

THIS AGREEMENT IS MADE ON 04-01-2022
BETWEEN:

- (1) P.O. Box Welashades Limited (the "Cash Merchant" which expression shall include its successors in title and assigns) and
- (2) P.O. Box Hassan Ali City Town (the "Aggregated Merchant" or "you" which expression shall include its successors in title/personal representatives and assigns) and issued with Business Number [enter M-PESA TIB business number issued to the aggregated merchant]

Both the Cash Merchant and the Aggregated Merchant are afterwards referred to jointly as the "parties" or individually each as "party".

BACKGROUND:

- A. The Cash Merchant has entered into an agreement with Safaricom Limited ("Safaricom") for the provision of the Services (defined below) (the "Cash Merchant Agreement");
- B. The Parties have agreed to contract in consideration of the terms and conditions set out in this Agreement.

AGREED TERMS:**1. DEFINITIONS**

"Accounts" means your M-PESA Accounts comprising of the Mobile Microfinance Account (MMF), the Outlet Float Account and the Commissions Account. These accounts shall be a conclusive record maintained by Safaricom of the amount of Money from time to time held by you and represented by an equivalent amount of cash held by the M-PESA Holding Company Limited on your behalf pursuant to the Declaration of Trust dated 23 January 2007 and the Amendment Deed dated 19 June 2008 available for inspection at www.safaricom.co.ke

"Customer" means an individual who has registered to use the M-PESA Service.

"E-Money" means the monetary value in the M-PESA System denominated in Kenya Shillings.

"Float" means the sum of Money held by you in the M-PESA System for the provision of M-PESA Services from each Outlet and "Float Account" shall mean the Outlets M-PESA Account.

"Log Book" means the record provided by Safaricom to you and maintained by you in which all transactions are recorded and which serves as conclusive evidence of the successful completion of those transactions.

"Manual" means the manual issued by Safaricom in electronic form or otherwise to the Cash Merchant which records methods of operation, procedures, and other practical matters relevant to the provision of M-PESA Services as updated by Safaricom from time to time.

"M-PESA Services" or "Services" means the M-PESA cash in and cash out services which result in the acquisition or redemption of Money on the M-PESA System and includes analogous services such as SIM replacements, customer registration, customer care management, etc.;

"M-PESA System" means the proprietary technology platform operated by Safaricom in Kenya providing the M-PESA Services;

"Outlet" means any shop, unit or other retail premises or portion thereof operated by you and includes the employees and assistants operating therein;

"Participant" means any person or legal entity that participates in the M-PESA System by using the M-PESA Services to send or receive Payments;

"PIN" means your personal identification number being the secret code you choose to access and manage your M-PESA Accounts;

"SIM Card" means the subscriber identity module which is issued to the Cash Merchant by Safaricom, and which, when used with the appropriate mobile phone apparatus enables you to use the M-PESA Services;

"SMS" means a short messaging service that enables the transmission of text messages from one Mobile Phone to another;

"Terminal" means the mobile phone apparatus which, when used by the Cash Merchant together with the SIM Card issued by Safaricom enables the provision of the Services at the head office or store level and shall include related accessories;

"Transactions" means (as the context requires) receiving M-PESA Payments from Customers and paying out cash sums to Customers in accordance with SMS instructions and registering new Customers.

2. REGISTERING CUSTOMERS

- 2.1. You may register Customers meeting the requirements below:
- 2.1.1. A Customer must be at least 18 years old and of sound mind;
- 2.1.2. The Customer has an M-PESA enabled SIM card;
- 2.1.3. The Customer completes and signs the M-PESA application form;
- 2.2. The Customer provides sufficient proof of identification (ID) - an original national or military ID card if the Customer is a Kenyan national; and current original Alien Certificate or Passport if the Customer is a foreign national residing in Kenya.
- 2.3. For Tier 2 M-PESA Account requests you must make copies of the ID provided and transmit them to Safaricom. (For the purposes of this clause a Tier 2 Account is an M-Pesa Customer account with higher account balance and transaction limits than ordinary).
- 2.4. You must ensure that the Customer has provided an active address and phone number and take such reasonable steps as would satisfy you that the information provided is not false, inaccurate, incomplete or misleading and that the documents provided are genuine.

3. AGGREGATED MERCHANT'S GENERAL OBLIGATIONS

- 3.1. You will make cash payments only: (i) if you have sufficient Float (ii) upon checking the accuracy and completeness of the information contained in the SMS from M-PESA System and (iii) after cross-checking the Customer's ID against the details provided in the SMS from the M-PESA System.
- 3.2. All SIM Cards supplied to you are the property of Safaricom and you are required to take good care of them. Any damage to or theft of the SIM Cards must be immediately reported to the Merchant.
- 3.3. You may only use the M-PESA Trademarks and Trade names for the purpose of promoting and providing Services.
- 3.4. You may only provide M-PESA Services using the tariffs programmed in the SIM Cards as may be varied by Safaricom in revised tariffs notified to you from time to time.
- 3.5. You may only provide M-PESA Services at your Outlets(s).
- 3.6. You agree to hold in confidence this Agreement and all information, documentation, data and know-how disclosed to you by the Merchant and not to disclose it to any third party.
- 3.7. You agree to comply with the terms of this Agreement and any bulletins, directives or notices as may be published by Safaricom regarding the Services from time to time.
- 3.8. You shall, if required by law, provide access to any of your documents, materials or premises to any regulator mandated to oversee, supervise or otherwise prudentially regulate Safaricom.
- 3.9. You agree to adhere at all times with the Safaricom Supplier Code of Conduct as may be notified to you by the Cash Merchant or Safaricom from time to time.

4. FLOAT MANAGEMENT

- 4.1. You shall be required to maintain Floats to such level as will be sufficient to cover all Transactions.
- 4.2. You shall ensure that the Float at your Outlet is balanced daily as specified in the Manual.
- 4.3. You agree to restore the Floats to a sufficient level if the balance of any of the Floats drops below the limits specified from time to time by Safaricom.

5. RECORD KEEPING

- 5.1. You must keep proper records in relation to the provision of M-PESA Services by you, including the registration particulars of each Customer as may be stipulated by Safaricom from time to time.
- 5.2. All M-PESA Transactions shall be recorded in Log Books which shall at all times remain the property of Safaricom. Failure to record Transactions shall constitute a material breach of this agreement.

6. FRAUD MANAGEMENT & SAFETY

- 6.1. You must maintain adequate levels of security at the premises hosting the Outlet.
- 6.2. You must observe, and procure the observance of your Outlet with any law governing occupational health and safety.
- 6.3. You will be responsible for the safekeeping and proper use of the Terminals, for keeping each PIN secret and for all Transactions undertaken using each PIN.
- 6.4. You must not use the SIM Cards to commit any offence(s) against Kenyan Law including without limitation, operating the SIM Cards in a foreign country. In the event of any breach of any law, you may face suspension and/or termination of this Agreement forthwith and/or prosecution or other legal proceedings at your risk.

7. UPLOADING AND REDEMPTION TRANSACTIONS

- 7.1. You may only upload E-Money into Customer's M-PESA accounts only and not directly into another M-PESA participant's M-PESA account.
- 7.2. You agree that before a Customer uploads E-Money or redeems Money, you shall ensure that the Customer complies with any identity and security validation and verification procedures.

8. BRANDING, PROMOTIONAL MATERIAL & INTELLECTUAL PROPERTY RIGHTS

- 8.1. Branding and advertising support materials such as external signage, Safaricom posters, and internet point of sale supplied to you remain the property of Safaricom.
- 8.2. You shall display conspicuously at the Outlets, and on all stationary and literature used by you, the text as stipulated by Safaricom from time to time disclosing to the general public that you are authorised by Safaricom to provide the M-PESA Services.
- 8.3. You must conspicuously display at the Outlets the M-PESA tariff guidelines as updated from time to time.
- 8.4. You may be required to display at the Outlets such other trade or service marks or copyright notices as Safaricom may stipulate from time to time and communicated to you through the Cash Merchant.
- 8.5. You acquire no rights or goodwill in any of Safaricom's intellectual property including the M-PESA trade mark.
- 8.6. You shall, and shall procure that all of your employees, servants and other authorised persons, use such trade marks and trade names for the purposes of the Services only and comply with Safaricom's branding guidelines.

9. COMMISSIONS

- 9.1. In consideration for providing M-PESA Services, you will earn a commission based on the amount and type of Transactions where you will get 60% of the commissions earned while the Cash Merchant gets 20%.
- 9.2. Commissions earned by and payable to you will be rolled up to your Commissions account and paid to you net of taxes at regular intervals.
- 9.3. The Commission tariffs may be varied by Safaricom by publication of revised rates from time to time.
- 9.4. You must not make any fraudulent claim for commissions. For the avoidance of doubt a fraudulent claim includes claims arising from the splitting of a transaction into multiple transactions of lesser value. Any Commissions erroneously paid out to you by Safaricom following a fraudulent claim shall be deemed back and Safaricom shall reserve the right to suspend or terminate this Agreement forthwith.

10. INTELLECTUAL PROPERTY

All intellectual property rights in the M-PESA service including the M-PESA trademark are the property of Safaricom and/or its affiliates. Any reproduction, modification, distribution or republishing of M-PESA materials outside Safaricom's M-PESA branding guidelines is strictly prohibited.

11. ANTI-MONEY LAUNDERING & SUSPICIOUS ACTIVITY

- 11.1. The movement of money through the M-PESA System which is or which forms part of the proceeds of any crime is expressly prohibited.
- 11.2. You shall comply with all Know Your Customer and Anti-Money Laundering guidelines and policies as may be notified to you by Safaricom.

12. SUSPENSION, TERMINATION & FREEZING

- 12.1. Either Party may terminate this agreement by giving thirty (30) days' notice of such intent to the other Party.
- 12.2. The Cash Merchant may terminate this agreement forthwith upon the occurrence of any breach of this agreement or if any action taken by you may place the Merchant in breach of the Cash Merchant Agreement.
- 12.3. The suspension or termination of the Cash Merchant Agreement (whether in whole or part) shall render this agreement suspended or terminated (as the case may be).
- 12.4. Upon the termination or the natural expiry of the Agreement the following conditions shall apply:
- 12.4.1. Within ten (10) days of such expiry of the Agreement you shall return the SIM Cards to Safaricom in good working order subject to allowable fair wear and tear.
- 12.4.2. You shall cease, and not hold yourself out as offering, the Services.
- 12.4.3. The balance outstanding in the Float shall be returned to you.
- 12.4.5. Upon termination of this Agreement no Commission shall be payable or liable to be paid to you in respect of any period after the date of such termination.
- 12.6. The termination of the Agreement except where otherwise expressed shall be without prejudice to rights accruing prior to termination and without prejudice to the continuation of any provision which expressly or by implication comes into operation or continues in force after the date termination.

13. PROHIBITED ACTIVITIES

The following acts and omissions are prohibited and may result in the termination or suspension of your Account or this Agreement:

- 13.1. registration of multiple Customers using one identification document;
- 13.2. facilitating the registration of fraudsters in prison or other similar sites;
- 13.3. fraudulent SIM swap to defraud customers;
- 13.4. facilitation of fraudulent over-the-air swaps and subsequent loss of customer's funds either to agency employee(s) or acting in concert with fraudsters;
- 13.5. remote withdrawal of fraudulently acquired funds;
- 13.6. direct deposit of fraudulently acquired funds into Customer's account;
- 13.7. failure to report suspicious activity;
- 13.8. tipping off;
- 13.9. failure to refer to acceptable form of Identification when registering customers;
- 13.10. incomplete registration forms;
- 13.11. failure to verify Customer IDs when transacting;
- 13.12. acceptance of ID copies at the point of registration or transaction;
- 13.13. acceptance of IDs that do not conform to the acceptable form of IDs;
- 13.14. signing the log Book on behalf of customer;
- 13.15. failure to complete transactions in Log Book;
- 13.16. failure to transfer e-money despite receipt of cash from Customer;
- 13.17. short-changing the customer by giving less cash or E-money than is due to Customer;
- 13.18. withdrawing Customer float without Customer consent;
- 13.19. false registrations to earn undeserving commissions;
- 13.20. multiple registrations without correct Customer names and/or ID numbers;
- 13.21. breaking down of deposits to earn more (undeserving) commission;
- 13.22. fraudulent deposits to earn undeserving commissions;
- 13.23. selling or otherwise trading M-PESA SIM Cards;
- 13.24. charging customers for registrations;
- 13.25. charging customers for transactions outside the system;
- 13.26. charging customers for SIM replacements above normal price;
- 13.27. soliciting Customer M-PESA PINs;
- 13.28. facilitating direct deposits to Customer M-PESA account or to unregistered subscribers to avoid charges;
- 13.29. sharing of PINs by Outlet Assistants;
- 13.30. non-compliance with the required float rule (1.5 X both float and cash);
- 13.31. irregular relocation of SIM Cards without prior consent and audit from Safaricom;
- 13.32. SIM Cards applications for non-existent outlets;
- 13.33. falsifying information to secure SIM Cards;
- 13.34. cashing out of international remittances unless authorised;
- 13.35. failure to comply with Know Your Customer (KYC) and Anti-money laundering guidelines provided to you by Safaricom.

14. ASSIGNMENT

- 14.1. Save as provided in this Agreement, you may not transfer any rights or obligations you may have under this Agreement without the Cash Merchant and Safaricom's prior written consent.

IN WITNESS the parties execute this Agreement on the date appearing at the beginning of it

Name:

Position:

Signature:

DULY AUTHORISED FOR AND ON BEHALF OF THE CASH MERCHANT

Name:

Position:

Signature:

DULY AUTHORISED FOR AND ON BEHALF OF THE AGGREGATED MERCHANT

WELASHADES ENTERPRISES LIMITED
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