

ANNEXURE 1 - SETTLEMENT ARRANGEMENT

1.1. Mobicred shall (subject to the provisions of clause 1.5 below) pay the amount calculated in accordance with clause 1.4 below in respect of the preceding trading week (or part thereof) into the Merchant’s Nominated Bank Account by no later than close of business on each Tuesday following such preceding trading week; provided that if such day is not a Business Day, then such payment shall be made on the immediately succeeding Business Day. For the purposes hereof, the term “trading week” shall mean a week commencing on Monday at 00h00 and concluding on the following Sunday at 24h00.

1.2. Merchant’s Nominated Bank Account:

Bank Name	
Account Holder Name	
Account Type	
Account Number	
Branch Name	
Branch Number	

1.3. Mobicred shall, on a weekly basis, update its debtors and creditors systems with the Mobicred Transactions concluded during the preceding trading week and will submit to the Merchant a transaction and settlement reconciliation in Mobicred’s standard format (as notified by Mobicred to the Merchant from time to time).

1.4. Mobicred shall pay to the Merchant an amount calculated in accordance with the following formula:

$$A = (B - C) - [(B \times D) \times 1.15]$$

where:

- A** is the amount payable to the Merchant by Mobicred.
- B** is an amount equal to the aggregate Purchase Price of all Approved Mobicred Transactions that were approved during the preceding trading week.
- C** is an amount equal to the aggregate value of any and all amounts due and payable by the Merchant to Mobicred as at the due date of payment of the amount referred to in “A” above, including all amounts paid by Mobicred to the Merchant in respect of any Mobicred Transactions in respect of which a Return has occurred (as contemplated more fully in clauses 11 - 14 of the Agreement) and any interest which is due and payable, but unpaid, by the Merchant to Mobicred.
- D** is the commission percentage, being 3.5% (three and a half percent).

1.5. In the event that the amount referred to in “A” above is calculated as a negative value, then in such event:

- 1.5.1. an amount equal to such amount, expressed as a positive value, shall become immediately due and payable by the Merchant to Mobicred; and
- 1.5.2. no amount shall be payable by Mobicred to the Merchant in respect thereof.

1.6. Each Commission payable by the Merchant to Mobicred in respect of a particular Mobicred Transaction shall be deemed to have been earned by Mobicred at the time when such Mobicred Transaction becomes an Approved Mobicred Transaction.

1.7. Mobicred shall, at any time and on reasonable notice to the Merchant, be entitled to inspect, or cause to be inspected, the books and records of the Merchant to the extent that same pertain to any Mobicred Transactions (whether completed or otherwise). The Merchant shall provide reasonable co-operation to the representatives of Mobicred and/or any persons appointed by Mobicred to conduct any such inspection. In the event of any dispute arising between the parties as to the accuracy of such books and records, such dispute shall, within 5 (Five) Business Days of having arisen, be referred to the auditors of Mobicred from time to time for determination, who shall act as experts and whose decision shall be final and binding on the parties (save in the event of manifest error). In the event that the auditors determine that any amount is owed by either party to the



other, then the party owing such amount shall pay same to the other party forthwith after such determination. The costs of the auditors arising out of any such determination shall be determined by the auditors in their sole discretion (which shall be final and binding on the parties) and in this regard the auditors shall be entitled to determine that the unsuccessful party to such dispute bears any or all of the costs of the auditors in respect of such dispute.

- 1.8. Interest will be charged on all overdue amounts due and payable by the Merchant to Mobicred at the prime bank overdraft rate charged by Mobicred's bankers from time to time from the due date until the actual date of payment. A certificate by any officer of Mobicred's bankers (whose appointment and authority it shall not be necessary to prove) as to the prime bank overdraft rate aforesaid shall be final and binding on the parties.
- 1.9. The factor of 1.15 provided in 1.4 above is subject to variation in the case of any increase or decrease in the rate of VAT.