wallet Service in attended retail environment on the terms and subject to the conditions of this Agreement.

TERMS OF AGREEMENT

1. **INTERPRETATION**

1.1 In this Agreement the following terms shall have the following meanings unless the context otherwise requires:-

"Approved Goods and Services" means any of those goods or services set out in Paragraph 4 of the Schedule;

"Business Day" means a day in a calendar year excluding Saturdays, general holidays and any days on which typhoon signal no.8 or above is hoisted or black rainstorm warning is in force at any time between 9:00 a.m. and 6:00 p.m. and any days on which an announcement of "extreme conditions" is issued by the Government of Hong Kong at any time during such days;

"Class of Octopus" means any class or type of Octopus from time to time introduced by OCL;

"Commencement Date" means the date specified in Paragraph 5 of the Schedule;

"Company Account" means the Company's bank account specified in Paragraph 3 of the Schedule or any other bank account nominated by the Company and approved by BOCCC in writing from time to time;

"Company IP" has the meaning ascribed to it in Clause 6.3(a);

"Company System" means: -

(a) the system installed or to be installed on the Premises that is connected to any mPOS Terminals for the purposes of:
  (i) transmitting data between the mPOS Terminals and the OCL System; or
  (ii) processing the data received from the mPOS Terminals or the OCL System;
(b) the computer equipment which directly or indirectly controls the operation of any mPOS Terminals; and/or
(c) the mPOS Terminals,

connected to the Payment Gateway System, which will be connected to the OCL System, for acceptance of the use of Octopus and/or the Octopus Wallet Service as a means of payment for the Approved Goods and Services pursuant to the provisions of this Agreement;

"Conditions" means the Conditions of Issue of Octopus and the Schedule of Fees and Guidelines relating to the use of Octopus published by OCL, as amended from time to time;

"Cut-off Time" means any point of time between 0100 hours and 0200 hours on a given day in Hong Kong selected by OCL from time to time;

"Deduct Value Transaction" means a deduction of value from an Octopus or an Octopus Wallet, as the case may be, through the use of an Octopus Equipment;

"general holidays" has the meaning ascribed thereto in the General Holidays Ordinance (Cap.149 of the Laws of Hong Kong);

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"HK Dollars" or **"HK$"** means the lawful currency for the time being of Hong Kong;

"mPOS Terminal" means a mobile point-of-sale device which can directly interface with the Octopus and/or the Octopus Wallet as certified by OCL for providing the Payment Services, and is either sold or leased to the Company by BOCCC or which has been registered with BOCCC in accordance with Clause 4.1(c);

"Net Entitlement Amount" in relation to the Transaction Data received or obtained by OCL and/or BOCCC during a Transaction Period, means the gross amount payable by BOCCC according to Clause 5.3(a) minus the gross amount payable by the Company according to Clause 5.3(b);

"OCL" means Octopus Cards Limited, a company incorporated under the laws of Hong Kong, the issuer of Octopus and the issuer of the stored value facility under the Octopus Wallet Service;

"OCL IP" has the meaning ascribed to it in Clause 6.1;

"OCL System" means the computer equipment belonging to and installed by OCL for the purpose of processing data relating to the use of Octopus and/or the Octopus Wallet Service;

"Octopus" means a functional stored value facility issued by OCL subject to the Conditions;

"Octopus Equipment" means an Octopus Reader, a Relevant Mobile Device or an mPOS Terminal;

"Octopus Holder" means (a) any person holding or using an Octopus or any person to whom an Octopus is issued and/or (b) any person holding or using a relevant Octopus Equipment with an Octopus;

"Octopus Mobile Application" means any mobile application developed and maintained by OCL and as may be advised and/or announced by OCL from time to time as installed on Relevant Mobile Devices to enable use of the Payment Services;

"Octopus Reader" means a device which can directly interface with the Octopus;

"Octopus Wallet" means a network-based stored value account applied for by an Octopus Wallet Holder with, and approved by, OCL in respect of the Octopus Wallet Service pursuant to the Conditions;

"Octopus Wallet Holder" means (a) any holder of an Octopus Wallet, and/or (b) any person holding or using a relevant Octopus Equipment with an Octopus Wallet;

"Operating Rules" has the meaning ascribed to it in Clause 4.14;

"parties" means the parties to this Agreement, each or any one of them, a **"party"**;

"Payment Gateway System" means the computer equipment and/or system installed including, without limitation, online payment gateway platform and any system of BOCCC, integrated or to be integrated with the Company System and the OCL System respectively for the purposes of transmitting and processing data between the Octopus Equipment, the Payment Gateway System, the Company System and the OCL System;

"Payment Services" means the services whereby Octopus Holders may use an Octopus and/or Octopus Wallet Holders may use the Octopus Wallet Service for payment for the Approved Goods and Services through mPOS Terminals;

"Percentage Fees" means the fees set out in Clause 3.4 payable to BOCCC in relation to Deduct Value Transactions;

"person" includes any public body and any body of persons corporate or unincorporated;

"Premises" means any premises, vehicles, areas or space in attended retail environment occupied or used by the Company for the purposes of offering and/or delivering the Approved Goods and Services in Hong Kong;

"Relevant Mobile Device" means the type mobile device as advised and/or announced by OCL from time to time which can directly interface with the Octopus and/or the Octopus Wallet upon installation of the relevant Octopus Mobile Application;

"Sensitive Information" includes:-

(a) the Transaction Data and other electronic data exchanged between the Company System, the Payment Gateway System and the OCL System;

(b) the interface specifications of the OCL System, the Payment Gateway System, the host computer of BOCCC (if any) and the host computer of the Company;
(c) the encryption/decryption keys or passwords used between the OCL System, the Payment Gateway System, and other components of the Company System;
(d) the Octopus Mobile Application(s) installed on the Relevant Mobile Devices;
(da) the software in the mPOS Terminals solely used for the Payment Services;
(e) Octopus identification numbers;
(f) Octopus Wallet numbers;
(g) the terms of this Agreement;
(h) information of a confidential nature relating to either party disclosed in connection with this Agreement; and
(i) any other information which either party may reasonably object to its being disclosed to the public or other third parties;

but does not include any such data which (i) are in the public domain otherwise than as a result of a breach of this Agreement or (ii) both parties agree in writing not to constitute Sensitive Information;

"Settlement Report" means a report issued by OCL pursuant to Clause 5.2 substantially in the form of Appendix 2 (as such form may from time to time be amended by OCL);

"time of deemed receipt" of any communication, notice, notification or statement (excluding Settlement Reports and Transaction Data) shall be the relevant time of deemed receipt specified in Clause 7.10(d); and the **"time of deemed receipt"** for any Settlement Report shall be the time of deemed receipt specified in Clause 5.12(b) and if Clause 5.12(b) is not applicable, it shall be the time when the Settlement Report is actually received or obtained by the Company;

"Tolerable Discrepancy" means the amount set out in Paragraph 10(a) of the Schedule;

"Total Transaction Value" means the total value deducted from the Octopus and/or the Octopus Wallets in the Deduct Value Transactions as revealed in the Transaction Data received or obtained by OCL and/or BOCCC during a Transaction Period;

"Transaction Data" means all data received by OCL and/or BOCCC from the Octopus Equipment directly or indirectly (or collected by OCL and/or BOCCC pursuant to Clause 4.7) and all data retrieved from the Octopus and/or the Octopus Wallet through other channels including, without limitation, data in respect of the use of Octopus and/or the Octopus Wallet Service;

"Transaction Database" means the transaction database provided by BOCCC to which the Company is provided access to review the Transaction Data;

"**Transaction Database Platform**" means the database server developed, set up, installed and maintained by BOCCC for the purposes of allowing the Company to review Transaction Data relating to the Company for the Payment Services;

"**Transaction Period**" means any period from the Cut-off Time on a day to the Cut-off Time on the next day;

"**Transaction System**" means the payment system with the Octopus and/or the Octopus Wallet as the payment instruments; the Transaction System includes, among other things, the OCL System, the Octopus Mobile Application(s), the computer equipment and system installed or set up by the Company or any third parties which is connected to the OCL System directly or indirectly and whether continuously or periodically, all Octopus Equipment, all Octopus, all Octopus identification numbers, all Octopus Wallet and all Octopus Wallet numbers; and

"**use of Octopus**" means the passage of the Octopus over an Octopus Equipment enabling the Octopus Equipment to add value thereto, to deduct value therefrom, to read or to change any of the data therein; and any similar or derivative expression shall be interpreted accordingly; and

Zero Funds Transaction" means any use of Octopus where no value is deducted from or added to the Octopus.

1.2 In this Agreement, unless the context otherwise requires:
(a) words importing one gender include the other genders;
(b) words importing the singular include the plural and vice versa;
(c) references to Clauses, the Schedule and Appendices are references to clauses of, the schedule and appendices to this Agreement; reference to a Paragraph is reference to a paragraph of the Schedule;
(d) all headings are for ease of reference only and shall not affect the interpretation of this Agreement;
(e) any reference to a person shall include that person's successors, representatives and permitted assigns;
(f) references to legislation or documents however described shall include references to such legislation or documents as amended, supplemented, novated or substituted from time to time;
(g) [deleted]
(h) all references to time refer to Hong Kong time i.e. GMT +8; and
(i) a reference to any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them.

1.3 The Schedule and the Appendices form an integral part of this Agreement and references to this Agreement shall include the Schedule and the Appendices.

2. [deleted]

3. **USE OF OCTOPUS AND/OR OCTOPUS WALLET SERVICE TO PAY FOR GOODS AND SERVICES**

3.1 **Appointment as Online Payment Service Provider**

During the term of this Agreement, BOCCC shall procure OCL to grant to the Company the right to, and the Company agrees to, accept the use of Octopus (and the respective values stored in them) and/or the Octopus Wallet Service (and the respective values stored in the Octopus Wallet) as payment for the Approved Goods and Services by the Octopus Holders and/or the Octopus Wallet Holders on the Premises. The Company shall be solely responsible for the provision of the Approved Goods and Services. The Company agrees that neither BOCCC nor OCL shall have any liability whatsoever in respect of the Approved Goods and Services and any other goods and/or services provided by the Company to any person. The Company undertakes to notify each of its customers that OCL holds no responsibility in respect of the Approved Goods and Services.

3.1A **Premises**

(a) BOCCC may at any time, at its absolute discretion, determine that the Company shall cease engaging in the Payment Services on any designated Premises or in its entirety (as the case may be). In such event, BOCCC will give notice to the Company of such determination. The Company shall, after the issue of such notice, forthwith cease engaging in the Payment Services on such designated Premise or in its entirety (as the case may be).
(b) Neither BOCCC nor OCL shall under any circumstances be held responsible for any claim, loss or damage the Company may suffer as a result of BOCCC determining that the Company shall cease engaging in the Payment Services on any particular Premises or in its entirety.

3.1B **Restrictions on the Company**

The Company shall only provide the Payment Services on the relevant Premises in relation to the Approved Goods and Services and shall not provide the Payment Services in relation to other types of goods and/or services, in particular (without restriction):-

(i) any goods and services provided by the Government of Hong Kong;
(ii) any transport related services including car parks;
(iii) schools (except tuck shop or canteen within the school premises);
(iv) gambling related goods or services;
(v) entertainment premises including chained karaoke, snooker clubs, arcade game centres, internet cafés and massage centres;
(vi) pornographic, escort services or illicit material or activities of any type;
(vii) goods, products, services or distributions prohibited by any applicable law;
(viii) goods and/or services in the form of or involving cash or cash equivalents including fund remittance, exchange for foreign currencies, top-up to other stored value facilities (the "**SVF**") or payment means (other than single-purpose stored value cards, whether in physical or electronic form, or such SVF or payment means that are compatible with all relevant specifications and/or requirements specified by OCL from time to time) and any items which can be converted into or redeemed or exchanged for cash or cash equivalent (whether in electronic form or not);
(ix) self-service payment solutions offered and/or delivered on Premises (Physical) including, but not limited to,

vending machines, kiosks, and self-service photocopiers (excluding those self-service payment solutions used for payment for the Approved Goods and Services on Premises (Physical) whereby ordering and payment services are provided in a self-service manner with related delivery of the Approved Goods and Services provided in a manned manner, and when the relevant Premises (Physical) are closed for business, such self-service payment solutions shall not be available for service to customers); or

(x) any goods and/or services which OCL or BOCCC may at its sole and absolute discretion consider as inappropriate.

(b) The Company shall not engage in any money laundering activities or any other illegal activities.

(c) The Company agrees that its failure to comply with any provision of this Clause 3.1B shall constitute a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement forthwith without compensation or any payment whatsoever to the Company.

3.2 **Obligation to Accept Octopus and/or Octopus Wallet Service**

Subject as otherwise provided in this Agreement, the Company shall:-

(a) accept the use of Octopus (and the respective values stored in them) and/or the Octopus Wallet Service (and the respective values stored in the Octopus Wallet) as valid payment only for the Approved Goods and Services during the term of this Agreement; and

(b) upon such use of Octopus and/or the Octopus Wallet Service, deliver or perform (as the case may be) the relevant Approved Goods and Services.

3.2A **Use of QR Code**

In the case where Quick Response Code (each a "**QR Code**") is used in connection with the Company System for the Payment Services, the Company shall be solely responsible for setting up the relevant QR Code in accordance with the standards and specifications as prescribed by BOCCC and/or OCL from time to time, and shall clearly display and indicate to its customers the availability of the relevant QR Code and any instructions to use the QR Code for payment with the Octopus and/or the Octopus Wallet Service on or through such channels or media and/or in such manner as mutually agreed between the Company and BOCCC and/or OCL. The Company agrees that neither BOCCC nor OCL shall be responsible for or liable to the Company, any Octopus Holder, any Octopus Wallet Holder or any other person in respect of any QR Code set up by the Company in any respect (including, but not limited to, the readiness of the QR Code by an Octopus Equipment and the accuracy and completeness of data, information and/or images loaded onto the relevant Octopus Mobile Application from the QR Code).

3.3 **Approved Goods & Services**

(a) The Company shall not accept the use of Octopus and/or the Octopus Wallet Service as payment except for the Approved Goods and Services. The Company shall fully indemnify BOCCC and/or OCL, and keep BOCCC and/or OCL indemnified in full, against all losses, damages, liabilities, costs (including, but not limited, to legal costs and disbursements) and expenses suffered or incurred by BOCCC and/or OCL as a consequence of the Company in accepting the use of Octopus and/or the use of the Octopus Wallet Service as payment for any goods and/or services other than the Approved Goods and Services.

(b) The Company shall be solely responsible for handling customer service enquiries, including, but not limited to, enquiries and/or disputes relating to provision of, or payment for, the Approved Goods and Services. The Company shall be solely responsible for notifying customers of the terms and conditions applicable to the sale and purchase or provision of the Approved Goods and Service (including, but not limited to, the terms, policies and/or procedures for goods return and/or payment refund) and the payment for the Approved Goods and Services using the Payment Services.

3.4 **Percentage Fees**

The Company shall pay BOCCC the Percentage Fees, which shall be the percentage set out in Paragraph 8 of the Schedule of the amount of value deducted in a Deduct Value Transaction.

3.5 [deleted]

3.6 **BOCCC's Obligation to Pay**

BOCCC shall pay the Company an amount equivalent to the Total Transaction Value.

3.7 **Indemnity**

Each party (the "**Indemnifying Party**") agrees to fully indemnify the other party (the "**Indemnified Party**"), and keep the Indemnified Party indemnified in full, against all losses, damages, liabilities, costs (including, but not limited to, legal costs and disbursements) and expenses suffered or incurred by the Indemnified Party as a result of or in connection with the breach of any provision in this Agreement by the Indemnifying Party and/or any claims, actions or proceedings brought against the Indemnified Party by any third parties arising out of or in connection with the said breach and/or this Agreement except to the extent that such losses, damages, liabilities, costs and expenses are due to negligence, fraud or wilful misconduct of the Indemnified Party.

4. **SYSTEMS AND EQUIPMENT**

4.1 **mPOS Terminals and Payment Gateway System**

(a) The Company shall, at its own costs and expenses, purchase or hire the mPOS Terminals as integrated with the Payment Gateway System from BOCCC.

(b) The Company shall not purchase or hire mPOS Terminals from any other source and shall not use any mPOS terminals for processing payments made by the Octopus and/or the Octopus Wallet Service other than the mPOS Terminals purchased or hired from BOCCC on any Premises.

(c) The Company shall, within 30 days of receiving any mPOS Terminal from BOCCC and prior to the use of such mPOS Terminal, register such mPOS Terminal with BOCCC by supplying BOCCC with such information about the mPOS Terminal as BOCCC may require, including, but not limited to, its identification number and the location where the mPOS Terminal is to be placed or installed.

(d) If the number of Octopus Readers returned by the Company is less than the number of Octopus Readers leased by BOCCC to the Company, without prejudice to other rights of BOCCC under this Agreement or otherwise, the Company shall pay compensation for loss of such Octopus Reader to BOCCC. The amount of compensation per lost Octopus Reader shall be HK$2,500 less depreciation, provided that no compensation will be payable after the fourth anniversary of the Delivery Date. Depreciation shall be calculated by the diminishing balance method on the assumption that each Octopus Reader will depreciate at the rate of 50% per year starting from the first anniversary of the Delivery Date. For the avoidance of doubt, the amount of compensation per lost Octopus Reader shall be HK$2,500, HK$1,250, HK$625,and HK$313 if the lost Octopus Reader is leased to the Company for one year, two years, three years and four years from the Delivery Date, respectively, at the time of return.

4.1A **Transaction Database**

(a) BOCCC shall provide the Company with access to the Transaction Database for the purposes of allowing the Company to, among other things, view the Transaction Data. The Company acknowledges that OCL is not responsible for, and shall not be liable whatsoever to the Company in relation to, any information provided on the Transaction Database and/or the use of any of such information and/or the use of the Transaction Database in any and all respects by the Company.

(b) The Company shall contact BOCCC for any enquiries, including, but not limited to, enquiries relating to the Settlement Reports and any discrepancies in the Deduct Value Transactions.

4.2 **System Integrity**

The Company acknowledges that the security and integrity of the Transaction System are of paramount importance. The Company shall not export any mPOS Terminal out of Hong Kong without the prior written consent of BOCCC.

4.3 **Restriction on Sale**

The Company shall not sell, part with the possession of, or otherwise dispose of any mPOS Terminal unless the Company has obtained the prior written consent of BOCCC if the mPOS Terminals are hired from BOCCC.

4.4 **System Requirements and Maintenance**

(a) The Company shall, at its own costs and expenses: -

(i) ensure that the Company System complies with, and maintain and operate the Company System in accordance with, all standards and requirements

(including, if applicable, specifications) issued by BOCCC and/or OCL from time to time relating to, among other things, the functions and performance of the Company System; and

(ii) cause the Company System to be integrated with the mPOS Terminals and the Payment Gateway System and procure to ensure that the Payment Gateway System shall be integrated with the OCL System,

so that it may accept the use of Octopus and/or the use of the Octopus Wallet Service as payment for the Approved Goods and Services within the Transaction System in all respects according to the requirements, and, to the satisfaction, of BOCCC and/or OCL.

(b) Without derogating from the generality of Clause 4.4(a), the Company shall ensure that the Company System is at all times fully operational and shall, as and when necessary, at its own costs and expenses, promptly repair or replace any faulty components (or any parts thereof) within the Company System. In addition, but without limitation to the foregoing, the Company shall, upon the request of BOCCC and/or OCL and at the Company's own costs and expenses, arrange for such changes to be made to the Company System as BOCCC and/or OCL may require.

(c) BOCCC shall procure and ensure that the Payment Gateway System is at all times fully operational and shall, as and when necessary, at its own costs and expenses, ensure prompt repair or replacement of faulty components (or any parts thereof) within the Payment Gateway System. BOCCC shall investigate and resolve any problem that may arise in relation to the integration between the Company System, the Payment Gateway System and the Transaction System. In addition, but without limitation to the foregoing, BOCCC shall, upon the request of OCL and at BOCCC's own costs and expenses, arrange for such changes to be made to the Payment Gateway System as OCL may require.

(d) The Company agrees that its failure to comply with this Clause 4.4 shall constitute a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement forthwith without compensation or any payment whatsoever to the Company.

4.5 **Transaction Database Platform**

The Company shall not do anything that BOCCC is of the opinion that the security or integrity of the Transaction Database System has been or is about to be jeopardised or compromised by the act of the Company, otherwise, BOCCC is entitled at its sole and absolute discretion to suspend the functions (or any part thereof) of any or all parts of the Transaction Database Platform. BOCCC shall lift such suspension after the Company has provided evidence or assurances satisfactory to BOCCC that the integrity or security of the Transaction Database System will not be jeopardised or compromised.

4.6 **Data Transfer**

(a) The Company shall, at the instructions of BOCCC and/or OCL and at its own costs and expenses, set up and maintain a data link in accordance with the requirements (including, if applicable, specifications) issued by BOCCC and/or OCL from time to time for the transfer of data between the Company System and the Payment Gateway System. The Company further warrants and undertakes to transmit to BOCCC all data (including Transaction Data) between the Company System and the Payment Gateway System in a timely and accurate manner and strictly in accordance with the requirements laid down by BOCCC and/or OCL from time to time.

(b) BOCCC will use its commercially reasonable endeavours to transmit to OCL all data (including Transaction Data) transmitted by the Company to BOCCC in a timely and accurate manner. BOCCC will further use its commercially reasonable endeavours to onward transmit to the Company all data transmitted by OCL to BOCCC in a timely and accurate manner from time to time. The Company acknowledges that BOCCC will assist the Company in (i) onward transmitting to OCL all data transmitted by the Company to BOCCC and (ii) onward transmitting to the Company all data transmitted by OCL to BOCCC, and that BOCCC and/or OCL shall not be liable to the Company or any other person whatsoever in respect of any transfer of data, directly or indirectly to the OCL System or to the Company System by BOCCC.

(c) The Company agrees to strictly comply with the obligations set out in this Clause 4.6, failing which, shall constitute a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement.

4.7 **Information Request**

(a) Each of BOCCC and OCL shall have the right to inspect, access, obtain and/or collect, and the Company shall promptly provide BOCCC and/or OCL with and/or access to, such data, records, reports and/or documents wherever situated as requested by BOCCC and/or OCL for carrying out audit checks, compliance checks, security checks and/or other functions in relation to any one of the following: -

(i) to conduct periodic inspection to ensure performance of the Company's obligations hereunder and/or compliance by the Company with the terms hereof and/or any applicable laws, regulations, guidelines, code of practice or other statutory requirements;

(ii) to maintain the integrity and security of the Transaction System;

(iii) to verify whether the Company has carried out such work required by BOCCC and/or OCL under Clause 4.8(a)(ii) to the satisfaction of BOCCC and/or OCL;

(iv) to investigate where BOCCC and/or OCL suspects or becomes aware of suspicious or abnormal pattern relating to the Transaction Data; or

(v) to carry out such inspection as required by law or regulation or under a direction of any applicable regulatory authority or to comply with any legally enforceable demand or order of a competent court of laws, governmental or applicable regulatory authority.

(b) The Company shall fully co-operate with BOCCC, OCL and/or their respective authorised representative(s) in the performance of the duties as specified in Clause 4.7(a) and shall give assistance and explanations as reasonably requested by BOCCC and/or OCL.

(c) The Company agrees that its failure to comply with this Clause 4.7 shall constitute a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement forthwith without compensation or any payment whatsoever to the Company.

4.8 **Security Measures**

(a) If BOCCC and/or OCL has/have reasonable grounds to believe that the Company has committed or is about to commit a breach of the terms of this Agreement, BOCCC has committed or is about to commit any act that may cause the Company to commit a breach of the terms of this Agreement, the Company has committed or is about to commit any act that may cause BOCCC to commit a breach of the terms of this Agreement and/or Acquirer Agreement and/or may cause OCL to commit a breach of the terms of the Acquirer Agreement, or if BOCCC has committed or is about to commit a breach of the terms of the Acquirer Agreement (collectively, the "**Suspension Events**"), or if BOCCC and/or OCL is of the opinion that the integrity or security of the Transaction System has been or is about to be jeopardised or compromised by the act of the Company and/or BOCCC, or if BOCCC and/or OCL is required by law or under the direction of any applicable regulatory authority, BOCCC and/or OCL is/are entitled, at its/their sole and absolute discretion to: -

(i) suspend, or require the Company to suspend, the functions (or parts thereof) of any or all parts of the Transaction System. BOCCC and/or OCL shall lift any such suspension after the Company has provided evidence or assurances satisfactory to BOCCC and/or OCL that the relevant Suspension Event(s) no longer subsist(s), and that the integrity and security of the Transaction System will not be jeopardised or compromised. The Company shall, at its own costs and expenses, take all necessary steps to assist and facilitate such suspension or the lifting of such suspension (as the case may be) as requested by BOCCC and/or OCL and comply with any requirement of BOCCC and/or OCL forthwith upon receipt of such request; and/or

(ii) require the Company to carry out such work as specified by BOCCC and/or OCL at the Company's own costs and expenses to maintain the integrity and security of the Transaction System to the satisfaction of BOCCC and/or OCL within a specified time period

failing which, the Company shall provide access to BOCCC and/or OCL's representatives(s) to carry out such outstanding work at the Company's costs and expenses. The Company shall, take all necessary steps to assist and facilitate in the carrying out of such work as requested by BOCCC and/or OCL.

(b) The Company agrees and confirms that both BOCCC and OCL shall not be liable to the Company for any loss or damage whatsoever arising from or in connection with this Clause 4.8

(c) Where the suspension is due to omission, negligence, fraud or wilful misconduct of the Company, the Company agrees and confirms that all fees, costs and charges under this Agreement shall remain payable by the Company during any period when the functions (or parts thereof) of any or all parts of the Transaction System are suspended.

(d) The Company agrees that its failure to comply with this Clause 4.8 shall constitute a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement forthwith without compensation or any payment whatsoever to the Company.

4.9 **Loss due to Unauthorised Act and etc**

The Company shall pay to BOCCC and/or OCL on demand an amount to compensate BOCCC and/or OCL for any loss, damage or liability reasonably suffered by BOCCC and/or OCL as a consequence of any unauthorised act arising from or in connection with the Payment Services (including, but not limited to, unauthorised use of any mPOS Terminal or the Transaction Database in connection with the Payment Services) due to fraud, negligence or default of the Company.

4.10 **Zero Funds Transactions**

The Company shall not allow or permit any Zero Funds Transactions without the prior written consent of BOCCC and/or OCL.

4.11 **Maintenance of Records of Transactions**

The Company shall keep a copy of the data relating to all Deduct Value Transactions for at least 365 days after the same has been transmitted to OCL.

4.12 **System Changes**

The Company shall ensure that no change to the Company System which may affect the normal operation of the Transaction System shall be made unless the Company has obtained the prior written approval of BOCCC. Failure to do so by the Company shall constitute a material breach of this Agreement by the Company. BOCCC may require the Company to, at its own costs and expenses, carry out tests to demonstrate that such changes will not adversely affect the normal operation of the Transaction System and may charge the Company a reasonable administration fee for observing the tests and giving the written approval.

4.13 **Register of mPOS Terminals**

The Company shall maintain a register of all mPOS Terminals which are or have been in the possession of the Company. The register shall contain the identification numbers of all such mPOS Terminals, the purposes for which each of them is used and their respective locations and, if they are no longer in the possession of the Company, the date when the Company parted with such mPOS Terminals and what has become of them. The Company shall update the register whenever there is a change, and in any event, at least once every calendar month. Each of BOCCC and OCL shall have the right to inspect the register and/or request a copy of such register from time to time. Each of BOCCC and OCL shall be entitled to authorise its representatives, and the Company shall allow the respective representatives of BOCCC and/or OCL, to inspect the mPOS Terminal(s) which is (are) in the possession of the Company at any reasonable time for the purpose of verifying the accuracy of the register.

4.14 **Operating Rules**

Without prejudice to Clauses 4.4 and 4.6, the Company shall comply with all reasonable instructions, directions, procedures, user manual concerning, among other things, the transfer of data to the OCL System, including, but not limited to, operating rules for online payment service providers which are issued and updated by BOCCC and/or OCL from time to time (collectively, the "**Operating Rules**"), failing which, constituting a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement, BOCCC and/or OCL shall be entitled to demand for payment by the Company of such amount(s) specified in the Operating Rules or such other amount(s) to compensate BOCCC and/or OCL for any loss, damage or liability reasonably suffered by BOCCC and/or OCL as a result of such failure. Without prejudice to the foregoing, the Company shall fully indemnify BOCCC and/or OCL, and keep BOCCC and/or OCL indemnified in full, against any loss and damage which BOCCC and/or OCL may suffer as a result of the Company's failure to comply with this Clause 4.14. The parties agree that in case of conflict or inconsistency between the Operating Rules and this Agreement, this Agreement shall prevail.

4.15 **Integration with mPOS Terminal and the Payment Gateway System**

The Company acknowledges and agrees that the Company is solely responsible for the integration of the Company System with the mPOS Terminals as integrated with the Payment Gateway System to enable the Company to perform its obligations under this Agreement and hence outside the control of BOCCC and/or OCL. Neither of BOCCC or OCL makes any representation, warranty or guarantee in relation to such integration whatsoever.

5. **SETTLEMENT**

5.1 **Calculations**

BOCCC shall procure OCL to calculate the respective amounts payable by or due to each party pursuant to this Agreement and that OCL's calculations shall be based upon the Transaction Data and successive Transaction Periods. In the absence of manifest error, OCL's calculations shall be final, conclusive and binding on the parties. The first Transaction Period shall commence on the Commencement Date.

5.2 **Settlement Report**

BOCCC shall procure OCL to issue a report at or before 1000 hours every day. The report shall be compiled from the Transaction Data received or obtained by OCL during the Transaction Period ending on that day. The report shall contain:-

(a) the total number of Deduct Value Transactions;
(b) the Total Transaction Value;
(c) the Percentage Fees; and
(d) the Net Entitlement Amount

in respect of the Transaction Data received or obtained by OCL during such Transaction Period.

5.3 **Gross Amounts**

(a) The gross amount payable by BOCCC to the Company in respect of the Transaction Data received or obtained by OCL during any Transaction Period shall be the Total Transaction Value.

(b) The gross amount payable by the Company to BOCCC in respect of the Transaction Data received or obtained by OCL during any Transaction Period shall be the applicable Percentage Fees.

5.4 **Set Off**

The respective amounts payable by each party to the other party under this Agreement in respect of the Transaction Data received or obtained by OCL during each Transaction Period shall be off-set against each other and the net balance, if any, shall be settled in accordance with Clause 5.6.

5.5 **Net Entitlement Amount**

(a) The amount payable in respect of the Transaction Data received or obtained by OCL during a Transaction Period shall be the Net Entitlement Amount specified in the relevant Settlement Report.

(b) BOCCC will instruct OCL to pay the Net Entitlement Amount directly to the Company Account if the Net Entitlement Amount is positive.

5.6 **Payment**

The payment of the Net Entitlement Amount specified in each Settlement Report shall be made at or before 1600 hours on the day when the Settlement Report is issued by OCL provided that it is a Business Day, irrespective of whether or not the Company disputes OCL's calculations. If that day is not a Business Day, the payment shall be made at or before 1600 hours on the immediately following Business Day.

5.7 [deleted]

5.8 **Provisional Arrangement for System Breakdown**

If any circumstances (a **"system breakdown")** arise whereby it is not possible for OCL to generate a Settlement Report by 1200 hours on any day, the amounts payable in respect of the Transaction Data received or obtained by BOCCC and/or OCL during the relevant Transaction Period shall be settled provisionally on the basis of the amounts specified to be payable in the last properly generated Settlement Report in respect of the Transaction Data received or obtained by BOCCC and/or OCL during a Transaction Period of a similar nature (e.g. general

holiday or not) issued by OCL, subject to any adjustments made at the sole discretion of OCL. BOCCC shall procure OCL to use its reasonable endeavours to rectify the situation as soon as possible. Within 2 Business Days of the system breakdown being rectified, BOCCC shall procure OCL to:-

(a) prepare a Settlement Report in respect of the Transaction Data received or obtained by BOCCC and/or OCL for the intervening Transaction Period(s) during the period of the system breakdown;

(b) calculate the actual amounts payable by the respective parties during the period of the system breakdown; and

(c) send a reconciliation statement to the Company showing the amounts actually paid and the amounts that should have been paid had there been no system breakdown and specifying a sum (a "**Breakdown Reconciliation Amount**") due from or to the Company.

The Breakdown Reconciliation Amount shall be paid by BOCCC or the Company (as the case may be) on or before the close of business on the immediately following Business Day.

5.9 [deleted]

5.10 **Duplicate Transactions and Other Invalid Transactions**

In calculating the respective amounts payable by or due to each party pursuant to this Agreement, BOCCC and/or OCL shall ignore any Deduct Value Transactions which have already been taken into account in a previous Settlement Report or are conducted erroneously or are otherwise invalid.

5.11 [deleted]

5.12 (a) **Reasonableness of Time Limits**

The Company acknowledges and agrees that: -

(i) to operate the Transaction System, each of BOCCC and OCL has to process a vast amount of data and that it would be impracticable for BOCCC and/or OCL to retain copies of all transactions and other data for a substantial period of time if the Transaction System is to operate for the mutual and profitable benefit of the Company, BOCCC and OCL; and

(ii) for the reasons given in (i),

(1) it is crucial that the Company promptly, upon receipt, carries out checks on the figures, data and information contained in the Settlement Reports, reconciliation statements and invoices (if any) provided to it by OCL (each an "**OCL Document**") so that discrepancies can be rectified in a timely and orderly manner before BOCCC and/or OCL disposes of its records of transactions and other data processed by it; and

(2) the strict time limits imposed in this Clause 5.12 and Clause 5.13 are fair, reasonable and proper in the circumstances.

(b) **Deemed Receipt**

The Company shall be deemed to have received a Settlement Report at 1100 hours on the day when the relevant Settlement Report is issued by OCL, unless the Company notifies BOCCC and/or OCL (in writing) to the contrary before 1200 hours on the same day.

(c) [deleted]

(d) [deleted]

5.13 **Discrepancy Claims**

(a) **Time Limit for Discrepancy Claim**

The Company shall examine each OCL Document carefully and compare the same with its own records and shall give notice to BOCCC in writing (a "**Discrepancy Claim**") within 30 days of the time of deemed receipt of such OCL Document of any discrepancies in the figures, data or information contained therein or if it disputes such figures, data or information. If BOCCC does not receive a Discrepancy Claim from the Company within such 30-day period, the relevant OCL Document shall (in the absence of manifest error or fraud committed by BOCCC or OCL or their respective agents) be deemed to be accepted by the Company as correct and conclusive evidence of all figures, data and information contained therein for all purposes, but BOCCC and/or OCL shall have the absolute right at any time to rectify any errors. BOCCC shall upon receiving each Discrepancy Claim promptly serve the same on OCL.

(b) **Retention of Records**

Notwithstanding Clause 4.11, if the Company issues a Discrepancy Claim, the Company shall retain the relevant records until the relevant claim has been resolved in accordance with this Clause 5.13.

(c) **Discrepancy Claim**

In respect of each Discrepancy Claim issued:-

(i) it must contain particulars of: -

(1) the reason for issuing the Discrepancy Claim, together with an estimate of the amount in dispute;

(2) the relevant OCL Document; and

(3) the relevant dates and payment reference numbers involved;

(ii) the Company shall furnish BOCCC with documentary evidence, including the bases for its own calculations, and copies or print-outs of its own records at the time when it serves the Discrepancy Claim on BOCCC or such other extended deadline as the parties may agree; BOCCC shall upon receiving such documentary evidence from the Company promptly serve the same on OCL; and

(iii) each of BOCCC and OCL shall be entitled (but not obliged) to reject any Discrepancy Claim which does not comply with the conditions specified in this Clause 5.13.

(d) **Tolerable Discrepancy**

If the Company disputes the figures, data or information in more than one OCL Document, the Company shall issue a separate Discrepancy Claim for each such OCL Document. The Company shall not issue more than one Discrepancy Claim in respect of one OCL Document. No Discrepancy Claim shall be issued unless the estimated amount in dispute exceeds the Tolerable Discrepancy.

(e) **Review by OCL**

BOCCC shall procure that each Discrepancy Claim shall be individually evaluated and assessed by OCL within the time period specified in Paragraph 10(d) of the Schedule. BOCCC shall notify the Company of the decision of OCL on or before the expiry of the time period specified in Paragraph 10(d) of the Schedule. If the claim or challenge is approved or accepted by OCL, BOCCC shall notify the Company of the agreed amount payable by BOCCC and BOCCC shall instruct OCL to pay the agreed amount to the Company on the next Business Day. OCL's decision on the Discrepancy Claim shall be final and binding on the Company.

5.14 [deleted]

5.15 [deleted]

5.16 [deleted]

5.17 [deleted]

5.18 [deleted]

5.19 **Explanation of Settlement Reports**

Upon the request of the Company and subject to the payment of a reasonable administration fee to BOCCC and/or OCL, BOCCC shall procure OCL to provide evidence in relation to, or a breakdown of, any Settlement Report as far as it is reasonably practicable to do so.

5.20 **Settlement Fee**

BOCCC and/or OCL shall have the right to charge the Company reasonable fees in connection with the settlement of the transaction monies, such fees to be advised by BOCCC and/or OCL from time to time.

6. **GENERAL PROVISIONS RELATING TO THE TRANSACTION SYSTEM**

6.1 **Intellectual Property Rights**

The Company acknowledges (i) that OCL is the owner of the names "Octopus", "Octopus Wallet" and their respective Chinese equivalents, all logos, trade marks and other intellectual property connected therewith, all Octopus identification numbers and all Octopus Wallet numbers, and (ii) that the copyright in all the specifications, source codes, computer programmes, materials and other documentation supplied by BOCCC and/or OCL to the Company in any way connected with the Transaction System (collectively, the "**OCL IP**") is vested in OCL and, upon the expiry or termination of this Agreement, the Company shall return to BOCCC and/or OCL all such specifications, source codes, computer programmes, materials and documentation and any copies thereof.

6.2 **OCL's Trade Marks, Octopus Identification Number and Octopus Wallet Number**

Save as provided in Clause 6.3(b), the Company shall not use the OCL IP for any other purposes except with the prior written consent of OCL. The Company shall comply with all reasonable

guidelines issued by OCL from time to time concerning the use of the OCL IP. The Company shall not make reference to OCL or any of its affiliates for any purposes without the prior written consent of OCL. Under no circumstance shall the Company use any Octopus identification numbers or any Octopus Wallet Account numbers, whether or not in combination with other information obtained by the Company, for any purpose without the prior written consent of OCL. Nothing in this Agreement shall confer any other rights on the Company in any OCL IP or other intellectual property owned by OCL.

6.3 (a) **The Company's Trade Marks**

During the term of this Agreement and for the purpose of promoting the Transaction System, each of BOCCC and OCL shall be entitled to, amongst other things, use the name of the Company as a participant permitted to accept the use of Octopus and/or the Octopus Wallet Service as payment for the Approved Goods and Services. The Company hereby grants BOCCC a licence to use the names, logos and trade marks of the Company (collectively the "**Company IP**") for those purposes only (with the right to grant OCL a sub-licence to use the Company IP for those purposes). BOCCC and OCL shall not otherwise use such Company IP without the consent of the Company. Such consent shall not be unreasonably withheld. BOCCC and OCL shall comply with all reasonable guidelines issued by the Company from time to time concerning the use of the Company IP. Nothing in this Agreement shall confer any other rights on BOCCC or OCL in any Company IP or other intellectual property owned by the Company.

(b) **Display of OCL's Trade Marks**

The Company shall ensure that the trade marks and/or logos of OCL as specified by BOCCC or OCL in writing shall appear on the surface of every mPOS Terminal or, only in the event that the mPOS Terminal does not have sufficient space on its surface to place the trade marks and/or logos of OCL on it, such other location in the proximity of every mPOS Terminal within the Premises as specified by BOCCC or OCL in such manner as BOCCC or OCL may reasonably require from time to time. The Company shall also display prominently such logos, trade marks and other promotional materials in such manner as BOCCC or OCL may reasonably require from time to time on the Premises.

6.4 **Anti-discrimination**

(a) [deleted]

(b) The Company shall not charge the Octopus Holders or the Octopus Wallet Holders, as the case may be, any additional amount for making a purchase and/or payment by the use of Octopus or the Octopus Wallet Service, as the case may be, as opposed to any other payment method for the purchase of and/or payment for the Approved Goods and Services.

(c) The Company shall not discriminate against, or give preferential treatment to, any individual Octopus Holder in relation to other Octopus Holders who hold the same Class of Octopus or any individual Octopus Wallet Holder in relation to other Octopus Wallet Holders who use the same type of Octopus Wallet Service, as the case may be, without the prior written consent of BOCCC and/or OCL, such consent not to be unreasonably withheld. The Company acknowledges and agrees that BOCCC and OCL shall be entitled to charge a reasonable fee in consideration of the grant of its consent.

(d) [deleted]

6.5 **Conditions of Issue of Octopus**

The Company shall ensure that the sale and purchase of the Approved Goods and Services between the Company and the Octopus Holders or the Octopus Wallet Holders, as the case may be, shall be consistent with the Conditions.

6.6 **Company's Undertakings**

The Company further undertakes to BOCCC that it shall:

(a) not use any mPOS Terminal in relation to the Payment Services other than strictly for the purposes of performing its obligations under this Agreement;

(b) take all reasonable steps to protect the mPOS Terminals in its possession from loss, theft or malicious interference;

(c) immediately report to BOCCC upon discovery of (i) the loss or theft of, or any malicious interference with any mPOS Terminal in its possession that may affect the Transaction System or any part thereof and/or (ii) any pattern relating to the Payment Services and/or the Transaction System which is suspicious or abnormal in accordance with the Operating Rules;

(d) [deleted]

(e) [deleted]

(f) [deleted]

(g) [deleted]

(h) notify BOCCC as soon as possible of and furnish BOCCC with particulars reasonably required by BOCCC in the event that the Company becomes a party to an industrial dispute which may cause the Transaction System or any part thereof not to function properly or becomes aware of the occurrence of an event or circumstance likely to cause such an industrial dispute;

(i) notify BOCCC promptly of and furnish BOCCC with particulars reasonably satisfactory to and/or requested by BOCCC, upon becoming aware of any event or circumstance (including, but not limited to, any change to its financial condition and/or business operations) which will or is likely to inhibit, impair, delay or adversely affect the ability of the Company to perform or comply with its obligations under this Agreement;

(j) notify BOCCC promptly of, and furnish BOCCC with supporting documentation as reasonably requested by BOCCC and/or OCL in relation to, any changes in the matters of or relating to the Company as set out in Paragraph 14A of the Schedule and/or any changes in any other information of or relating to the Company provided by the Company to BOCCC and/or OCL for due diligence purpose, and/or furnish any other information of or relating to the Company (including, but not limited to, financial information) as reasonably requested by BOCCC and/or OCL in connection with the performance by the Company of its obligations under and/or matters contemplated by this Agreement;

(k) not use, and shall not allow, permit or suffer the use of, any data stored in any Octopus or any Octopus Wallet, as the case may be, other than the data stored in the data fields specified by BOCCC and/or OCL from time to time for the purpose of determining the amount of value to be deducted from the relevant Octopus or the relevant Octopus Wallet, as the case may be;

(l) not use, attempt to use or permit to use any part of the data link for any use other than for the transmission of data and information as contemplated under this Agreement; not tamper, copy, modify or in any other ways seek to alter or allow any other person to tamper, copy, modify or seek to alter the data link; not use the data link in any unlawful, fraudulent, improper, unauthorised, harassing, discriminatory, libelous, abusive, threatening, harmful, vulgar, obscene or otherwise objectionable manner or in any way that may be harmful or detrimental to the interests of BOCCC and/or OCL or the interests of any third party who supplies the data link; or not in any manner that could constitute a criminal offence or give rise to civil liability or otherwise violate any applicable law or regulation; and

(m) comply with this Clause 6.6, failing which, shall constitute a material breach of this Agreement by the Company and BOCCC shall be entitled to terminate this Agreement forthwith without compensation or any payment whatsoever to the Company.

6.6A **No Warranty on Network**

The Company acknowledges and agrees that the supply and maintenance of the data link is operated by a third party service provider and hence outside the control of BOCCC and OCL. In consequence of the foregoing, Neither BOCCC nor OCL makes any representation, warranty or guarantee in respect of the data link whatsoever.

6.7 [deleted]

6.8 [deleted]

6.9 [deleted]

6.10 [deleted]

6.11 [deleted]

6.12 [deleted]

6.13 **Disclaimer of Warranties**

The Company agrees that its use of the Transaction System, the Payment Gateway System, the Transaction Database and the Company System is at its sole risk. BOCCC does not warrant that the Transaction System, the Payment Gateway System, the Transaction Database and the Company System will be

uninterrupted or error free and BOCCC does not warrant as to the results or data that may be obtained from the use of the Transaction System, the Payment Gateway System, the Transaction Database or the Company System or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service or transaction provided through the Transaction System, the Payment Gateway System, the Transaction Database or the Company System. The Transaction System, the Payment Gateway System, the Transaction Database and the Company System, or any feature or component thereof, are provided on an "AS IS" basis without representations or warranties of any kind, either express or implied, including, but not limited to, those of information access, merchantability and fitness for a particular purpose.

7. **MISCELLANEOUS**

7.1 (a) **Mutual Warranties**

Each of the parties represents and warrants to the other that:

(i) it has the full power and capacity to enter into this Agreement and will comply with and perform its obligations hereunder, and has obtained all necessary consents and approvals to do so;

(ii) this Agreement constitutes its valid, binding and enforceable obligations;

(iii) it has complied (and will continue to comply) with all applicable laws and regulations, including, but not limited to, the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong); and

(iv) all information supplied to the other party and/or to OCL in connection with the matters contemplated by this Agreement and its performance of its obligations hereunder is true, complete and up-to-date and does not omit any material facts.

(b) **Protection of Reputation**

Each of the parties undertakes to the other that:

(i) it will not generate any adverse publicity or make any untrue, unfair or defamatory statement about the other or OCL; and

(ii) it shall not do, or cause or allow anything to be done by its employees, servants, agents, licensees or contractors to cause damage or injury to the name or reputation of the other party or OCL.

7.2 **Limitation of Liability**

(a) Subject to Clauses 7.2(b), (c), (d) and (e), the maximum liability of a party (in this Clause 7.2, the "**defaulting party**") in respect of claims by the other party under this Agreement in relation to any one breach of this Agreement or other single act or omission by the defaulting party giving rise to liability (for the purposes of this Clause 7.2, each a "**claim**") shall be the amount specified in Paragraph 15 of the Schedule.

(b) Subject to Clauses 7.2(c), (d) and (e), the aggregate maximum liability of the defaulting party in respect of all claims over any period of 12 consecutive months (commencing on the date upon which this Agreement comes into effect and on each anniversary thereof) shall not exceed the amount specified in Paragraph 16 of the Schedule.

(c) If a number of breaches, acts or omissions by the defaulting party give rise to substantially the same loss then such breaches, acts or omissions shall be treated as giving rise to only one claim under this Agreement.

(d) Clauses 7.2(a), (b) and (c) shall not apply to claims in relation to or arising under Clause 5 or claims in respect of death or personal injury.

(e) Clauses 7.2(a), (b) and (c) shall not apply to claims by BOCCC against the Company in respect of any fees, charges or shortfall amounts payable by the Company to BOCCC under this Agreement

(f) Neither party shall be liable for any loss of profit or revenue, loss of contracts or any indirect, consequential, incidental, special or punitive loss or damages arising out of or in connection with this Agreement, whether in contract, tort or otherwise, even if such party has been informed of the possibility of such damage.

7.3 **Duration**

Subject to the condition that the Company has been approved by OCL as an approved merchant to accept the use of Octopus and/or the Octopus Wallet Service as payment for the Approved Goods and Services, this Agreement shall come into force on the date of this Agreement and shall continue in force until it is terminated in accordance with Clause 7.4.

7.4 (a) **Termination**

Either party may terminate this Agreement in the specified manner in any of the following circumstances:

(i) by giving to the other party a notice of termination specifying the date of termination but such date of termination shall not be earlier than the expiry of the period specified in Paragraph 6 of the Schedule and such notice shall not be given prior to the date specified in Paragraph 6A of the Schedule;

(ii) if the other party is in continuous or material breach of its obligations under this Agreement, and, in the case of a breach which is capable of remedy, the other party fails to remedy the breach within 30 days of a notice from the non-defaulting party giving particulars of the breach and requiring its remedy, by giving the party in breach 5 Business Days' notice;

(iii) if the other party goes into liquidation or provisional supervision (voluntary or otherwise), or a receiver or equivalent officer has been appointed in respect of all or any material part of its assets or otherwise becomes or is declared insolvent or is unable to pay its debts as they fall due, by giving notice to the other party, such notice to take effect upon receipt;

(iv) if the other party enters into a merger or consolidation with or into any other person or anything analogous thereto and the entity resulting from the merger or consolidation does not assume or otherwise agree to be bound by the obligations and liabilities undertaken by that other party under this Agreement, by giving notice to the other party, such notice to take effect upon receipt; or

(v) if the other party suspends (for 7 Business Days or more) or ceases, or threatens to suspend (for 7 Business Days or more) or cease, any part of its business or operations which relates to the provision of the services provided for in this Agreement or participation in the Transaction System, by giving notice to the other party, such notice to take effect upon receipt.

(aa) [deleted]

(b) **Termination by OCL**

Both BOCCC and the Company agree and acknowledge that OCL shall, if any of the following occurs, have the right to terminate this Agreement:-

(i) by giving a notice of termination specifying the date of termination if OCL is of the opinion that any name, interest or reputation of OCL or the reputation in any OCL IP is or will be compromised, damaged, injured, imperiled or brought into disrepute as a result of any act or omission of the Company not arisen from any term or condition of this Agreement;

(ii) by giving a notice of termination specifying the date of termination if any applicable regulatory authority revokes any licence, authorisation or permission that OCL, BOCCC and/or the Company is/are required by law to hold to enable BOCCC to acquire the Company as a merchant for OCL and/or to enable the Company to accept the use of Octopus and/or the Octopus Wallet Service as payment for the Approved Goods and Services; and

(iii) by giving to BOCCC and the Company a notice of termination specifying the date of termination but such date of termination shall not be earlier than the expiry of the period specified in Paragraph 7 of the Schedule (but this right shall not unreasonably exercised).

(ba) **Termination of Acquirer Agreement**

BOCCC may terminate this Agreement if Acquirer Agreement shall expire or terminate for whatever reasons, by giving notice to the Company, which notice shall take effect upon receipt unless otherwise stipulated therein.

(c) **Remediable Breach, etc.**

For the purpose of this Agreement, a material breach includes a breach of any provision under Clauses 3.1B, 4.4, 4.6, 4.7, 4.8, 4.12, 4.14 and/or 6.6 and a continuous breach shall mean a breach of any provision under this Agreement for more than 30 consecutive days. Without prejudice to the foregoing, for

the purpose of this Clause 7.4 (but not otherwise), a breach shall be considered capable of remedy if the party in breach can comply with the provision in question in all respects other than as to the time of performance.

(d) **Without Prejudice**
The termination of this Agreement shall not affect the respective rights and liabilities of the parties accrued prior to such termination.

(e) **Uninstallation, etc on Cessation or Termination**
Upon cessation of provision of the Payment Services on any or all Premises or the expiry or termination of this Agreement (as the case may be) and without prejudice to the rights of the parties under this Agreement, the Company undertakes to forthwith (i) uninstall and destroy or delete all computer software or programmes installed in the relevant mPOS Terminal(s) and/or other relevant components of the Company System that are relevant to the Payment Services as licensed to the Company by BOCCC and/or OCL and/or (ii) carry out necessary modifications and/or work on the relevant mPOS Terminal(s) and/or other relevant components of the Company System that are relevant to the Payment Services according to the standards and requirements specified by BOCCC and/or OCL in order to disable the function to accept the use of Octopus and/or the Octopus Wallet Service therein, failing which, the Company shall provide access to BOCCC and/or OCL's representatives(s) to carry out any outstanding of the aforementioned work at the Company's costs and expenses. The Company shall, take all necessary steps to assist and facilitate in the carrying out of such work as requested by BOCCC and/or OCL. The Company agrees and confirms that BOCCC and/or OCL shall not be liable to the Company for any loss or damage whatsoever arising from or in connection with BOCCC and/or OCL enforcing its rights under this Clause 7.4(e).

(f) [deleted]

(g) **Reasonable Notice to Customers, etc.**
The Company agrees that it shall, at its own costs and expenses, give reasonable notice to its customers (reasonable in terms of, among other things, the length of notice period and the manner of bringing such notice to the attention of its customers) that it will cease providing the Payment Services on any or all Premises or in its entirety pursuant to Clause 3.1A(a) or will cease to participate in the Transaction System pursuant to the termination or expiry of this Agreement. The Company further agrees that it shall, at its own costs and expenses, provide assistance as reasonably requested by BOCCC and/or OCL to facilitate the smooth cessation of the Payment Services on any or all Premises or in its entirety or the smooth termination of the Payment Services or this Agreement.

(h) **Stepping in by OCL upon Termination**
The Company agrees that, upon the giving of notice of termination under this Agreement or upon termination of this Agreement, whichever is the earlier, OCL shall have the right to contact and liaise with the Company directly with the view to enter into a service agreement with the Company by OCL (or another company designated by OCL at its sole and absolute discretion) for the provision of services similar to those provided under this Agreement by OCL (or such another company designated by OCL at its sole and absolute discretion). The Company hereby grant its consent to BOCCC to provide its contact details to OCL in order to facilitate the entering into of such contractual relationship between OCL (or another company designated by OCL at its sole and absolute discretion) and the Company.

(i) **Survival of Terms**
Clauses 4.9, 6.1, 7.1(b), 7.4(e), 7.4(g), 7.4(h), 7.8, 7.10, 7.12 and 7.18 shall survive the termination or expiry of this Agreement.

7.5 **BOCCC's Right to Set Off**
Without prejudice to the set off referred to in Clause 5.4 and notwithstanding anything to the contrary herein, BOCCC shall be entitled to set off any amount due and payable by the Company to BOCCC whether under this Agreement or otherwise against any sum which would otherwise be due by BOCCC to the Company under this Agreement.

7.6 **No Partnership**
Nothing in this Agreement shall be deemed to constitute or to create a partnership between BOCCC and the Company.

7.7 **No Assignment**
Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.

7.8 **Confidentiality**

(a) Each of BOCCC and the Company shall keep confidential all Sensitive Information except (i) where it is under law or the requirements of any applicable regulatory authorities or any competent court of laws to disclose the same, (ii) in relation to its staff members, professional advisers and/or agents (in the case of OCL, including its affiliated companies, its and/or its affiliated companies' directors, staff members, professional advisers and/or agents) who have a need to know, for the purpose of enabling the party to perform its obligations under this Agreement on the condition that they agree to keep the same confidential. Notwithstanding the foregoing restrictions, it is agreed that BOCCC shall be entitled to disclose any or all Sensitive Information to OCL, OCL's affiliated companies and/or the directors, staff members, professional advisers and/or agents of OCL and/or OCL's affiliated companies and OCL is not required to keep confidential the Sensitive Information covered by paragraphs (a), (b), (c), (d), (da), (e), (f) and (g) in the definition of "Sensitive Information" in Clause 1.1. Except as expressly authorised in this Agreement, neither party shall allow any person to use, display, copy, disclose, transmit, reverse, disassemble, decompile or translate any of the Sensitive Information without the prior written consent of the disclosing party.

(aa) Without prejudice to Clause 7.8(a), the Company hereby: -

(i) acknowledges and agrees that BOCCC shall be entitled to disclose to and provide OCL (including OCL's affiliated companies and/or the directors, staff members, professional advisers and/or agents of OCL and/or OCL's affiliated companies) with any and all data, information, document (or copy of any of the foregoing), or record of any data or information, relating to the Company and any individuals connected with the Company (collectively, the "**Connected Persons**") (including, but not limited to, those data, information and documents provided by the Company or otherwise obtained by BOCCC before or after the date of this Agreement for due diligence purpose in connection with this Agreement) from time to time for OCL to use the same for the purposes of OCL approving the Company as an approved merchant to accept the use of Octopus and/or the Octopus Wallet Service as payment for the Approved Goods and Services and, after approval, for the purposes of OCL maintaining business relationship with the Company, ongoing monitoring of the Company and/or complying with applicable legal and/or regulatory requirements throughout the continuance of business relationship with the Company and for at least 5 years beginning on the date on which such business relationship ends or until such time as may be required by BOCCC and/or OCL to comply with any legal or regulatory requirements applicable to BOCCC and/or OCL from time to time, whichever is later, and the Company hereby agrees with and consent to the aforesaid use by OCL;

(ii) agrees and consents that, without prejudice to Clause 7.4(h), in the event that BOCCC is about to cease its business or, to the extent permissible by the applicable laws or regulations, BOCCC ceases to be an acquirer of OCL as contemplated under Acquirer Agreement for whatever reason (as the case may be), BOCCC shall have the right to pass all data, information, documents relating to the Company and the Connected Persons received or obtained by BOCCC pursuant to this Agreement to OCL for the purpose of provision by OCL (or another company designated by OCL at its sole and absolute discretion) of services similar to those provided under this Agreement; and

(iii) confirms and warrants that it has obtained (and will obtain) the express and prescribed consent of every Connected Person to the provision of their data,

information and documents to BOCCC and OCL for the purposes as provided for in this Clause.

(ab) Each party shall ensure that its staff members, professional advisors and agents are aware of and comply with the provisions of this Clause 7.8.

(b) The Company undertakes to notify BOCCC and/or OCL forthwith upon discovery of any security breach of any Sensitive Information.

(c) To enable the Company to provide the Payment Services, the Company acknowledges and agrees that BOCCC's contractor(s) that provide(s), operate(s) and/or maintain(s) the Payment Gateway System and/or the Transaction Database and supply(ies) the mPOS Terminals and/or provide(s) services related to the foregoing will have access to Sensitive Information covered by paragraphs (a), (b), (c), (d), (da), (e) and (f) in the definition of "Sensitive Information" in Clause 1.1. BOCCC shall procure to ensure such contractor(s) to keep confidential all such information and to use such information strictly for the purpose of enabling BOCCC to perform its obligations under this Agreement and not for any other purpose(s).

(d) The Company undertakes not to, and BOCCC shall, and shall procure to ensure its contractor(s) that provide(s), operate(s) and/or maintain(s) the Payment Gateway System and/or the Transaction Database to undertake not to, retain any Sensitive Information longer than is necessary for the fulfilment of its obligations under this Agreement for which any such Sensitive Information is used. The Company shall, and BOCCC shall, and shall procure to ensure its contractor(s) that provide(s), operate(s) and/or maintain(s) the Payment Gateway System and/or the Transaction Database to, delete and destroy any relevant Sensitive Information in a secured manner whenever such Sensitive Information shall not be required to be retained, and shall provide OCL with a certificate issued by an independent professional third party certified public accountant or information technology (IT) expert as agreed by OCL certifying that such deletion or destruction has been taken place properly.

7.9 (a) **Waivers**

No failure or delay by either party to exercise or enforce any right, power, privilege or remedy hereunder shall operate as a waiver thereof, nor will any single, partial or defective exercise of any such right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. No waiver of any provision of, or any rights or obligations under, this Agreement shall have any effect except pursuant to a written instrument signed by the party waiving compliance.

(b) **Amendment**

BOCCC may (with the prior written consent of OCL) amend or modify the terms of this Agreement at any time by giving not less than 30 days' notice in writing to the Company, furnishing full particulars of the amendment(s) or modification(s) and specifying the date upon which it/they shall become effective. If the Company raises no written objection to the amendment(s) or modification(s) within the notice period, the same shall come into effect in accordance with the provisions of BOCCC's said notice. If the Company raises written objection to the amendment(s) or modification(s), BOCCC shall have the right to terminate this Agreement forthwith. Any other amendment to this Agreement may only be made if the parties so agree in writing and signed by both parties, subject to the prior written consent of OCL.

(c) **Entire Agreement**

This Agreement (including all the specifications, instructions, procedures and other documents referred to herein) and the documents referred to in Paragraph 18 of the Schedule contain the entire agreement between the parties relating to the transactions contemplated in it and supersedes all previous agreements, understanding, arrangements, promises, warranties, indemnities and undertakings relating to such transactions. Without limiting the generality of the foregoing, neither party shall have any remedy in respect of any untrue statement or representation made by the other party prior to entering into this Agreement unless such statement or representation is contained in this Agreement or in any documents referred to in Paragraph 18 of the Schedule or the statement or representation is made with fraudulent intent.

(d) **Joint and Several Liabilities (if applicable)**

If the Company consists of two or more persons, the obligations and liabilities of such persons under this Agreement shall be joint and several and they shall be deemed to have authority to act as agents of each other.

7.10 **Communications**

(a) Every communication, notice, notification, statement (excluding Settlement Reports and Transaction Data) (collectively, the "**communications**") issued to the other party under this Agreement shall be in writing in the English language, and sent to the designated person or office holder of each party whose contact details are set out in Paragraphs 17 and 17(a) of the Schedule, respectively, by facsimile, email, personal delivery or by post unless otherwise stated.

(b) [deleted]

(c) [deleted]

(d) Every communication shall be deemed to have been received, (i) if sent by facsimile or email, when successfully despatched during normal business hours; (ii) if delivered by hand, when left at the relevant party's designated address; and (iii) if sent by postage prepaid, 2 Business Days after posting, unless returned by post. In proving service by post, it shall be sufficient to prove that the communication was properly addressed and posted.

(e) [deleted]

7.11 **Illegality**

The illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provisions.

7.12 (a) **Governing Law**

This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.

(b) **Arbitration**

Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof, shall be referred to and finally settled by arbitration administered by the Hong Kong International Arbitration Centre ("HKIAC") under the HKIAC Administered Arbitration Rules (the "**HKIAC Rules**") as in force as at the date when the notice of arbitration is submitted in accordance with the HKIAC Rules. The appointment authority shall be the HKIAC. The place of arbitration shall be in Hong Kong. There shall be only one arbitrator.

(c) **English Language**

Any arbitration or other legal proceedings in relation to this Agreement shall be conducted in English and, for the avoidance of doubt, neither party shall require the other to provide a Chinese translation of any document.

(d) **Computer Records**

It is expressly agreed that all records (including computer records) of BOCCC, OCL and the Company shall be admissible in evidence in any arbitration or other legal proceedings.

7.13 **Special Conditions**

This Agreement shall be varied or modified by the terms and conditions (the "**Special Conditions**") set out in Appendix 1. In case of conflict or inconsistency between this Agreement and the Special Conditions, the Special Conditions shall prevail.

7.14 **Octopus Holder's and Octopus Wallet Holders' Transaction Records**

To the extent permitted by applicable laws, BOCCC shall procure OCL to supply, which OCL may at its discretion supply, the Company with a copy of the transaction records (excluding personal details) in respect of the transactions between the Company and any Octopus Holder (identified by the Octopus identification number and/or the relevant payment reference number only) or between the Company and any Octopus Wallet Holder (identified by the Octopus Wallet number and/or the relevant payment reference number only), as the case may be, upon the written request of the Company and subject to the payment by the Company of a reasonable administration fee.

7.15 **Visibility and Audibility**

The Company shall procure that the mPOS Terminal(s) are installed or placed (as the case may be) at prominent locations on the Premises so that customers may clearly view the amount to be deducted from the Octopus or the Octopus Wallet, as the case may

be, and the remaining balance thereof and to provide an audible tone of frequencies and audibility to a standard approved by BOCCC and/or OCL to indicate to the customer that a successful transaction has been consummated in accordance with the requirements set out in the Operating Rules or as otherwise specified by BOCCC and/or OCL.

7.16 **Force Majeure**

A party shall not be liable for any delay in the performance of its obligations hereunder which is due to circumstances beyond its control (including temporary failure of communication networks or computers, blackout). The party affected by such circumstances must promptly notify the other party in writing of such circumstances.

7.17 **Suspension of Payment**

(a) Notwithstanding Clause 3.6 above, the Company agrees and confirms that BOCCC may, in its sole and absolute discretion, withhold and/or instruct OCL to withhold payment or any part thereof payable to the Company under this Agreement for such period and in such manner as advised by BOCCC in writing from time to time.

(b) The Company further agrees and confirms that BOCCC and OCL shall be released from any or all the obligations and liabilities under Clause 3.6 at the time BOCCC instructs OCL in accordance with this Clause 7.17 and shall not be liable to the Company for any loss or damage whatsoever arising from or in connection with BOCCC exercising its rights under this Clause 7.17 and/or OCL's compliance with BOCCC's instructions in accordance with this Clause 7.17.

(c) The Company shall fully indemnify BOCCC and/or OCL, and keep BOCCC and/or OCL indemnified in full, against any and all losses, damages, liabilities, costs (including, but not limited to, legal costs and disbursements) and expenses suffered or incurred by BOCCC and/or OCL arising out of or in connection with or as a result of BOCCC instructing OCL to withhold payment in accordance with this Clause 7.17 and/or OCL's compliance with BOCCC's instructions in accordance with this Clause 7.17.

7.18 **Contracts (Rights of Third Parties) Ordinance**

This Agreement shall not create or give rise to, nor shall it be intended to create or give rise to, any third party rights. No third party shall have any right to enforce or rely on any provision of this Agreement which does or may confer any right or benefit on any third party, directly or indirectly, expressly or impliedly. The application of any legislation giving rise to or conferring on third parties contractual or other rights (including, but not limited to, the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong)) in connection with this Agreement is hereby expressly excluded.

THIS AGREEMENT has been entered into by the parties on the date and year stated at the beginning of this Agreement.

S C H E D U L E

Paragraph Number	**Relevant Clause(s)**	**Brief Description**	**Particulars**
1.	Parties	The Company	Name: Place of Incorporation: Registered Office: Principal Place of Business: Legal Status: [Private company limited by shares/ Private company limited by guarantee/ Public Limited Company/ Partnership/ Sole Proprietorship/ Government Department/ Statutory Body/ Others (please specify)]
2.	[deleted]	[deleted]	[deleted]
3.	1.1	Company Account	Account Holder Name: Bank Name: Account No.:
4.	1.1	Approved Goods and Services	[ ] offered and/or delivered by the Company within the retail outlets owned, operated and/or managed by the Company under the trade name of "[ ]" registered under its business registration and such other retail outlets owned, operated and/or managed by the Company under other trade name(s) registered under the relevant business registration(s) of the Company as the Company notifies BOCCC and OCL in writing and as agreed by BOCCC and OCL from time to time.
5.	1.1	Commencement Date	**[ ]** or such other date being the launch date of the Payment Services as confirmed by BOCCC.
6.	7.4(a)(i)	Termination Notice Period	Six months after a party has given the notice of termination to the other party
6A.	7.4(a)(i)	Termination Notice not to be given before	[ ] months after the date of this Agreement
7.	7.4(bb)(iii)	Termination Notice Period by OCL	Six months after OCL has given the notice of termination to the BOCCC or the Company
8.	3.4	Percentage Fees	[ ]%
9.	[deleted]	[deleted]	[deleted]
10.	[deleted]	[deleted]	[deleted]
10(a).	1.1, 5.13(d)	Tolerable Discrepancy	HK100
10(b).	[deleted]	[deleted]	[deleted]
10(c).	[deleted]	[deleted]	[deleted]

<table>
<tr><th>Paragraph Number</th><th>Relevant Clause(s)</th><th>Brief Description</th><th>Particulars</th></tr>
<tr><td>10(d).</td><td>5.13(e)</td><td>Discrepancy Claim review period by OCL</td><td>One (1) month (or such longer time period as OCL may reasonably require) after OCL has received the last piece of supporting evidence furnished by the Company in accordance with Clause 5.13(c)(ii).</td></tr>
<tr><td>11.</td><td>[deleted]</td><td>[deleted]</td><td>[deleted]</td></tr>
<tr><td>12.</td><td>[deleted]</td><td>[deleted]</td><td>[deleted]</td></tr>
<tr><td>13.</td><td>[deleted]</td><td>[deleted]</td><td>[deleted]</td></tr>
<tr><td>14.</td><td>[deleted]</td><td>[deleted]</td><td>[deleted]</td></tr>
<tr><td>14A.</td><td>6.6(j)</td><td>Changes in matters to be notified to the ACQUIRER</td><td>
<table>
<tr><td>Legal Status of the Company</td><td>Changes in the following matters of or relating to the Company to be notified to BOCCC</td></tr>
<tr><td>Sole proprietorship</td><td>- Beneficial ownership</td></tr>
<tr><td>Partnership</td><td>- Partners</td></tr>
<tr><td>Body corporate</td><td>- Beneficial ownership
- Director(s) or the governing body of the Company</td></tr>
<tr><td>Statutory body or a body unincorporated</td><td>- Director(s) or the governing body of the Company</td></tr>
</table>
</td></tr>
<tr><td>15.</td><td>7.2(a)</td><td>Maximum Liability per claim</td><td>HK$1,000,000.00</td></tr>
<tr><td>16.</td><td>7.2(b)</td><td>Maximum Liability per each period of 12 months</td><td>HK$1,000,000.00</td></tr>
<tr><td>17.</td><td>7.10(a)</td><td>The Company’s contact details</td><td>DESIGNATED PERSON:
ADDRESS:
TELE. NO.:
FAX NO.:
EMAIL ADDRESS:</td></tr>
<tr><td>17(a).</td><td>7.10(a)</td><td>BOCCC’s contact details</td><td>DESIGNATED PERSON:
ADDRESS:

TEL. NO.:
FAX NO.:
EMAIL ADDRESS:</td></tr>
<tr><td>18.</td><td>7.9(c)</td><td>Additional documents/agreements</td><td>NIL</td></tr>
<tr><td>19(a).</td><td>[deleted]</td><td>[deleted]</td><td>[deleted]</td></tr>
<tr><td>19(b)</td><td>[deleted]</td><td>[deleted]</td><td>[deleted]</td></tr>
</table>

APPENDIX 1

SPECIAL CONDITIONS

SC1. Agreements between BOCCC and the Company other than this Agreement

BOCCC and the Company acknowledge that apart from this Agreement, BOCCC may require the Company to enter into other separate agreements in relation to use of sevices provided by BOCCC by the Company, including, but not limited to, supply of mPOS Terminals (collectively, the "**mPOS Terminal Agreements**"). The Company acknowledges and confirms that:

(a) OCL shall have no liability whatsoever in respect of any mPOS Terminal Agreement(s) entered into between BOCCC and the Company; and
(b) OCL shall not be liable to the Company or any other person whatsoever in respect of or in connection with any such mPOS Terminal Agreement(s),

and the Company shall have no claim whatsoever against OCL in respect of any such mPOS Terminal Agreement(s) and/or any services provided by BOCCC thereunder.

APPENDIX 2

FORM OF SETTLEMENT REPORT

Octopus Cards Ltd
Settlement Summary
Settlement Date : DD-MM-YYYY

Print By :
Print Date : DD-MM-YYYY HH:MM:SS
Page 1 of 1

REPORT ID: SET051ShiftOOS
SP NAME: XXXXXX
SP ID: XXXXXX

			[EXPIRED TRANSACTION]
TRANSACTION VOLUME			
USAGE VOLUME	(1)	X,XXX	X
TRANSACTION VALUE			
USAGE DEDUCTIONS VALUE	(2)	XX,XXX.X	X.X
LESS PER TRANSACTION FEE	(3)	(X.X)	
PERCENTAGE FEE	(4)	(X,XXX.X)	
NET CHARGES	(5) = (3) + (4)	(X,XXX.X)	
NET ENTITLEMENT	(6) = (2) + (5)	XX,XXX.X	

* * * END OF REPORT * * *