

## **SAFARICOM M-PESA MOBILE FINANCIAL SERVICES PLC (M-PESA)**

### **UNIFIED MERCHANT TERMS & CONDITIONS (MERCHANT AND AGENT SERVICES)**

These Terms and Conditions, together with the application form and the operational guidelines (collectively, “the Agreement”), contain the complete terms and conditions that apply to the Unified Merchant’s engagement with Safaricom M-PESA Mobile Financial Services Plc (Safaricom M-PESA). For Mobile Money Merchant Payments Services, this Term and Condition supersede all other agreements between the Merchant and Safaricom M-PESA in relation to those services. For Agent Services, this Agreement governs Safaricom M-PESA and/or the Master Agent, and the agents’ conduct, rights, and obligations in relation to the agency arrangement, in line with the Master Agent Agreement.

By executing or opting in to this Term and Condition directly or through completion of the application form, the Unified Merchant (Merchant and Agent) agrees that they have carefully read and understood and agree to be bound by these terms and conditions.

#### **1. DEFINITIONS AND INTERPRETATION**

In this Term and Condition or Agreement, unless the context otherwise requires, the following words and expressions shall have the specified meanings:

- 1.1. **“Affiliate”** means any entity, individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with either party.
- 1.2. **“Agent Services”** means services and functions undertaken by the Agent, including but not limited to the registration of Customers and facilitating Cash-in Transactions and Cash-out Transactions, and analogous services such as digital-credit, digital-saving, and remittance services.
- 1.3. **“Agent’s M-PESA Account”** means the M-PESA Account opened in the name of the agent, comprising of the mobile microfinance account (MMF), the Outlet Float Account and the commissions account. The Accounts shall be a conclusive record maintained by Safaricom M-PESA of the amount of Money from time to time held by the agent and represented by an equivalent amount of cash held by the M-PESA trust account on behalf of the agent.
- 1.4. **“AML/CTF Laws”** means applicable anti-money laundering and counter terrorist financing laws and regulations.
- 1.5. **“Business Day”** means any day of the week not being a weekend or official holiday within Ethiopia.
- 1.6. **“Business Number” or “Merchant Number or Code”** means a destination code or numbering plan created by Safaricom M-PESA for the identification of the M-PESA pay bill accounts or Mobile Money Merchant Accounts.

- 1.7. **“Cash”** means currency notes and coins constituting the legal tender of Ethiopia.
- 1.8. **“Cash-in Transaction”** means the payment of Cash by a Customer to an Agent for the purchase of E-Money to be credited to an M-PESA Account.
- 1.9. **“Cash-out Transaction”** means the process of redeeming E-Money from a Customer’s M-PESA Account for Cash from an Agent.
- 1.10. **“Coercive Practice”** means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of a party to influence improperly the actions of a party.
- 1.11. **“Collusive Practice”** means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- 1.12. **“Confidential Information”** includes all trade secrets, know-how, data, manuals, concepts relating to marketing methods, business and financial affairs, and trade secrets, whether written, oral, or electronic, and the terms of this Agreement.
- 1.13. **“Corrupt Practice”** means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- 1.14. **“Customer”** means an M-PESA User who uses the M-PESA system to pay money due to the Merchant, or every person (including the Agent) in whose name an M-PESA Account is registered for the M-PESA Mobile Money Services.
- 1.15. **“E-Money”** means the electronic value issued by Safaricom M-PESA, denominated in Ethiopian Birr, representing an entitlement to an equivalent amount of Cash held by a Trustee Bank in a Trust Account.
- 1.16. **“Effective Date”** means the date upon which the Merchant’s M-PESA Account is activated by Safaricom M-PESA.
- 1.17. **“EFT”** means electronic funds transfer of the Merchant’s entitlement to Cash held in its M-PESA Account, from the Trust Account to the Merchant’s designated bank account, including settlement transfers.
- 1.18. **“Equipment”** means any equipment, device or apparatus supplied by Safaricom M-PESA to the Agent for use in connection with the Agent Services.
- 1.19. **“Float”** means the sum of money held by the Agent in the M-PESA System for the provision of M-PESA Services from each Outlet, and **“Float Account”** shall mean the Outlet’s M-PESA Account.
- 1.20. **“Fraudulent Practice”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads or attempts to mislead a party in order to obtain a financial or other benefit or to avoid an obligation. This also includes the facilitation, aiding, abetting, or enabling of any fraudulent activity—whether directly or indirectly—by providing support,

- information, access, or any other means that contributes to or assists the commission of a fraudulent act by another party.
- 1.21. **“Intellectual Property Rights”** (IPR) means proprietary rights, title, and interest in intellectual property vesting in that Party.
  - 1.22. **“Merchant’s M-PESA Account”** means the account belonging to the Merchant created in the M-PESA System through which the Merchant receives E-Money payments from Customers.
  - 1.23. **“M-PESA Account”** generally refers to the record maintained by Safaricom M-PESA of E-Money held by the User.
  - 1.24. **“M-PESA Service(s)”** or **“Service(s)”** refers to the mobile money transfer service through which Customers can make E-Money payments to the Merchant (Mobile Money Merchant Service), or the M-PESA cash-in and cash-out services (Agent Services).
  - 1.25. **“M-PESA System”** means the proprietary technology platform operated by Safaricom M-PESA providing the M-PESA Services.
  - 1.26. **“MSISDN”** means the Mobile Subscriber Integrated Services Digital Network Number issued to the M-PESA User/Customer which uniquely identifies the M-PESA User/Customer.
  - 1.27. **“Outlet”** means the place of business operated by the Agent and from which the Agent provides the Agent Services.
  - 1.28. **“Participant”** means the Merchant or Agent or any person or legal entity that participates in the M-PESA System by using the M-PESA Services.
  - 1.29. **“SIM Card”** means the subscriber identity module issued to the Agent by the Telecom Operator
  - 1.30. **“Transaction”** means any movement of E-Money or Cash from one M-PESA User to another pursuant to instructions initiated on the M-PESA System, including reversals and EFTs made by the Trustee Bank to the Merchant, or receiving M-PESA payments and paying out cash sums to Customers, and registering new Customers (Agent Services).
  - 1.31. **“Trust Account(s)”** means the custodial account or accounts maintained in a commercial bank into which Cash sums represented in the Mobile Money System are held.
  - 1.32. **“Withdrawal Request Instruction”** means an instruction given by the Merchant to Safaricom M-PESA requesting redemption of Cash in exchange for E-Money in the Merchant’s M-PESA Account, sent by EFT to the Merchant’s nominated bank account.
  - 1.33. **“Unified Merchant”** means to a business or individual that is authorized to provide both Agent Services (cash-in, cash-out, customer registration) and Merchant Services (receiving M-PESA payments for goods and services)
  - 1.34. **“KYC”** means know your customer due diligence performed the unified merchant to ascertain the identity of the customer at the point of sales

requiring the viewing and matching of ID information with the M-PESA account.

## **2. SCOPE AND APPOINTMENT**

- 2.1. The Unified Merchant irrespective of being onboarded by Safaricom MPESA directly or through third party agrees to abide by the M-PESA operational procedures (the “Operational Procedures”), the M-PESA Website access terms, and the Customer Terms and Conditions as published by Safaricom M-PESA from time to time. In the event of any conflict or inconsistencies, the latter (the Operational documents and other terms and conditions) shall prevail.
- 2.2. The Unified Merchant will perform the following roles:
  - 2.2.1. **Merchant Role:** The Merchant participates in the M-PESA mobile payment system by accepting M-PESA payments (Mobile Money Merchant Payments Services).
  - 2.2.2. **Agent Role:** Safaricom M-PESA acknowledges the appointment of the Agent, directly or through the Master Agent, as an independent, non-exclusive provider of the Agent Services. The Agent accepts this appointment and agrees to provide the Agent Services.
- 2.3. Service Changes Safaricom M-PESA may suspend, improve, change, replace, withdraw, or include any module as part of the Service, from time to time, upon reasonable notice to the Participant.

## **3. ACTIVATION, KYC, AND GENERAL OBLIGATIONS**

- 3.1. **Agreement Commencement and Activation:** This Term and condition takes effect upon activation of the M-PESA Account by Safaricom M-PESA, which occurs following the opting in of the Term and condition or signing application form and the completion of KYC vetting procedures conducted on the unified merchant.
- 3.2. **KYC Requirement:** Prior to activation during partnership, the unified merchant shall provide Safaricom M-PESA with the necessary Know Your Customer (KYC) documents as prescribed. If the unified merchant fails to satisfy the minimum KYC requirements at any time, Safaricom M-PESA will refuse to activate or suspend the M-PESA Account.
- 3.3. **Unified Merchant Registration Obligation** The Unified Merchant shall registered with Safaricom M-PESA as a Customer and open an **Unified Merchant Account**.
- 3.4. **General Compliance** The unified merchant undertakes that it shall at all times comply with the obligations under this term and condition, the Operational Procedures, the Manual (if applicable), and such other reasonable guidelines, bulletins, or directives (including National Bank of Ethiopia Directives) as communicated by Safaricom M-PESA. The unified merchant shall also comply

with any guidelines or bulletins on customer dispute resolution and consumer protection.

- 3.5. **Licensing and Permits** Each Party shall, at its expense, obtain and renew all permits, licenses, and authorizations required for the performance of its obligations under this Term and condition . The Agent shall obtain and maintain all applicable licenses and permits required to conduct its business and allow Safaricom M-PESA and the Master Agent to inspect them.

#### **4. SAFARICOM M-PESA OBLIGATIONS AND RIGHTS**

Safaricom M-PESA shall:

- 4.1. Allocate a **Unified Merchant Number or Short Code** through which Customers may make payments to the Unified Merchant's M-PESA Account. This numbers remain the property of Safaricom M-PESA, which may re-number, re-assign, re-allocate, or withdraw them with reasonable prior notice, provided Safaricom M-PESA does not tamper with the M-PESA balances. Safaricom M-PESA shall also grant secure access rights to the M-PESA Website for managing the M-PESA Account.
- 4.2. **Transaction and Settlement (Merchant)** Credit the Merchant's M-PESA Account with E-Money upon receipt of E-Money paid through the M-PESA System. Safaricom M-PESA shall prepare an EFT of the Cash equivalent of accrued E-Money (less charges) to the Merchant upon receiving a **Withdrawal Request Instruction** within one (1) Business Day (the "Settlement Period").
- 4.3. Validate new M-PESA Accounts upon receipt of the relevant KYC from the Agent.
- 4.4. Provide customer service support to the Unified Merchant and to Customers using the M-PESA Service.
- 4.5. Safaricom M-PESA reserves the right to disable the Unified Merchant short code or revoke the them from M-PESA System if the Unified Merchant connectivity is used unlawfully or for purposes other than the Unified Merchant Services or if the Unified Merchant is not complying with this Term and condition. Safaricom M-PESA also reserves the right to inspect the Unified Merchant business premises, Outlets, and business operations during working hours.
- 4.6. Provide all M-PESA communication and promotional material
- 4.7. Provide access to the unified merchant to see and manage transactions made via M-PESA.

#### **5. UNIFIED MERCHANT OBLIGATIONS**

- 5.1. Merchant service - shall reconcile and receipt payments received on the M-PESA System, initiate Withdrawal Request Instructions for the redemption of

accrued E-Money, and authorize Safaricom M-PESA to debit charges and commissions from its M-PESA Account for providing the service. The Merchant may liquidate E-Money through an Safaricom M-PESA Agent, Master Agents, and/or self-liquidation to their selected Bank Account or MSISDN.

- 5.2. **Agent Service** - shall maintain **Floats** at such level as will be sufficient to cover all Transactions and shall ensure that the Float at the Outlet is balanced daily.
  - 5.2.1. For **Cash-in Transactions**, the Agent will upload E-Money into a Customer's M-PESA Account only if the Customer hands over the equivalent amount of Cash, identifies themselves with the appropriate ID document, and the Customer ID number on the M-PESA System corresponds to the ID document presented.
  - 5.2.2. For **Cash-out Transactions**, cash payments are only made upon sufficient sums being available in the Agent's Cash Float, upon checking the accuracy and completeness of the Confirmation SMS, and upon being satisfied that the recipient is the owner of the mobile phone by verifying the Customer's ID against the details provided in the Confirmation SMS.

The Agent must decline to carry out a Cash-out Transaction if they have insufficient cash funds available in their Cash Float.

- 5.3. **Use of Unified Merchant Account** Under no circumstances shall use the Unified Merchant Payment Account for any transaction that is not a **genuine customer purchase** at the registered business. Violation of this term is considered a material breach and may result in suspension or immediate termination.
- 5.4. **Reversals (Merchant)** The Merchant shall, within a reasonable period, but no later than **72 hours**, initiate and complete reversal transactions where a payment made to it is manifestly made in error. If the Merchant fails to do so, the Merchant consents to Safaricom M-PESA initiating and completing the reversal. Safaricom M-PESA may suspend the Merchant's M-PESA Account to facilitate amicable resolution where a dispute arises regarding a reversal.
- 5.5. **Agent Customer Registration/KYC Obligations** In facilitating the registration of new Customers, the Agent shall ensure that new Customer Application Forms are completed accurately, signed, and verified against Supporting Documents. The Agent must satisfy themselves as to the identity of the Applicant and ensure the details provided are not false, inaccurate, incomplete, or misleading, and that the documents are genuine. The Agent must decline to register an Applicant where they are not satisfied with the proof of identity in line with Safaricom M-PESA KYC standards.
- 5.6. **Equipment Maintenance** The Agent shall keep and maintain all Equipment and Mobile Equipment in working order and in a good state of condition and repair, and immediately report damage, loss, or theft to Safaricom M-PESA

within forty-eight (48) hours. Equipment supplied remains the exclusive property of Safaricom M-PESA.

## **6. TRANSACTION PROCEDURES, FEES, AND COMMISSIONS**

- 6.1. **Transaction Limits** Each transaction shall be subject to the **maximum financial limit** set out in directives issued by the National Bank of Ethiopia. Safaricom M-PESA is entitled to set the financial limit for transactions at any amount below the maximum financial limit.
- 6.2. **Service Fees and Charges** The Service shall be subject to the charges and minimum/maximum transaction values determined by Safaricom M-PESA from time to time. The Unified merchant acknowledges that Safaricom M-PESA may vary these charges and limits by notice. The Unified merchant authorizes Safaricom M-PESA to debit charges and commissions from its M-PESA Account.
- 6.3. **Agent Commissions** In consideration for providing M-PESA Services, the Agent will earn a commission based on the number and type of Transactions in accordance with Safaricom MPESA commission rate and tariff. Commissions are rolled up to a commission account and paid at regular intervals after computation and withholding of applicable taxes.
  - The Agent must **not** charge or collect any fees from users directly.
  - The Agent must **not** make any fraudulent claim for commissions, including claims arising from the splitting of a transaction into multiple transactions of lesser value.
- 6.4. Safaricom MPESA shall have the right to recover **(claw back)** any commissions paid to the Unified Merchant that are found to have arisen from fraud, misrepresentation, or error, and the Unified Merchant hereby irrevocably consents to Safaricom MPESA deducting or debiting such recoverable amounts from any current or future payments due to the Unified Merchant, including directly from the Unified Merchant M-PESA Account or any other account held with Safaricom MPESA, without prejudice to any other legal remedies available.

## **7. PROHIBITED USAGE AND CONDUCT**

### **7.1. General Prohibitions**

The Unified Merchant agrees not to use the Services to:

- 7.1.1. Conduct anything that is unlawful, harmful, defamatory, obscene, or criminal.
- 7.1.2. Impersonate any person or entity, including a Safaricom M-PESA official or user, or misrepresent affiliation.
- 7.1.3. Conduct any activity that infringes any Intellectual Property Rights (IPR).

- 7.1.4. Conduct any activity whether solicited or unsolicited, relating to SPAM, junk mail, pyramid schemes, pornography, unlicensed gaming or gambling.
- 7.1.5. Conduct any business that interferes with or disrupts the Service, servers, or networks connected to the Service.
- 7.1.6. Conduct any business that intentionally or unintentionally violates any applicable local or international law or regulation.
- 7.1.7. Use personal data of other users for any purpose beyond that which the customer has expressly consented to or which is consistent with the original purpose of collection.
- 7.1.8. Engage in any fraudulent acts, including but not limited to misrepresentation, manipulation of transactions, or any activity intended to obtain an undue financial or operational benefit.
- 7.1.9. Engage in campaign abuse, including misuse of promotions, incentives, discounts, loyalty schemes, or any activity designed to exploit or unfairly benefit from Safaricom M-PESA campaigns.

## 7.2. **Merchant/Financial Specific Prohibitions**

The Merchant shall not:

- 7.2.1. Use the Merchant Payment Account for any transaction that is not a **genuine customer purchase**.
- 7.2.2. Aggregate payments or create “collection accounts” on behalf of third parties without written consent of Safaricom M-PESA.
- 7.2.3. Conduct cash-related transactions (Cash in – Cash out) unless registered as an Agent.
- 7.2.4. Engage in Corrupt Practice, Fraudulent Practice, Collusive Practice, or Coercive Practices during the procurement or the execution of this Agreement.
- 7.2.5. Contravene anti-money laundering and combating the financing of terrorism laws and regulations.
- 7.2.6. Facilitate, participate in, or enable any fraudulent scheme, including transaction cycling, fake sales, artificial inflation of volumes, or actions intended to mislead Safaricom M-PESA or regulatory authorities.
- 7.2.7. Abuse any promotional, discount, or incentive campaign by conducting artificial transactions, coordinating misuse with customers or third parties, or otherwise attempting to secure benefits not legitimately earned.

## 7.3. **Specific Agent Prohibitions (Fraud and Operational)**

The Agent is prohibited from:

- 7.3.1. Registering customers in contravention of Safaricom guidelines (including SIM card limits per customer), using the same identification document for multiple registrations, or facilitating the registration of fraudulent users.
- 7.3.2. Fraudulent SIM swap, remote withdrawal of acquired funds, or direct deposit of fraudulently acquired funds.
- 7.3.3. Failure to report suspicious activity.
- 7.3.4. Failure to verify Customer IDs when transacting or acceptance of unacceptable IDs/ID copies.
- 7.3.5. Short-changing the Customer, withdrawing Customer Float without Customer consent, or false/multiple registrations to earn undeserving commissions.
- 7.3.6. Breaking down deposits to earn more commission.
- 7.3.7. Charging Customers for registrations or transactions outside the system.
- 7.3.8. Non-compliance with the required Float rule.
- 7.3.9. Undertaking transactions in the absence of system or network connectivity.
- 7.3.10. 7.3.10. Facilitating, participating in, or enabling any form of fraud, including transaction manipulation, cash-circling, collusion with customers or merchants, or use of agent lines for fraudulent schemes.
- 7.3.11. Engaging in campaign or promotion abuse, including artificially generating transactions, coordinating with customers to exploit promotional rewards, or misrepresenting eligibility criteria.
- 7.3.12. Bypassing or attempting to bypass transaction monitoring systems, AML/CFT controls, or risk-based verification processes to conceal suspicious transactions.
- 7.3.13. Allowing unauthorized third parties to use the agent SIM, device, or credentials, or sharing PINs or access rights that may enable fraudulent activity.

## **8. CONFIDENTIALITY AND DATA PROTECTION**

- 8.1. The Unified Merchant shall maintain in strict confidence all Confidential Information obtained in connection with this Agreement and shall provide the highest degree of protection to such information. The Unified Merchant shall not disclose any Confidential Information to any third party without the prior written consent of Safaricom MPESA, except where such disclosure is required by applicable law or by order of a competent authority in which case the Unified Merchant will notify Safaricom MPESA about the disclosure.
- 8.2. Safaricom M-PESA may disclose the Unified Merchant Confidential Information if required to do so by law or in the good faith belief that such preservation or disclosure is reasonably necessary to comply with regulatory requirements, legal process, enforce the terms of this Agreement, or protect the rights, property, or personal safety of Safaricom M-PESA, its customers, and the public. Safaricom M-PESA may also disclose information collected from Unified Merchant to its affiliates, companies performing marketing services, or financial institutions with joint marketing agreements.

- 8.3. Unified Merchant agrees that all Customer Information is and shall remain the exclusive property of Safaricom M-PESA. The Unified Merchant must strictly comply with relevant Data Protection Laws, relevant international standards, and Safaricom M-PESA requirements when dealing with Subscriber data.

## **9. WARRANTIES, INDEMNITIES, AND LIMITATION OF LIABILITY**

- 9.1. Warranties: The Unified Merchant warrants that it has the power and capacity to enter into this Agreement and has obtained all necessary internal or regulatory approvals to use the Service. The Merchant specifically represents and warrants that none of its senior officers or directors have been convicted or charged with any crime relating to fraud, embezzlement, theft, money laundering, or terrorism financing. The Agent specifically warrants that they shall carry out Know Your Customer on Eligible M-PESA Customers, and Safaricom M-PESA shall rely upon the accuracy and validity of that Personal Data.
- 9.2. Indemnities: Each party shall indemnify the other against any loss, damage, liability, costs, and expenses arising from any breach of this Term and condition , IPR infringement, or third-party claims, provided the liability was not incurred directly through the default of the indemnified party.
  - 9.2.1. The Merchant shall indemnify Safaricom M-PESA against third-party claims arising from loss or damage where the proximate cause is attributable to the Merchant's negligence, recklessness, indifference, delay, or failure to receipt or acknowledge a Customer's payment after a Transaction.
  - 9.2.2. The Agent shall indemnify Safaricom M-PESA for all losses and liabilities resulting from the Agent's breach, system malfunctions, fraud, or any criminal act due to unlawful access or manipulation. The Agent must indemnify Safaricom M-PESA and end users to the full extent of monies received from them in cases of underpayment, overpayment, fraudulent payment, or loss of End Users' monies.
- 9.3. **Limitation of Liability (Safaricom M-PESA)**

Safaricom M-PESA shall not be liable to the Unified Merchant where:

- 9.3.1. The Customer/End User has entered incorrect details and payment is made to the wrong M-PESA User/Account.
- 9.3.2. The Unified Merchant hardware, software, or Telecom Operator's service is dysfunctional.
- 9.3.3. The Transaction is suspicious or fraudulent resulting in losses.
- 9.3.4. The Unified Merchants receipt of funds is intercepted by legal process.
- 9.3.5. Unforeseen circumstances prevent execution of a Transaction despite reasonable precautions taken by Safaricom M-PESA.
- 9.3.6. The End User is not registered on the M-PESA system.

Safaricom M-PESA specifically excludes liability for any loss or damage whatsoever, whether direct, special, or consequential, except for acts arising out of willful default or gross negligence of Safaricom M-PESA or its employees.

## **10. LEGAL COMPLIANCE (TAX, ANTI-BRIBERY, AML/CFT, SANCTIONS, ESG)**

- 10.1. **Taxes** If the Merchant is not registered for VAT, may not legally required to issue a tax invoice in order to receive the applicable commission. However, the Merchant shall be solely responsible for determining, collecting, remitting, and declaring all taxes arising from the use of the Services and from any commissions received, in accordance with applicable tax laws.
- 10.2. The Merchant shall fully indemnify and hold Safaricom M-PESA harmless against any loss, liability, or damage resulting from the Merchant's failure to comply with its tax obligations.
- 10.3. Each Party shall be solely responsible for its own tax liabilities and compliance with applicable tax laws.
- 10.4. **Anti-Bribery and Corruption & AML/CTF** The unified merchant shall ensure compliance with all Anti-Bribery and Corruption Laws and AML/CTF Laws. The unified merchant warrants that neither it nor anyone acting on its behalf has paid or will pay any bribe or facilitation payment. Safaricom M-PESA expressly prohibits the payment of bribes. The unified merchant must conduct requisite due diligence or enhanced due diligence as part of business dealings. The unified merchant shall immediately notify Safaricom M-PESA of any Money Laundering/Terrorism Funding suspicions. Safaricom M-PESA may audit the unified merchant to satisfy itself of compliance with contractual and legal obligations.
- 10.5. **Sanctions and Trade/Export Control Laws** Both Parties must comply with Sanctions and Trade Law (Applicable Law relating to trade control and economic sanctions, such as those of the United Kingdom, European Union, the United States of America, and other relevant countries). Each Party has the right to terminate this Agreement for material breach if the other Party breaches this clause.
- 10.6. **Environmental, Social, and Governance (ESG)** Both parties shall use commercially reasonable efforts to comply with applicable ESG laws and regulations. Both parties shall adopt a code of ethical conduct. The unified merchant shall comply and adhere to all Safaricom M-PESA ESG policies, procedures, and standards. In case any ESG incident occurs, the unified merchant shall proactively inform Safaricom M-PESA.
- 10.7. **Fraud Prevention and Regulatory Compliance**
  - 10.7.1. The Unified Merchant and Agents must strictly adhere to all applicable fraud-prevention obligations under Ethiopian financial sector laws and directives. In addition to complying with Safaricom M-PESA policies, the

Merchant/Agent shall ensure full compliance with the following instruments:

- Use of Agent Directive No. FIS/02/2020
- National Payment System Proclamation No. 718/2011 and its amendment
- Requirement for Account-Based Transaction & Ensuring Regulatory Limit Directive

10.7.2. The Unified Merchant and Agents shall:

- a. Take appropriate fraud-detection and monitoring controls aligned with the above directives MPESA requirements.
- b. Immediately report any fraudulent, suspicious, or unusual activity in accordance with regulatory requirements.
- c. Refrain from engaging in or facilitating fraud, campaign abuse, misrepresentation, impersonation, or any conduct that misleads customers or Safaricom M-PESA.
- d. Ensure all customer onboarding, transaction processing, and account-based services comply with KYC, EDD, and transaction-limit requirements under the listed directives.

## **11. SUSPENSION AND TERMINATION**

11.1. **Termination on Notice** Either party may terminate the Agreement **for convenience by giving thirty (30) days prior notice** in writing. Either party may also terminate if the other commits a material breach and fails to remedy such breach within fifteen (5) days of written notice.

11.2. **Immediate Suspension or Termination by Safaricom M-PESA** Safaricom M-PESA may suspend, restrict, or terminate the Service (in whole or in part) and/or close the M-PESA Account immediately and without liability if:

- 11.2.1. The Unified Merchant fails to comply with any laws, rules, or regulations of Ethiopia regarding the Service, or fails to observe any term or obligation herein.
- 11.2.2. The Unified Merchant carries on prohibited activities or uses the Service in an unauthorized, unlawful, improper, or fraudulent manner in connection with criminal activities.
- 11.2.3. Registration of the Account was fraudulent and/or improper.
- 11.2.4. The M-PESA Account remains inactive (no credit entries) for a continuous period of six (6) months.
- 11.2.5. The Unified Merchant ceases its primary commercial activity, is found guilty of a criminal offense involving fraud, dishonesty, or financial impropriety, or violates any provision of the National Bank Use of Agent Directive.

11.2.6. Safaricom M-PESA is not satisfied with the Unified Merchant compliance measures, including anti-money laundering or anti-terrorist financing procedures.

### 11.3. Obligations Upon Termination or expiry

11.3.1. The Unified Merchant's access to the M-PESA account shall be revoked, and the Unified Merchant shall return all terminals and related equipment to Safaricom M-PESA in good working order.

11.3.2. The Unified Merchant's shall immediately cease to provide the services.

11.3.3. The balance outstanding in the Float (Agent) shall be returned to the Agent.

11.3.4. The Unified Merchant's shall return or destroy any and all Confidential Information and proprietary information.

11.3.5. All logos and promotional materials shall be removed from the premises.

## 12. GENERAL PROVISIONS

12.1. **Governing Law and Jurisdiction** The validity, construction, and interpretation of this Terms & Conditions shall be **governed by the laws of Ethiopia**. Disputes shall be amicably settled, or failing that, submitted to a court of competent jurisdiction in Ethiopia.

12.2. **Amendments** This Terms & Conditions, including the form and operating guidelines, may be amended by Safaricom M-PESA by way of a written Amendment, bulletin, and notices, which shall be binding. The updated Agreement and Terms & Conditions will be available on the Safaricom M-PESA Official Website. The Agent shall not amend, modify, or vary any term otherwise than by the express written Agreement of Safaricom M-PESA.

12.3. **Assignment** This Terms & Conditions may not be assigned by the Unified Merchant, by operation of law or otherwise, without the prior written consent of Safaricom M-PESA. Safaricom M-PESA may assign any right or obligation under this Terms & Conditions without the prior written consent of the Unified Merchant.

12.4. **Force Majeure** Neither party shall be liable to the other to the extent fulfillment or performance of any terms or provisions of this Terms & Conditions is delayed or prevented by Force Majeure, defined as unforeseeable and unpreventable occurrences as set out under Articles 1792-1794 of the Ethiopian Civil Code of 1960.

12.5. **Confidentiality Regarding Agreement** None of the Parties shall at any time publish or cause to be published orally or in writing any information concerning this Terms & Conditions or any other information regarding the internal affairs of either Party, without the express written permission of the other Party.

12.6. **Severability** If any provision of this Terms & Conditions is held by a competent court to be contrary to law, that provision shall be severed, but the remaining provisions shall remain in full force and effect