

September 1st, 2008

Dear Tower Newsagent,

I am thrilled to advise that we have reached agreement with e-pay Australia to make their suite of mobile phone, internet, entertainment and phone card products available through our **eziPass** software.

To enable access to the e-pay products, including Optus and Vodafone, we need you to complete the enclosed paperwork and return this to e-pay as per the instructions on the "completing your e-pay contract" form.

e-pay will process your application as quickly as possible and advise us once this is done so we can facilitate you accessing their products.

While we still have around three weeks work to complete comprehensive quality assurance steps with e-pay, now would be a good time to complete your paperwork so you are ready when we are. Included with this letter is a Q&A document from both e-pay and Tower. These should address most of your questions. However, with any change in provider there are likely to be issues which we have not anticipated. We will work hard to address any other questions you have.

We have made the move to e-pay because they offer the products you have told us you want and have a back-end supply model which ensures that you will always have access to stock.

Thank you for joining us in the move to e-pay. Together, we will work hard to help you sell more mobile phone recharge and phone card products.

Sincerely



Mark Fletcher
Managing Director
Mobile: 0418 321 338
Email: mark@towerystems.com.au

e-pay Integration Questions & Answers



eziPass is the only point of sale software platform with integrated recharge facilities currently available for newsagents. It has been developed for you exclusively by Tower Systems. **eziPass** is available to all newsagents, not just those using the Tower Systems' Point of Sale software today.

Q Why move to point of sale integrated recharge?

eziPass has demonstrated over recent months that newsagents can expect:

- ▶ Easier selling from more access points at the counter.
- ▶ More accurate selling – integrated cuts keystrokes.
- ▶ Increased sales because of the above two points.
- ▶ No stock ordering as product is pulled live from the e-pay data warehouse by **eziPass**.
- ▶ Greater security - stock loss from shrinkage and theft is reduced.
- ▶ Increased sales - no sale should be lost due to the unavailability of a particular product.
- ▶ Quick and easy training.

Q What cost is involved?

There is no cost as **eziPass** and e-pay use your existing computer and thermal receipt printer.

Q What is eziPass?

eziPass has been exclusively developed and marketed by Tower Systems to give newsagents direct access to a range of electronic products and services. **eziPass** is supplied with electronic products and services by e-pay and some other suppliers. Essentially, **eziPass** is a platform through which these products are delivered through your own computer and printer.

Q I use eziPass today, how do I migrate to the e-pay products?

Fill in the e-pay agreement. Once approved you will be provided an e-pay/**eziPass** instalation advice sheet.

Q Is eziPass really free?

Yes. Completely free.

Q How does eziPass work?

- ▶ Current Tower Systems Customers: If you use software from Tower Systems, **eziPass** is already integrated into your existing point-of-sale software. You will then be able to sell stock, phone recharges, and other vouchers, from the one application. This provides more control, faster selling, greater accuracy and easier end-of-shift balancing.
- ▶ Non-Tower Customers: If you do not use software from Tower Systems, you are provided with a free copy of **eziPass**. It will run on your point-of-sale computer and provide access to the full suite of products and vouchers. (coming soon)

Q How long is the contract?

eziPass itself does not require a contract. The e-pay contract is for 2 years from the commencement date. If you wish to terminate your e-pay contract, e-pay will charge you a cancellation fee of \$40 per month plus GST for the remaining months of the agreement.

Q I have a terminal selling e-pay product, can I switch?

Yes. There is no charge for making the switch. This will enable you to sell e-pay product on any computer. You will need to return your e-pay terminal to e-pay.

Q What if I want to stop using eziPass?

No worries – just stop. There are no fees when you stop using **eziPass**.

Q Who do I call if I have a question?

e-pay provides a 24/7 help desk and should be your first entry point if you have any questions about e-pay related product. They will direct you to the Tower Systems help desk if the question is an **eziPass** specific issue.

Q Are there any commissions paid to any other parties?

Tower Systems has a commission relationship in place for several products but not for any mobile phone recharge product.

Q Do I need to be a Tower Systems customer?

No.

Q Will Tower Systems pressure me to switch to their software?

No.

Q Why is Tower Systems doing this for newsagents?

As newsagents ourselves, we are intimately aware of the costs of operating a newsagency. We will seize every opportunity possible to help newsagents improve the return they achieve from their newsagencies. This is why our work on this project is gladly gifted to all newsagents - regardless of the system they use.

Q Do you have a banking relationship to provide lower fees?

Yes. While **eziPass** operates through your computer and does not require a banking terminal, Tower Systems has excellent rates with St. George/ Bank SA as well as Tyro for fast broadband EFT processing.

Q What promotion materials will be provided to help my sales?

In-store promotional materials can be ordered from Tower Systems. Please see the Marketing Materials Request Form on www.ezipass.com.au.

Q Is there on-site training?

To keep costs low, training is in the form of simple to follow advice sheets and you can also call the Tower Systems 24/7 Help Desk for further assistance. Please see the support page on the **eziPass** website.

Q What do we need to do to get eziPass installed and selling e-pay product?

- ▶ Sign and return the attached Retailer Agreement and other documents required by e-pay, along with photo ID (A director's signature is required).
- ▶ Ensure your computers are connected to the Internet via broadband.
- ▶ Ensure you have a current model thermal receipt printer – we recommend the Epson TM 88III or above.

Q What should I do with my physical stock?

You will need to sell through your existing physical stock as the networks will not provide you with a refund for your physical stock. e-pay appreciates that your sales through **eziPass** will be affected as you sell through your existing physical stock.

Q Stock levels on eziPass

As **eziPass** pulls stock for each sale, it will never run out.

e-pay Australia Pty Ltd
Level 9
131 York Street
Sydney NSW 2000
Tel 02 8297 2888
Fax 02 8117 9867



Dear Newsagent,

Thank you for taking the time to consider partnering with e-pay through the eziPass platform.

e-pay is the leading provider of electronic top ups in major retailer channels across Australia, with over 22,000 retail outlets supporting our solution in Australia alone. We have been operating in Australia for over 7 years and are the largest processor of prepaid transactions globally.

Through eziPass, e-pay supplies pre-paid mobile (**including Optus, Telstra & Vodafone**), calling cards, Music, PrePaid Internet, Gift Cards, Visa Gift Cards and PrePaid Visa Cards ,through any computer at your counter.

The key benefits of having the e-pay system available in your store through eziPass are:

- The ability to sell ALL mobile recharge products including OPTUS, VODAFONE and TELSTRA
- Fantastic Customer Service – including 24/7 customer support
- A dedicated e-pay Account manager for your account.
- No terminal rental fees
- Access to over 80 products - Including all mobile carriers, calling cards, PrePaid internet, music, movies, games and more.

e-pay Australia is a 100% owned subsidiary company of Euronet Worldwide. Euronet is a NASDAQ listed company which has been in operation for the last 11 years and has a current market capitalization of circa US\$1 billion dollars.

e-pay will remain the premium electronic distributor in Australia. We have available all Telco products including Optus, Telstra & Vodafone all in one simple, easy to understand agreement.

Please find the attached documents containing retailer information, margins for each e-pay product available through eziPass and an e-pay retailer agreement. More detailed information on the e-pay product range is available at www.epayaust.com.au

Newsagents accessing e-pay through eziPass are supported with a free 24/7 customer service line to answer any questions that you may have regarding e-pay products. You will also have access to a range of marketing collateral designed to drive traffic to your business.

e-pay generic poster





What to do next:

Even though you may already be an eziPass newsagent, it is necessary to complete the e-pay paperwork to be able to take advantage of this new suite of products through your eziPass software.

To ensure a quick and easy application process, please make sure all required information is clearly filled in and completed before emailing to signup@epayaust.com.au or faxing to e-pay for the attention of Kevin Day on (02) 8117 9867 for immediate processing.

- **Retailer Agreement** – Complete all required fields on Page 2. SIGN the Retailer Agreement and PRINT your name clearly in the space provided. A Director or Company Secretary will need to sign the agreement on behalf of your company. A witness is also required to sign.
- **Product Schedule** - This schedule lists all products available through eziPass and the commission rates you will receive. It also includes payment terms and applicable fees.
- **Direct Debit Form** - Details of the bank account you want us to Direct Debit
- **Billing and Authorised Locations** - Store Location and cash register details
- **Photo Identification** - Please send a photocopy of your drivers licence or any other photo identification. **(This is essential to the approval process)**

A contract will not be approved unless all information has been filled in correctly.

Once this is received and your application has been approved, we will advise you and Tower Systems so that the final steps necessary to unlock the e-pay products through eziPass on your computers are completed.

Attached are answers to some of our Frequently Asked Questions however if you have any further questions feel free to contact Kevin Day on 02 8297 2826 or 02 8297 2800. You are also welcome to contact Tower Systems on 03 9524 8000 or by email on support@towersystems.com.au.

Kind Regards,

Your e-pay Sales Team
e-pay Australia Pty Ltd
P: 02 8297 2888 | F: 02 8117 9867
E: signup@epayaust.com.au

Tower Systems International (Aust) Pty. Ltd.
www.towersystems.com.au
03 9524 8000
support@towersystems.com.au

Questions & Answers

Q. Why move to point of sale integrated recharge?

In a recent trial the e-pay solution received very positive retailer feedback in terms of:

- Improved cash flow – by removing the need for large physical inventory
- no stock ordering - as product is pulled live from the e-pay host
- greater security - stock loss from shrinkage and theft is reduced
- increased sales - no sale should be lost due to the unavailability of a particular product
- quick and easy access to a wide range of products.

Q. What cost is involved?

There is no cost in setting up the e-pay solution on your eziPass software. You will need to complete the e-pay retailer agreement, a direct debit request along with the billing & authorised location sheet and return them to e-pay with your Photo ID.

Q. How long is the e-pay retailer agreement for?

The e-pay retailer agreement is for a minimum 2 year term from the commencement date. If you wish to terminate your e-pay contract, e-pay will charge a cancellation fee of \$40 per month + GST for the remaining months of the agreement.

Q. I have an e-pay terminal already, can I switch?

Yes. There is no charge for making the switch. This will enable you to sell e-pay product on any computer which has access to the eziPass software. You will need to return your e-pay terminal to e-pay once your eziPass access to our products has been enabled. We will contact you to arrange this.

Q. What should I do with my physical stock?

You will need to sell through your existing physical stock as the networks will not provide you with a refund for your physical stock. e-pay appreciates that your sales through eziPass will be affected as you sell through your existing physical inventory.

Q. How often will we be invoiced and what are the payment terms?

Invoices will be issued weekly. Your nominated account will be direct debited twice weekly. Sales accrued Monday to Wednesday will be debited on Friday the same week and sales accrued Thursday to Sunday will be debited on the following Tuesday.

Q. What reporting will be available?

The eziPass software provides shift totals and end of day totals. e-pay can also provide a comprehensive reporting tool using their Extranet website. This lists sales for any date range, product or sales by your individual console operators if required. You can register for Extranet access on our website @ www.epayaust.com.au

Q. What is the e-pay Refund Policy?

e-pay allows a retailer to report a Refund/Void within 72hrs by simply calling customer service or using Void through your eziPass software. Please note if there is a PIN problem please advise the customer to call the network. Refunds will not be processed if the customer has walked out of the store.

Q. What Customer Support is available from e-pay?

e-pay provides a 24 hours per day / 7 days a week customer service number – 1300 301 408.



Retailer Agreement

Completing your e-pay contract

It is essential that this Agreement is completed fully and accurately, in order for your application to be processed as quickly as possible.

Please read this document thoroughly, making sure that you understand the terms and conditions within. If you have any questions, contact your account manager.

This Agreement must be completed with a **BLACK** pen in **CAPITAL LETTERS**. Please ensure the following points are completed:

- ☐ **SIGN** the Retailer Agreement and **PRINT** your name clearly in the space provided. A witness is also required to sign.
- ☐ Complete all required fields on **Page 2**
- ☐ Complete Direct Debit details **Page 3**
- ☐ Attach a copy of **DRIVERS LICENCE** or other Photo ID
- ☐ Complete Billing & Authorised Locations **Attached with Product Schedule 1**. **Please ensure you indicate the number of CASH REGISTERS per store.**

You can return the completed pages by fax to **(02) 8117 9867**, email to signup@epayaust.com.au or post to: **e-pay Australia Level 9, 131 York St, Sydney, NSW, 2000 for the attention of Kevin Day.**

For assistance with completion of this document please contact Kevin Day or the sales department on 02 8297 2888. Any incomplete or incorrect applications may result in e-pay services being refused or delayed.

e-pay & eziPass RETAILER AGREEMENT

RID:

This document constitutes an agreement between **e-pay Australia Pty Limited ("e-pay")** ABN 71 093 566 057 of Level 9, 131 York Street, Sydney, New South Wales and ("**the Retailer**") named below for the supply of **Electronic Recharge Services**. This Agreement consists of this page together with the attached Terms and Conditions, Schedule 1.

Company Name:

Trading Name: **ABN:**

Business Address:

Suburb: **State:** **Post Code:**

Postal Address:

Suburb: **State:** **PostCode:**

e-mail:

Ph No: (.....) **Fax: (.....)** **Mobile:**

Required additional information if you are a Sole Trader, Partnership or Other Non Company Entity

Name & Surname (owner/proprietor):

Date of Birth: / / **Driver's Licence No:**

Residential Address:

Suburb: **State:** **Post Code:**

The parties acknowledge that they have read and understand this Agreement and agree to its terms and conditions by signing below.

SIGNED for and on behalf of the **Retailer:**

.....
Signature

.....
Name

.....
Position (**Director, Company Secretary**)

.....
Signature of Witness

.....
Name of Witness

DATED:/...../2008

OFFICE USE ONLY:

.....
Signature of e-pay Director

.....
Name

.....
Position

.....
Signature of e-pay Witness

.....
Name of e-pay Witness

DATED:/...../2008

DIRECT DEBIT REQUEST

I/We request you, e-pay Australia Pty Ltd (User ID 186979) to arrange for funds to be debited from my/our nominated account at the financial institution shown below according to Schedule 1 specified in the Retailer Agreement held with e-pay Australia Pty Ltd.

Retailer

Address

Postcode

Name of Financial Institution

Branch

Bank Account Name

BSB No.

_ _ _ - _ _ _

Account Number

_ _ _ _ _ _ _ _ _ (9 digits max.)

Signature(s)

Print Name(s)

If debiting from a joint bank account, both signatures are required

Date

/ /

CUSTOMER DDR SERVICE AGREEMENT

OUR COMMITMENT TO YOU

This document outlines our service commitment to you, in respect of the Direct Debit Request (DDR) arrangements made between e-pay Australia Pty Ltd and you. It sets out your rights, our commitment to you and your responsibilities to us together with where you should go for assistance.

INITIAL TERMS OF THE ARRANGEMENT

In terms of the Direct Debit Request arrangements made between us and signed by you, we undertake to periodically debit your nominated account for the agreed amount for sales of pre-paid products via the e-pay service as prescribed in Schedule 1

DRAWING ARRANGEMENTS

- The first drawing under this Direct Debit arrangement will occur within 7 days of commencement of use of the e-pay service.
- If any drawing falls due on a non-business day, it will be debited to your account on the following business day of the scheduled drawing date.
- We will give you at least 7 days notice in writing when changes to the initial terms of the arrangement are made. This notice will state [may include the new amount, frequency, next drawing date] and any other changes to the initial terms.
- If you wish to discuss changes to the initial terms, please phone the Credit department on 02 8297 2800 or email finance@epayaust.com.au

YOUR RIGHTS

CHANGES TO THE ARRANGEMENT

If you want to make changes to the drawing arrangements, please phone the Finance department on 02 8297 2800. These changes may include:

- deferring the drawing; or
- altering the schedule; or
- stopping an individual debit; or
- suspending the DDR; or
- cancelling the DDR completely.

ENQUIRIES

Direct all enquiries to us, rather than to your financial institution, and these should be made at least 14 days prior to the next scheduled drawing date. All communication addressed to us should include your Trading Name, Retailer ID and Terminal ID.

All personal customer information held by us will be kept confidential except that information provided to our financial institution to initiate the drawing to your nominated account.

DISPUTES

- If you believe that a drawing has been initiated incorrectly, we encourage you to take the matter up directly with us by contacting our Finance department on 02 8297 2800 during business hours.
- If you do not receive a satisfactory response from us to your dispute, contact your financial institution who will respond to you with an answer to your claim.
- You will receive a refund of the drawing amount if we can not substantiate the reason for the drawing.

Note: Your financial institution will ask you to contact us to resolve your disputed drawing prior to involving them.

YOUR COMMITMENT TO US

It is your responsibility to ensure that:

- your nominated account can accept direct debits (your financial institution can confirm this); and
- that on the drawing date there is sufficient cleared funds in the nominated account; and
- that you will advise us if the nominated account is transferred or closed.
- The person(s) signing the DDR form is authorised to do so

If your drawing is returned or dishonoured by your financial institution, e-pay will take action as contained in Clause 9.3 of the Retailer Agreement.

1 INTERPRETATION

1.1 Definitions

In this Agreement:

'Business Day' means any day which is not a Saturday, Sunday or public holiday in New South Wales.

'Cause of Action' means a cause of action arising for breach of contract, in tort (including negligence), under any statute or under any other legal rule or concept.

'Commencement Date' means the date that this Agreement is signed by both parties.

'Confidential Information' means the terms of this Agreement, any information, documentation, materials or items designated as confidential by either party and any trade secret, manufacturing process, formulae or any information relating to the current or future business affairs, customer and supplier lists, sales, marketing and business plans, records, methodology, processes or practices of either party, including without limitation:

- (a) all of the Retailer's Intellectual Property Rights and know how; and
- (b) any of the Retailer's sales data generated by the Equipment.

'Customer' means any person who purchases or has purchased or requests or has requested to purchase an e-top-up or makes any inquiry concerning e-top-ups.

'Daily Credit Limit' means:

- (a) the total value of e-top-ups; or
- (b) the total number of e-top-up transactions, which can be processed (for a particular Prepaid Product) by a Terminal in a day.

'e-top-up' for a Prepaid Product means an electronic instruction by the Retailer to e-pay, in accordance with Schedule 1, to either:

- (c) arrange for a PIN to be issued to allow a Customer's account for that Prepaid Product to be credited; or
- (d) subject to the Provider having the appropriate infrastructure, arrange for a Customer's account for that Prepaid Product to be credited in real time without the need for a PIN.

'Early Termination Fee' means the amount described in Schedule 1

'Equipment' means all Terminals, point of sale and materials and any other equipment e-pay supplies to the Retailer from time to time.

'Host System' means the computer hardware system and associated software situated at e-pay's head office which is used by e-pay for processing e-top-up transactions.

'Intellectual Property Rights' means all rights, titles and interests wherever subsisting throughout the world and whether registered or not in and to:

- (e) copyright, author's rights, neighbouring rights, rights for the protection of contents of databases, the protection of circuit layouts and rights of topography, designs;
- (f) inventions, patents, utility models;
- (g) trade marks, business names, trading styles and get up; and
- (h) any right contemplated by a treaty, convention or instrument administered by or under the auspices of the World Intellectual Property Organisation,
- (i) and includes the right to apply for the registration, grant or other insurance of such rights, titles and interests.

'Logos' mean any logos or marks used in connection with the sale of e-top-ups owned by e-pay.

'Nominated Stores' means the Stores nominated by the Retailer from time to time for the sale of e-top-ups for a Prepaid Product.

'Normal Business Hours' means the usual business hours of the Retailer.

'Payment' means any fees or charges payable to e-pay under the terms and conditions of this Agreement.

'PIN' means an electronic code issued by a Terminal to allow a Customer to activate an e-top-up.

'Prepaid Product' means a pre paid product or service specified in Schedule 1.

'Provider' means a provider of Prepaid Products as specified in Schedule 1.

'Provider Logo' means any logos or marks owned by a Provider and used by it in connection with its respective business.

'Receipt' means a receipt for an e-top-up printed by a Terminal.

'Representative' means any officer, employee, agent, supplier or Subcontractor of a party but in the case of the Retailer, does not include e-pay or a Subcontractor of e-pay.

'Services' means the provision of e-top-ups to Customers, for Prepaid Products, via a Terminal or EPOS system or any other method or system, as the case may be.

'Store' means a the Retailer store

'Term' means 24 months from Commencement Date.

'the Retailer Margin' means the margin on the sale of e-top-ups for a Prepaid Product as specified in Schedule 1

or as negotiated by the Retailer and the Providers from time to time for that Prepaid Product, expressed as a percentage of the retail price.

1.2 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
 - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced; and
 - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation; and
- (g) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day.

1.3 Headings

Headings do not affect the interpretation of this document.

2 TERM

- (a) This Agreement commences on the Commencement Date and continues for the Term specified in Schedule 1 unless terminated earlier.
- (b) At the end of the Term the Agreement will continue unless it is terminated by either party giving 90 days written notice

3 SALE OF E-TOP-UPS

3.1 Nominated Stores

- (a) Subject to **clause 4**, the Retailer must only sell e-top-ups at Nominated Stores.
- (b) the Retailer must use reasonable endeavours to notify e-pay in writing at least 30 days (and, in any event, not less than 10 days) before any change to the Nominated Stores.

3.2 Sale of e-top-ups

- (a) The sale of all e-top-ups by the Retailer must be subject to and in accordance with the terms and conditions of this Agreement.
- (b) If the Retailer accepts payment for any e-top-up by way of charge card, credit card, debit card or cheque, subject to any malfunction of Equipment to which **clause 4.1** applies, the risk of any loss arising by way of dishonoured payment or otherwise will be borne by the Retailer.

3.3 Retailer Obligations

- (a) the Retailer must actively offer for sale, display, sell and promote the sale of all e-top-ups which the Retailer is authorised to sell.
- (b) the Retailer must not make the sale of any e-top-up conditional upon the sale of any other goods or services nor impose or seek to impose any terms or conditions in relation to such sale other than those set out in the terms and conditions of the applicable Provider.
- (c) the Retailer must make e-top-up conveniently and readily available to the public during the Retailer ' Normal Business Hours and must operate all Equipment throughout Normal Business Hours

3.4 e-pay Obligations

- (a) e-pay will, at its own cost:
 - (i) provide and maintain, for the duration of this Agreement:
 - (A) a Customer Service Centre, to assist with any customer service or ongoing support issues; and
 - (B) a Customer Service help line facility connected to the Customer Service Centre for the use of the Retailer in relation to this Agreement.
- (b) e-pay will meet all costs and charges relating to the use of the Customer Service help line except for any local connection charges, which will be borne by the Retailer.

3.5 New Prepaid Products

From time to time e-pay may offer the Retailer the opportunity to sell prepaid products that have not been specified in Schedule 1 ('Offer'). If e-pay provides the Retailer with an Offer, the Offer will be considered as accepted upon sale of those products by the Retailer.

4 CANCELLATION OF E TOP UPS

4.1 Refund of e-top-ups

Subject to **clause 4.4**, if as a result of malfunction of any Equipment an e-top-up is improperly processed such that it is incapable of being used to access a Prepaid Product then e-pay shall, subject to such further procedures as e-pay may from time to time reasonably require in order to satisfy itself as to the validity and genuineness of such cancellation and the bona fides of the Retailer and its employees and of the claim, accept cancellation and immediately refund the Retailer the price of the cancelled e-top-up.

4.2 Operator Error

Subject to **clause 4.1**, if as a result of operator error an e-top-up is processed which is not in accordance with the specified requirements of a Customer and the Customer is unwilling to accept the e-top-up, e-pay shall accept cancellation of the e-top-up in question in accordance with the process set out in **clause 4.1**.

4.3 Reversal of Credit and Re-invoice

If e-pay accepts an e-top-up cancellation request and refunds an e-top-up pursuant to **clause 4.2** and e-pay is then advised by the relevant network that it has been used to credit a Prepaid Product, e-pay shall immediately be entitled to reverse any credit raised in connection with such e-top-up and re-invoice the Retailer in respect of such e-top-up.

4.4 Provider Reciprocation

e-pay will only accept a cancellation or refund if the business rules of the relevant Provider permit it, and if such Provider provides a reciprocal cancellation or refund to e-pay.

5 ADVERTISING AND POINT OF SALE MATERIAL

5.1 Advertising and Marketing

- (a) e-pay may, with the prior consent of the Retailer:
 - (i) advertise that the Retailer operates the e-top-up service; and
 - (ii) use the Retailer's name and details of the Nominated Stores in any promotional materials relating to the e-top-up service.

- (b) the Retailer may, with the agreement of e-pay, advertise that they use the e-pay electronic recharge system including the use of e-pay trade marks and logos.

6 FEES

6.1 Payment for e-top-ups

The Retailer must pay to e-pay the amount of any e-top-up sold by the Retailer for a Prepaid Product, less the Retailer Margin applicable to that Prepaid Product.

6.2 Time of sale of e-top-ups

For the purposes of **clause 6.1** an e-top-up shall be treated as sold as soon as the relevant PIN has been converted and a Receipt has been printed (as appropriate), which shall be conclusively determined by e-pay by reference to its records (whether contained in its central computer systems or otherwise).

7 PAYMENT

7.1 Invoicing and Payment

- (a) e-pay shall invoice the Retailer on a weekly basis for the Services performed by it during the preceding week until midnight Sunday.
- (b) Subject to **clause 7.1** and **clause 7.2**, the Retailer shall pay e-pay's correctly rendered weekly invoices as referenced in Schedule 1.
- (c) Payment shall be by direct debit.

7.2 Disputed Invoices

e-pay will resolve any disputed invoices within 14days.

7.3 Non-Sufficient Funds

If, the appropriate Payment amount is not available in the Retailers' Direct Debit Account on the First Payment Date on any other Payment Date, the Retailer will be deemed to be in default due to non-sufficient funds ('NSF') and:

- (a) for any payment default, the Retailer will be required to pay an NSF charge of \$150;
- (b) upon any payment default, e-pay may (in its absolute discretion) do one or more of the following:
 - (i) withdraw the Retailer's authority to process e-top-ups;
 - (ii) disconnect;
 - (iii) commence proceedings for recovery of outstanding amounts due by the Retailer to e-pay; and
 - (iv) terminate this Agreement with immediate effect;e-pay may elect to waive an NSF charge if the Retailer can demonstrate to e-pay's satisfaction that the failed payment was not the fault of the Retailer.

7.4 Cost Recovery

All expenses, costs or disbursements incurred by e-pay Australia Pty Ltd in recovering any outstanding monies including but not limited to debt collection agency fees shall be paid by the Retailer.

8 GST

8.1 Interpretation

Words or expressions used in this **clause 8** which are defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) have the same meaning in this clause.

8.2 Consideration is GST exclusive

Any consideration to be paid or provided by a party ("Receiving party") to the other party ("Supplying party") for a supply made by the supplying party under or in connection with this Agreement, unless specifically described in this Agreement as 'GST inclusive', does not include an amount on account of GST.

8.3 Gross up of consideration

Despite any other provision in this Agreement, if the Supplying party makes a supply under or in connection with

this Agreement on which GST is imposed (not being a supply the consideration for which is specifically described in this Agreement as 'GST inclusive'):

- (a) the consideration payable or to be provided for that supply under this Agreement but for the application of this clause ('GST exclusive consideration') is increased by, and the Receiving party must also pay to the Supplying party, an amount equal to the GST payable by the Supplying party on that supply; and
- (b) the amount by which the GST exclusive consideration is increased must be paid to the Supplying party by the Receiving party without set off, deduction or requirement for demand, at the same time as the GST exclusive consideration is payable or to be provided.

8.4 Reimbursements (net down)

If a payment to a party under this Agreement is a reimbursement or indemnification, calculated by reference to a loss, cost or expense incurred by that party, then the payment will be reduced by the amount of any input tax credit to which that party is entitled for that loss, cost or expense.

8.5 Tax invoices

Subject to **clause 8.7**, the Receiving party need not make a payment for a taxable supply made under or in connection with this Agreement in respect of a taxable supply until the Supplying party has given the receiving party a tax invoice for the supply to which the payment relates.

8.6 Specific Percentage

If any amount under this Agreement is calculated as a specified percentage of a fee, revenue stream or otherwise arises from a revenue sharing arrangement, that amount shall be calculated by reference to the relevant revenue net of GST (if applicable).

8.7 Recipient Created Tax Invoices

- (a) e-pay will issue a tax invoice for each taxable supply it makes to the Retailer without request. Without limiting any other provision of the Agreement, the Retailer must pay the amount referred to as GST on the tax invoice.
- (b) The Retailer will issue to e-pay a recipient created tax invoice ("RCTI") for each taxable supply (other than an excluded supply) made by e-pay under this Agreement to the Retailer, and will issue an adjustment note for any adjustment event. The parties may agree in writing from time to time which taxable supplies are excluded supplies.
- (c) e-pay must not issue a tax invoice in respect of any supply it makes to the Retailer, other than for an excluded supply. e-pay must give the Retailer a tax invoice for an excluded supply at or before the time e-pay invoices the Retailer for that supply.
- (d) Each party acknowledges and warrants that at the time of entering into this Agreement, it is registered for GST.
- (e) Each party must notify the other party if it ceases to be registered for GST or it ceases to comply with any of the requirements of any taxation ruling issued by an authority relating to the creation of RCTIs.

8.8 Agency

If one party being either a sub-agent or agent ("GST agent") makes supplies or acquisitions under this Agreement on behalf of a head agent or principal ("GST principal") to third parties:

- (a) the GST agent acknowledges that it will be treated, for the purposes of the GST law, as making the supplies to, or acquisitions from, the third parties and the GST principal will be treated as making corresponding supplies to and acquisitions from the GST agent;
- (b) the GST agent will issue a tax invoice and adjustment note (if required) to the third party using the GST agent's name, ABN and business letterhead and the GST principal will not issue any tax invoice or adjustment note relating to these supplies;
- (c) if the GST agent sells through a sub-agent, the GST agent will procure that the sub-agent issue a tax invoice and

adjustment note (if required) using its own name, its ABN and its business letterhead; and

- (d) if the GST agent or the GST principal cease to be registered for GST, this sub-clause will cease to have effect.

8.9 Arrangements for the supplies of Vouchers

Notwithstanding anything to the contrary in this Agreement, if one party being either the sub-agent or agent ("GST agent") makes supplies of a voucher under this Agreement to a third party as an agent of the head agent or principal ("GST principal"):

- (a) The GST agent and GST principal agree that any amount payable by the GST principal to the GST agent as a commission or similar payment for making the supply of the voucher to third parties is to be treated as if it were not for a taxable supply made by the GST agent.
- (b) for the avoidance of doubt, the GST agent must not issue a tax invoice to the GST principal for the supply of commission services made in respect of supplies of vouchers to a third party under this Agreement.

9 WARRANTIES

9.1 Retailer Warranties

- (a) the Retailer represents and warrants to e-pay that:
 - (i) it has the power to enter into, exercise its rights, perform and comply with its obligations under this Agreement;
 - (ii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of all necessary consents) have been taken, fulfilled and done in order to enable the Retailer lawfully to enter into and exercise its rights and perform and comply with his obligations under this Agreement and that such obligations are valid, legally binding and enforceable;
 - (iii) its entry into, exercise of rights and/or performance of or compliance with its obligations under this Agreement do not and will not violate any restriction imposed by (a) any law to which he is subject or (b) being a company, its memorandum or articles of association or, as the case may be, certificate of incorporation or by laws;
 - (iv) its entry into, exercise of his rights and/or performance of or compliance with its obligations under this Agreement do not and will not violate any agreement to which it is a party; and
- (b) the Retailer warrants and undertakes to e-pay as a continuing obligation that the representations contained in **clause 9.1(a)** shall remain true for the duration of this Retailer Agreement and undertakes to notify e-pay immediately of:
 - (i) any changes or proposed changes in the ownership or the nature of the Retailer's business; or
 - (ii) the Retailer becoming aware of any matter or event which constitutes or might give rise to a breach of any of the above representations warranties and undertakings and shall promptly provide e-pay with all details of such matters as e-pay shall reasonably require.

9.2 e-pay Warranties

e-pay represents and warrants to the Retailer that:

- (a) it has full capacity and all necessary licences, permits and consents to enter into and comply with its obligations under this Agreement.

10 TERMINATION

10.1 Termination

- (a) e-pay may terminate this Agreement with immediate effect by notice in writing to the Retailer on or at any time after the occurrence of any of the following events:

- (i) the Retailer breaching any part of this Agreement, and that breach not being rectified by the Retailer within 30 days of a notice from e-pay to do so;
 - (ii) the making of an administration order in relation to the Retailer or the appointment of a receiver over, or the taking possession or sale by an encumbrancer of, any of the Retailer's assets;
 - (iii) the Retailer making an arrangement or composition with its creditors generally or making an application to a court of competent jurisdiction for protection from his creditors generally; or
 - (iv) the making of a bankruptcy order against the Retailer.
- (b) the Retailer may terminate this Agreement without liability immediately by written notice to e-pay:
- (i) if e-pay breaches any part of this Agreement, and that breach has not been rectified by e-pay within 30 days of a notice from the Retailer to do so.

10.2 Effect of Termination or Suspension

Immediately upon termination of this Agreement, the Retailer must:

- (a) cease offering for sale, selling or supplying e-top-ups and must not hold itself out as being authorised to offer for sale, sell or supply any e-top-ups;
- (b) cease to make any use of the Logos after termination.

10.3 Consequences of early termination by the Retailer

Either party may terminate this Agreement by giving the other party 90 days written notice.

- (a) If this Agreement is terminated by the Retailer for any other reason than in accordance with **clause 10.1(b)** within 24 months of the **Commencement Date**, e-pay may at its discretion charge the Retailer an **Early Termination Fee** as described in Schedule 1

11 CREDIT REPORTING AGENCY ACKNOWLEDGEMENT AND CONSENT

The applicant acknowledges and authorises e-pay Australia Pty Ltd to obtain from and provide to any credit reporting agency a credit report containing personal and/or commercial information relating to the applicant's personal and/or commercial credit activities.

12 CONFIDENTIALITY

Each party shall:

- (a) only use Confidential Information for the purposes of this Agreement;
- (b) only disclose Confidential Information to a third party with the prior written consent of the other party; and
- (c) ensure that any third party to whom Confidential Information is disclosed executes a confidentiality undertaking consistent with the terms of this **clause 12**, unless it is information that is:
- (d) required to be disclosed by law, provided that prior to disclosure written notice is given to the owner of the Confidential Information;
- (e) in the public domain otherwise than as a result of a breach of this Agreement or other obligation of confidence; or
- (f) already known by, or rightfully received, or independently developed, by the recipient free of any obligation of confidence.

13 LOGOS AND INTELLECTUAL PROPERTY

13.1 Logos and Intellectual Property Rights

The Retailer must not:

- (a) claim any right in or to the Logos or provider Logos, except as directed or approved by e-pay or in relation to a Provider, by the Provider;
- (b) claim any right in or to e-pay's Intellectual Property Rights, which shall remain with e-pay, or make any use of e-pay's Intellectual Property Rights except as approved by e-pay or permitted under this Agreement; or
- (c) use the e-pay name, trademark or logo in connection with the sale of e-top-ups which has not been approved by e-pay.

- (d) Use any of the Provider's name, trademark, or logo in connection with the sale of e-top-ups which has not been approved by e-pay on behalf of, or directly in their own right by, the Provider.

14 FORCE MAJEURE

Neither party shall be deemed to be in breach of this Retailer Agreement or otherwise liable to the other party for any delay in or non-performance of its obligations under this Retailer Agreement if and to the extent that the delay or non-performance is due to circumstances beyond the reasonable control of that party including but not limited to a failure of or interruption in the provision of essential services such as electricity supply, bank payment systems or postal deliveries or the delivery of Paper Stock or other consumables.

15 MISCELLANEOUS

15.1 Relationship

Nothing in this Agreement will be taken to constitute e-pay as an employee, agent, partner or joint venturer of the Retailer nor is e-pay authorised to incur any obligation on behalf of the Retailer.

15.2 Notices

Notices may be served either by delivery to a party personally, by posting to the party's last known address by pre-paid ordinary mail or facsimile or, if the address is outside Australia, by pre-paid air mail or facsimile to the party's last known address for service. If a communication is given by:

- (a) post, it is taken as received if posted within Australia to an Australian address 3 Business Days (in place of receipt) after posting; or
- (b) facsimile, and the sender's facsimile machine, the report will be prima facie evidence that the facsimile was received by the addressee in legible form at the time indicated on that report.

15.3 Amendment

e-pay does not presently intend to amend the terms of this Agreement but reserves the right to do so giving not less than 30 (thirty) days' written notice to the Retailer.

15.4 Waiver and exercise of rights

A single or partial exercise or waiver of a right relating to this Agreement will not prevent any other exercise of that right or the exercise of any other right.

15.5 Governing law and jurisdiction

This Agreement is governed by and is to be construed in accordance with the laws in force in New South Wales. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

15.6 Entire understanding

This Agreement embodies the entire understanding and agreement between the parties as to the subject matter of this document. All previous negotiations, explanations, understandings, representations, warranties, memoranda, commitments or information provided in relation to, or in any way affecting, the subject matter of this document are merged in and superseded by this Agreement and shall be of no force or effect whatsoever and no party shall be liable to any other party in respect of those matters.

SCHEDULE 1 - PRODUCT SCHEDULE

List below the Prepaid Products that the Retailer is authorised to sell, along with the Provider of each Pre paid Product:

<u>Mobile Products</u>	<u>Provider</u>	<u>Margin</u>
3 Pre-paid	Hutchison	6%
Amichi	Amichi	10%
Boost Pre-paid	Boost-tel	5%
Boost SMS Vouchers	Boost-tel	5%
Crazy Johns Mobile	Crazy Johns	8%
Dodo Pre-Paid	Dodo	15%
JUST Pre-Paid Mobile	JUST	10%
Optus Pre-paid	Optus	5%
Optus SMS Vouchers	Optus	5%
Soul Pre-Paid	B-Digital	8%
Pre-paid Plus	Telstra	6%
Virgin	Virgin	7%
Vodafone prepaid	Vodafone	5%

<u>Internet Products</u>	<u>Provider</u>	<u>Margin</u>
Dodo	Dodo	25%
iPrimus Prepaid	iPrimus	20%
Optusnet Prepaid	Optus	20%
Telstra Bigpond	Telstra	32%

<u>Other Products</u>	<u>Provider</u>	<u>Margin</u>
Canvas (Higher)	Secure Cash Xpress	-
Canvas (Lower)	Secure Cash Xpress	-
Canvas Instant P&L	Secure Cash Xpress	-
Canvas Instant L	Secure Cash Xpress	-
Canvas Instand Issue	Secure Cash Xpress	-
e-pay Gift Card	e-pay	-
GRLmobile	Girl Mobile	8%
Ripit Music	Soundbuzz	10%
Bigpond Games	Telstra	10%
Bigpond Movies	Telstra	10%
Bigpond Music	Telstra	8%
Pre-paid Home	Telstra	12%

<u>Calling Cards</u>	<u>Provider</u>	<u>Margin</u>
Aussie Phonecard	Aussie	27%
Boost Phonehome	PPS	25%
HOT Phonecard	Cardcall	25%
Say G'Day	CardCall	25%
Shout	CardCall	25%
Super Buzz	CardCall	25%
Talk Tomato	CardCall	25%
Daybreak	CardCall	25%
Dodo's	Dodo	25%
GoTalk	CardCall	25%
GoTalk Universal	CardCall	8%
Green	CardCall	25%
Happy	CardCall	25%
OZCall	CardCall	25%
Any time	PPS	23%
Genie	PPS	23%
Lucky Dragon	PPS	23%
Wicket	PPS	23%
Ratesaver	CardCall	25%
Supersaver	CardCall	20%
GPS	Tel Pacific	22.5%
Hello	Tel Pacific	22.5%
Joy	Tel Pacific	22.5%
Oasis	CardCall	25%
PhoneAway	Telstra	16%
Global Gossip	Global Gossip	20%
Bubble	World Telecom	17.5%
Go Bananas	World Telecom	17.5%
Minute Max	World Telecom	17.5%
Pay Peanuts	World Telecom	17.5%
Phone Me	World Telecom	17.5%
Stealth	World Telecom	17.5%
Lotus	PPS	23%

Contact at e-pay:	Jenelle Rangi jrangei@epayaust.com.au	Ph: 02 8297 2888
e-pay Customer Service:	24 x 7	Ph: 1300 301 408
Payment Terms:	Twice weekly Direct Debit for all standard margins. Sales accrued Monday to Wednesday will be debited on Friday the same week and sales accrued Thursday to Sunday will be debited on the following Tuesday. Invoices will be issued weekly.	
Early Termination Fee:	\$40 per month for the remaining term of the agreement.	
Term	24 months from commencement date	

BILLING AND AUTHORISED LOCATIONS

Please Tick (✓) how you would like to receive your invoices:

By e-mail

☐

By fax

☐

()

*Note: if neither of these boxes are selected all invoices will be sent to the store addresses below

Please list ALL authorised store locations using eziPass software.

(If you have more than five outlets please attach a separate sheet)

Store location 1 (Please include Phone and Fax numbers)

Store Name.....**No of cash registers:**.....
Address.....
Suburb.....State.....Postcode.....
Phone:.....Fax:.....
Contact Person:.....

Store location 2 (Please include Phone and Fax numbers)

Store Name.....**No of cash registers:**.....
Address.....
Suburb.....State.....Postcode.....
Phone:.....Fax:.....
Contact Person:.....

Store location 3 (Please include Phone and Fax numbers)

Store Name.....**No of cash registers:**.....
Address.....
Suburb.....State.....Postcode.....
Phone:.....Fax:.....
Contact Person:.....

Store location 4 (Please include Phone and Fax numbers)

Store Name.....**No of cash registers:**.....
Address.....
Suburb.....State.....Postcode.....
Phone:.....Fax:.....
Contact Person:.....

Store location 5 (Please include Phone and Fax numbers)

Store Name.....**No of cash registers:**.....
Address.....
Suburb.....State.....Postcode.....
Phone:.....Fax:.....
Contact Person:.....