

Sevi commercial framework

-November 2021-

About Sevi

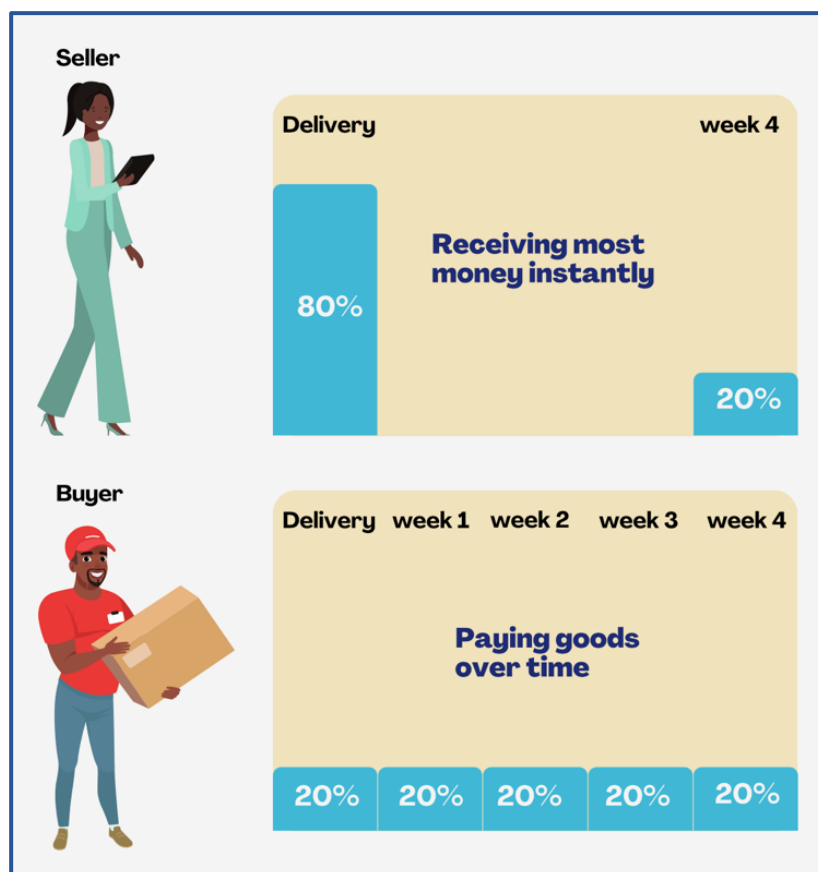
Reach a bigger target market and sell more products by providing an ‘**Order now, Pay later**’ option to your customers. Selling on credit without the hassle or the risk.

Sevi offers a simple-to-use smartphone app for your sales agents and your customers, to easily sell your products on Sevi’s credit.

“Sell on credit, get 80% paid on delivery”

Even though you are selling on credit, you get paid 80% of the order value on delivery. The Sevi fund provides a **credit to your customers**, which enables them to pay in instalments. The remaining balance of 20% you’ll receive when your customer pays the final instalment. In other words, when a customer defaults Sevi bares 80% of the risk.

Sevi facilitates the process of Order now, Pay later. **You remain in control** of your products, pricing and customer relations.



Commercial Terms

Sevi offers a Pay As You Go (PAYG) pricing model, since you shouldn't pay more than you use. You pay per order, processed by Sevi.

Trail period

The cooperation between parties starts with a three-month trial period. Based on a positive evaluation both parties intent to scale the service to all Buyers. The initial credit line will increase based on the performance of the Buyers during the trial period.

Sevi onboarding

- Once-off Sevi onboarding fee: nil

Fees to Seller (e.g. producer / wholesale / eCommerce)

- Processing fee per order: nil

Fees to Buyer (e.g. reseller / retail / consumer group)

- Fixed commission per trade cycle:
 - 1 week trade cycle: 3.4%
 - 2 week trade cycle: 3.8%
 - 4 week trade cycle: 4.6%
 - 8 week trade cycle: 6.2%
 - 12 week trade cycle: 7.8%
- This commission includes:
 - Customer identity verification
 - SMS notification fees
 - M-Pesa paybill charges
 - Technical support
- Commission is transparently displayed, before Buyer agrees with selected payment plan.
- Commission and processing fees are collected at source per instalment.

Bandwidth

- The bandwidth of the total amount of credit provided to your Buyers combined, is determined by Sevi's credit commission based on due diligence documentation. This bandwidth will grow overtime based on the repayment results of the associate Buyers.
- The total order value allowed per Buyer is determined by Sevi's credit algorithm and will increase based on repayment behaviour of the Buyer.

Specific Terms

- Settlement currency: KES
- Settlement frequency: manually settle to your bank account or M-Pesa paybill.
- Professional Services: the Sevi partner will implement and test the Sevi infrastructure with guidance from Sevi. However, if any customisation is required for the integration that involves development resource, Sevi will reserve the right to quote and charge for time.

Disclaimer

Never pay to a Sevi staff member, only pay to the Sevi paybil number 4042419. No kick-back fees are charged nor allowed to the Sevi sales and onboarding team.

The signing of this Commercial Framework starts the three-month trial period. After the trial period parties intent to enter into a service agreement.

This information is strictly confidential to Sevi and is shared with prospective clients for the purpose of confidential commercial discussions. Under no circumstances should this information be disseminated or shared outside of your organization.

Final acceptance of these commercials will be subject to Member Due Diligence and agreement on final contracting terms.

Responsibilities

Responsibilities of Sevi

- Collect payments digitally
- Payment of 80% of order value on delivery
- Payment of 20% of order value on final repayment
- Proposing credit configurations to the Buyer
- Send digital reminders on repayment
- Register and account for credits, instalments and repayment
- Show credit performance in a dashboard
- Providing marketing materials and technical support for onboarding buyers
- Provide a 'Buy now, Pay later' payment option plugin (WooCommerce)
- Involve debt collector after 90 days delayed payment
- Screening all wallet holders and complying with CBK requirements
- Reconciliation and settlement
- Risk and fraud processes for detection and prevention
- Logging of financial and non-financial transactions

Responsibilities of Partner

- Marketing and sales of the products
- Product pricing
- Providing correct product and pricing information on ecommerce website
- Delivery of orders incl. change status in Sevi order portal
- Customer relationship management and after sales support
- Handling the return of products
- Screening of the Buyer
- Providing assistance to its Buyers in onboarding, ordering and understanding the credit terms
- Follow-up with Buyer after 2 weeks of delayed payment
- Refusing business with Buyers that Sevi flags as having defaulted on their payments and providing assistance recovering defaulted loan amounts.
- Implement, test and maintain the Sevi 'Buy now, Pay later' plugin in accordance with the specifications
- Meeting all regulatory approvals required
- Complete Sevi's due diligence process (compulsory before a new Partner is contracted & connected). The statutory requirements are:
 - Signed Commercial Framework
 - Company registration certificate
 - Company KRA-PIN
 - CR-12

Approval

Please sign below for approval of commercial terms for a three-month trial.

Name: _____

Company: _____

Date: _____

Signature: _____ (NOTE: sign and scan all pages)