

ANNEXURE 2 - STANDARD OPERATING PROCEDURES (SOP)

1. GLOSSARY OF ACRONYMS USED

- 1.1 OTB
Open to Buy – credit customer has available to make purchases
- 1.2 OTP
One Time Pin
- 1.3 SME
Statement month end – the customer’s billing date
- 1.4 DMS
Debtor’s Management System
- 1.5 mobicred API
Application Programming Interface

2. PRODUCT INFORMATION

2.1 Product Definition

- 2.1.1 mobicred is a revolving credit offering for mobicred customers to purchase at participating approved e-commerce merchants. Online purchase requests using the mobicred product will be initiated and sent by participating mobicred Merchants directly to mobicred. mobicred customers will need to complete an application process, be approved and have their banking details successfully verified before they can make use of the product.
- 2.1.2 Only one (1) mobicred account is allowed per mobicred customer.
- 2.1.3 All purchase requests will be made online, i.e. no offline purchases will be supported.
- 2.1.4 The primary username for a mobicred customer account will be their email address submitted at application stage, or updated thereafter, linked to a mobicred customer chosen password. This authentication will be used to log into the mobicred customer account. In addition, an OTP will be sent to the mobicred account holder’s mobicred registered mobile phone, which is then used to confirm purchases. Purchase requests can only be made against an account in good standing and with sufficient OTB.
- 2.1.5 The billing date (also known as SME) shall be the same day every month for all accounts. Initially it will be set to the 15th of every month.
- 2.1.6 Refunds may be up to and including 100% of an original transaction value, less mobicred’s transaction fee in respect thereof. Multiple refunds are permitted as long as the original transaction value is not exceeded. No pay-outs are supported i.e. refund will not be authorised without referencing an original transaction.

2.1.7 mobicred will primarily collect payments from customers via direct debit orders, with alternate payment channels being available for collections purposes in the form of EasyPay and electronic funds transfer. All direct debit bank accounts will be verified during mobicred customer application and should a mobicred customer's bank account not be verified, the customer ultimately cannot use their mobicred account to make purchases. Unsuccessful debit orders may result in the mobicred account being blocked or suspended.

2.1.8 The mobicred customer will be charged interest. The interest rate is stated as a per annum amount, however same is calculated and accrued daily on the mobicred customer's account balance. Every purchase shall be billed at SME and will accrue interest from the date of posting. There is an up to 55 day interest-free period if the full outstanding balance is settled on or before the payment due date.

2.2 Product Pricing

(as at 09/07/2013)

<u>Fee Type</u>	<u>Value</u>	<u>Configurable by Risk Base</u>
Interest	21%	Yes
Initiation	R228 incl. VAT	V High Risk
Initiation	R228 incl. VAT	High Risk
Initiation	R171 incl. VAT	Medium Risk
Initiation	R114 incl. VAT	Low Risk
Monthly	R28.50 incl. VAT	No
Balance Protection	R5.50 incl. VAT per R1000 of balance (balance/1000 X 5.50)	No
Funeral Cover	Zero	No
Death Cover	Zero	No
Debit Order Rejection	R39.90 incl. VAT	No
Late Payment	R19.95 incl. VAT	No

3. BRAND & CORPORATE IDENTITY GUIDELINES

The brand and corporate identity (CI) guidelines (including in relation to the use of the mobicred IP) will be supplied under a separate cover and are to be adhered to by the merchant. The use of these items will be discussed with the Merchant to ensure that the Merchant's CI and web site look and feel is adhered to wherever possible; provided that the Merchant will, at all times, comply with its obligations in terms of the Agreement in respect thereof.

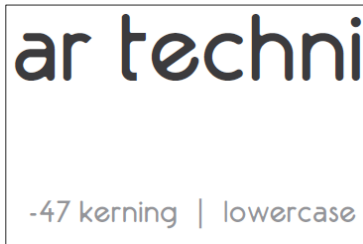
3.1 Logo



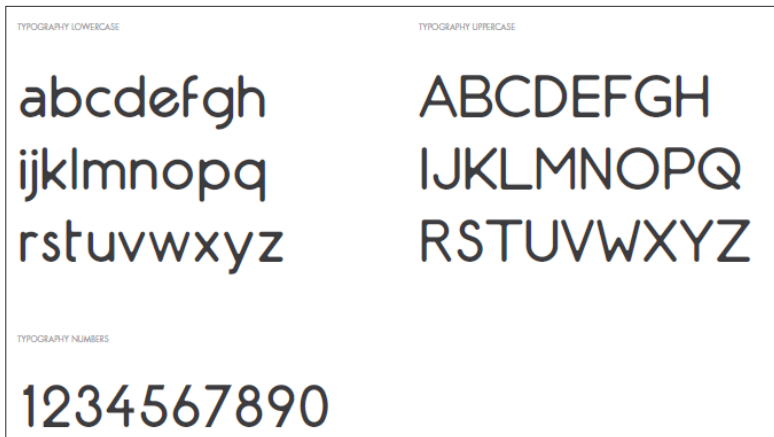
3.2 Logo Guides



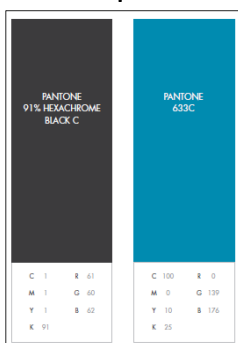
3.3 Logo Font



3.4 Logo Typography



3.5 Pantone Specifications



3.6 Use of Logo



mobicred



3.7 Use of 'm' in isolation of the mobicred logo



3.8 Use of 'm' angled



3.9 Application icon



4. MARKETING & CUSTOMER COMMUNICATION

4.1 mobicred can elect to provide the Merchant, for the duration of the Agreement period and at its cost with marketing elements in relation to the mobicred Programme. The material/elements may include, but not be limited to:

4.1.1 online banners;

4.1.2 reciprocal online links;

4.1.3 campaign/offer promotions via the mobicred website;

4.1.4 inclusion of the Merchant's logo on the mobicred website with a direct link to the Merchant's website;

4.1.5 Facebook banners/links.

The Merchant undertakes to comply with any and all reasonable instructions furnished by mobicred to the Merchant in relation to the use of such marketing elements (or any of them).

4.2 The Merchant and mobicred can elect to enter into a separate agreement for purposes of an online marketing strategy to support the mobicred Programme initiatives, with both parties reviewing all marketing collateral from time to time and as deemed fit.

4.3 The Merchant undertakes to promote and market the availability of the mobicred Programme on its online & social media presence(s) for the duration of the Agreement, including:

4.3.1 prominently displaying the mobicred logo and/or icon as a payment tender option on the home page and the check-out process page on the Website and on any other page on the Website where payment tender options of any kind are displayed or referred to;

4.3.2 including and prominently displaying a mobicred 'apply now' button on the login page (where relevant and applicable), the home page of the Website and on any other page on the Website where payment tender options of any kind are displayed or referred to;

4.3.3 displaying promotional banners on the home page of the Website and other relevant pages comprising of message and links to apply for the mobicred product;

4.3.4 including the mobicred logo and/or icon as a payment option on customer marketing communication which will include a message and a link for new customers to apply on the mobicred website;

4.3.5 agreeing, in advance, to consider funding of any planned joint marketing initiatives relating to the mobicred Programme;



- 4.3.6 ensuring that a credit message (the content of which shall be provided to the Merchant by mobicred) and/or mobicred logo/icon accompanies all Merchant marketing material irrespective of the format and/or advertising medium used and the Merchant shall ensure that reasonably adequate exposure is afforded to such marketing collateral;
 - 4.3.7 allowing mobicred to access and utilise all Merchant online functionality in order to ensure that the mobicred Programme has a presence and gains exposure on the Merchant's Website, mobi site and other available digital channels;
 - 4.3.8 allowing mobicred to contribute to the Merchant's digital media initiatives, where relevant, and implementing any suggestions that it agrees with, in order to promote the mobicred Programme;
 - 4.3.9 participating in the development of a value proposition for the mobicred Programme and its customers, as advised in writing by mobicred. The mobicred value proposition may include exclusive product offerings, joint campaigns & promotions and a loyalty offering.
- 4.4 In the instances where the Merchant's marketing and promotional collateral includes a mobicred credit message to promote the mobicred Programme, the wording used must be approved in writing by both parties before it is applied on marketing and promotional material. Credit marketing messages must, in addition, comply with all the regulatory and compliance requirements. The look and feel of such marketing collateral will be subject to a joint written approval of the Merchant and mobicred and in accordance with each party's branding and corporate identity guidelines. Approval of such collateral shall not be unreasonably delayed or refused by either party.
- 4.5 The Merchant shall be permitted to include online promotional messages to mobicred Account Holders via online and/or electronic communication. This will be subject to mobicred's written approval and all promotional messaging will be required to meet the criteria and adhere to the customer engagement framework as set out by mobicred from time to time.
- 4.6 For the sake of clarity and the avoidance of any doubt, mobicred shall be entitled to market any mobicred credit and insurance products of any nature whatsoever to mobicred Account Holders.
- 4.7 In the event that mobicred wants to utilise the Merchant's branding on any marketing material, the use of such Merchant branding must follow a formal process for the Merchant's approval and the same to apply in respect of any mobicred branding.

5. DATA & CUSTOMER ENGAGEMENT

- 5.1 For the sake of clarity and the avoidance of any doubt, mobicred will own the debtor's book comprising of all mobicred account holders.
- 5.2 The Merchant undertakes that it shall not, for the duration of the Agreement and for a period of 5 (Five) years after the termination or expiration thereof, provide or utilise any data whatsoever (including any mobicred customer data) for purposes of providing, any financial services (including, for the avoidance of any doubt the provision of credit) in competition with mobicred, nor shall it during such period sell, dispose of or permit any other person to have access to any of the mobicred customer data.



- 5.3 Permissions for mobicred Account Holders will be captured and stored by mobicred based on the mobicred Account Holder selected method of communication which will be either SMS or e-mail. These permissions will be solely retrievable by mobicred.
- 5.4 New mobicred customers originate either via a redirection from the Merchant's online presence(s) to mobicred or directly from the mobicred website. Both these sources of customer origination will make up the mobicred customer database. Ownership of the mobicred customer database resides at all times with mobicred.
- 5.5 The Merchant has the option to communicate to the mobicred Account Holder base in the following ways:
 - 5.5.1 through means of a mobicred promotional digimag (digital magazine) whereby various merchant's purchase advertising space to promote special and/or exclusive offers to mobicred account holders on such terms and subject to such conditions as agreed to between the Merchant and mobicred; and/or
 - 5.5.2 reserving and purchasing advertising space and/or banners on the mobicred website; and/or
 - 5.5.3 via the mobicred and/or Merchant's social media platforms, subject to the provisions of the Agreement in relation thereto.

6. PRE-AUTHORISATIONS AND APPROVAL OF mobicred TRANSACTIONS & TRANSACTION TYPES

6.1 Purchase Pre-authorization Procedures

- 6.1.1 Only mobicred customers that have a valid mobicred account may use the product to facilitate purchases via the Merchant's Website. For mobicred customers that have selected to pay for their purchases via mobicred on the Merchant's secure checkout pages, the mobicred customer will be asked to enter a mobicred username and password. The password must be "hashed" by the Merchant as it is entered on the screen and both the username and password may not be stored by the Merchant.
- 6.1.2 The Merchant will then pass the customer credentials together with the details of the transaction to mobicred via the mobicred Create API. The DMS will check the authorisation details of the mobicred customer; check that the account is in good standing with mobicred and that there is sufficient OTB to make purchases.
- 6.1.3 If provided with a successful response in relation to the aforesaid, an OTP will be sent via SMS to the mobicred customer's mobile phone. The Merchant will capture the OTP from the customer and send to mobicred via the mobicred API to confirm purchase pre-authorization.
- 6.1.4 A successful purchase pre-authorization means that the Merchant may confirm the order as the funds have been reserved on the mobicred customer's mobicred account.

6.2 Approval Procedures

- 6.2.1 Each mobicred Transaction will only be deemed to be approved once the Merchant has confirmed stock via the mobicred API, is in a position to dispatch the goods and has completed a successful approval verification call to mobicred via the mobicred API.



- 6.2.2 Once the purchase has been successfully pre-authorized it may either be approved in the manner contemplated above, or it may be cancelled as a result of no stock availability, customer cancellation or fraudulent activity. Both of these instances will reference the original mobicred reference number.
- 6.2.3 Only Approved Transactions will be settled with the Merchant. Should a mobicred customer require a refund on an Approved Transaction, the Merchant will need to submit a request for the Approved Transaction to be reversed. Partial and full refunds are supported by mobicred, subject to the terms and conditions of the Agreement.
- 6.3 **Other types of actions in respect of mobicred Transactions**
 - 6.3.1 Declined – mobicred Transactions may be declined by mobicred for a variation of reasons, including but not limited to:
 - 6.3.1.1 the purchase value exceeds the OTB available on the account; or
 - 6.3.1.2 the account has been blocked by mobicred; or
 - 6.3.1.3 technical problems exist between the Merchant and/or mobicred.

<For a full list of decline reasons refer to the Integration Guide>
 - 6.3.2 Cancelled – This is when either the Merchant wishes to fully cancel the mobicred Transaction before approval thereof or the customer does not want to proceed with the order prior to approval thereof – a purchase cancellation will be triggered to reverse the full amount of the pending purchase, which will cease to be reserved in the mobicred customer’s account in the manner contemplated above. Only mobicred Transactions that have been created, or created and pre-authorized, may be cancelled. A cancelled transaction will not appear on the mobicred customer’s statement.
 - 6.3.3 Approved – This is when the Merchant is in a position to dispatch the goods which will then trigger a full approval of the transaction amount.
 - 6.3.4 Refund –. Only Approved Transactions may be refunded. The DMS will check that the Approved Transaction is in the approved state and that the amount requested does not exceed the original purchase price. If these checks are successful, the customer’s OTB and account balance will be adjusted accordingly.
 - 6.3.5 Purchase Query – This is an information request that is triggered to find out the state of a mobicred Transaction and information with regards to the mobicred customer’s status (e.g. OTB, that the mobicred account is current and not in arrears etc.).

7. CUSTOMER INFORMATION

- 7.1 The mobicred customer will be able to access the secure customer’s area on the mobicred website after successful secure login has been completed. This page will comprise of all the relevant mobicred customer account information. The following customer account information will be available:
 - 7.1.1 mobicred account number;



- 7.1.2 Customer name;
 - 7.1.3 Credit limit;
 - 7.1.4 Current OTB (open to buy / available credit to spend);
 - 7.1.5 Transactions made since the last SME (statement month end) containing:
 - 7.1.5.1 Purchase amount;
 - 7.1.5.2 Merchant name;
 - 7.1.5.3 Date and time of purchase;
 - 7.1.5.4 Transaction ID;
 - 7.1.6 Current balance;
 - 7.1.7 Instalment amount due;
 - 7.1.8 Instalment due date;
 - 7.1.9 Last payment made;
 - 7.1.10 Last payment date.
- 7.2 mobicred customers will also be able to query and retrieve past statements as well as set up their account their preferences with SMS notifications and marketing permissions. A facility will be available for mobicred customers to change their username (e-mail), reset their password and to change some of their details.
- 7.3 Changes will be accompanied by OTP verification. The mobile version of this page will be accessible from any mobile device (tablet, smart phone) and will support all of the above account information fields and account configurations.

8. THE NATIONAL CREDIT ACT

- 8.1 The provisions of this clause 8 contain a summary of certain provisions of the National Credit Act 34 of 2005. Whilst mobicred has taken reasonable efforts to ensure the accuracy of the information detailed herein, mobicred does not guarantee the accuracy, efficacy or completeness of any such information and expressly disclaims any and all liability relating to, or resulting from, the use of or reliance thereon by the Merchant of any of its members, shareholders, directors, employee, agents, representatives and/or assigns. The Merchant is advised to obtain its own independent legal and commercial advice, and undertake any investigations it deems necessary, with regards to any and all of the information contemplated herein prior to relying on same.
- 8.2 The National Credit Act is intended to:
- 8.2.1 regulate the credit industry to ensure fair and consistent practices are implemented throughout the credit industry;
 - 8.2.2 protect the consumer from unscrupulous lending practices;
 - 8.2.3 promote a fair and non-discriminatory marketplace for access to consumer finance;
 - 8.2.4 provide for the general regulation of consumer finance;
 - 8.2.5 improve the standards of certain consumer information;
 - 8.2.6 prohibit unfair credit and credit marketing practices, including that:
 - 8.2.6.1 a credit provider must provide consumers with the choice to be excluded from automatic credit limit increases or marketing campaigns;
 - 8.2.6.2 a credit provider may not make an offer to the consumer on the basis that the offer will come into effect unless the consumer declines the offer;



- 8.2.6.3 the consumer must be advised of the total cost of credit both at the time of application in the form of a pre-agreement quotation and in any advertisements relating to pricing on credit purchases;
- 8.2.7 promote responsible credit lending;
- 8.2.8 prohibit reckless lending, including whereby a credit provider has failed to conduct an assessment of the consumer's:
 - 8.2.8.1 understanding of the risks and costs of the proposed credit facility;
 - 8.2.8.2 debt repayment history;
 - 8.2.8.3 existing financial means and commitment, and still proceeds to grant credit where the outcome of any of the above assessments prove to be unfavourable;
- 8.2.9 prevent over-indebtedness by declining the credit application if the information available at the time of application indicates that the consumer may be over extended and as such, unable to meet payment obligations going forward;
- 8.2.10 protect the confidentiality of the information provided by the consumer;
- 8.2.11 establish national norms and standards relating to consumer finance.

9. mobicred OPERATING HOURS

- 9.1 Monday – Friday: 08h00 – 22h00
- 9.2 Saturday, Sunday & public holidays*: 08h00 – 13h00

*: Excludes Christmas Day, New Year's Day & Good Friday

Note: mobicred's operating hours may, from time to time, change based on the need to support mobicred Customers. mobicred will notify the Merchant in writing of any such change from time to time.

10. CONTACT DETAILS

10.1 mobicred Contact Details

Address	14th floor, Thibault Square, Long Street, Cape Town, 8000
Telephone Number	0873513083
Fax Number	0862060810
Website	www.mobicred.co.za
E-mail Address	merchantservices@mobicred.co.za
Facebook	http://www.facebook.com/mobicred
Twitter	http://www.twitter.com/mobicred



YouTube	http://www.youtube.com/mobicredSA
Pininterest	http://www.pinterest.com/mobicred
Sales & Finance Executive Contact Number E-mail	Andrew Goodrich (Office) 021 525 8001 / (Cell) 082 754 3716 andrewg@mobicred.co.za
IT Executive Contact Number E-mail	Peter Versfeld (Office) 021 525 8002 / (Cell) 083 259 1731 peterv@mobicred.co.za
Operations Executive Contact Number E-mail	Patricia Tattersall 087 351 3084 / 079 725 8442 patriciat@mobicred.co.za
Marketing Executive Contact Number E-mail	Jason Sive (Cell) 083 450 0999 jasons@mobicred.co.za
Merchant Services Contact Number E-mail	Merchant Services 0873513084 merchantservices@mobicred.co.za
Customer Service Contact Number E-mail	0873513083 customerservice@mobicred.co.za
Technical Support Contact Person Contact number Email	Martin Schramm 021 525 8008 helpdesk@redwoodgroup.co.za
Technical Support – Escalation Contact Person Contact number	Peter Versfeld 021 525 8002



Email	helpdesk@redwoodgroup.co.za
Finance/Accounts	
Contact Person	Monica Hitge
Contact Number	021 525 8003
E-mail	monicah@mobicred.co.za
Fraud Support	
Contact Person	Patricia Tattersall
Contact Number	087 351 3089
E-mail	patriciat@mobicred.co.za



10.2 Merchant Contact Details

Registered Name of Merchant	
Registration Number	
Merchant 'Trading As' Name	
Address	
Telephone Number	
Fax Number	
Website	
Fixed Live and Test IP address(es) from which API requests to mobicred will be made	Fixed "Live" IP: <input type="text"/> Fixed "Test" IP: <input type="text"/>
Facebook	
Twitter	
mobicred Relationship Contact Person Contact number Email	
Technical Support Contact Person Contact Number E-mail	



Technical Support - Escalation Contact Person Contact Number E-mail	
Finance/Accounts Contact Person Contact Number E-mail	
Marketing Contact Person Contact Number E-mail	