

M-PESA EQUB TERMS AND CONDITIONS

Preface

EQUB is a traditional Ethiopian group for mobilizing finance and distributing saving on a rotating basis. Being a licensed financial service provider, Safaricom M-PESA Mobile Financial Services PLC (Safaricom M-PESA) provides a digital mechanism to assist and facilitate the rotational saving group, under its M-PESA system. This digital financial contribution solution will support the Customer electronically via Mobile money to collect the fund, across Ethiopia using M-Pesa platform.

1. Definitions:

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

- 1.1 “EQUB Account” means an account created by Safaricom M-PESA upon your request aim to be used for fundraising from different source, this become an additional account to your M-Pesa account which has expiration duration; For the avoidance of doubt the EQUB Account or EQUB Number remain the property of Safaricom M-PESA and Safaricom M-PESA;
- 1.2 "Customer" means an M-PESA user who uses the M-PESA System to create a group or pay/contribute money on the Customer’s EQUB Account as shall be construed accordingly;
- 1.3 “Group” or “M-PESA EQUB Group” means two or more M-PESA Customers/Members who form a group on M-PESA System to use the EQUB Service in order to share funds between and among all M-PESA Customers /Members in the same group;
- 1.4 “Organizer” means the EQUB User who creates an Equb Group on M-PESA, invites members to the Group and uses the Equb platform to define the Group rules as agreed with other Equb Group members. An organizer automatically becomes one of the Approvers of the Group.
- 1.5 “Approver” or “Approvers” means either of the two administrator of the Group who oversee the Group operations and empowered to initiate transactions, make payouts, change member roles, change member payout sequence position (in the

case of groups with sequential payments) and requests to close the group. Approvers can also approve transactions initiated by other Approvers.

2. Duration of Agreement

- 2.1** These Terms and Conditions shall be applicable throughout the period the EQUB Group and Wallet has been active. All EQUB wallets will have a given validity period dependent on customers' need. An Equb Group will automatically close once the number of lotteries set at the onset of the Group have been exhausted.
- 2.2** Equb Group Approvers can close a Group if a request to close a Group is initiated by another Approver and is approved by the required number of Approvers.
- 2.3** You will have a chance to extend the EQUB Group validity period, or if no extension applied you may be notified on expiry or due time.
- 2.4** You shall ensure that the EQUB Account is at zero available balance during the expiration time; hence Safaricom M-PESA will not be liable for any loss and shall not compensate you for any kind of loss during the expiration period and/or due to closure of account procedure.

3. Activation of the EQUB Account

- 3.1** This agreement will come into effect upon activation and/or initial use of the EQUB Account by Safaricom M-PESA Customer; in this basis it is considered that you are legally aware, read, understood, agree, abide, bonded that; The pricing details of the service is available on the Safaricom website www.safaricom.et.
 - 3.1.1** the M-PESA operational procedures, Customer Terms and Conditions and its variations as may be prescribed by Safaricom M-PESA from time to time;
 - 3.1.2** the acceptance of these terms and conditions and;
 - 3.1.3** successful completion of KYC vetting procedures through any necessary means including Biometric registration.

4. Operation and Scope

- 4.1** M-PESA EQUB service allows you to register a separate contribution wallet within M-PESA wallets (EQUB Account) that will enable fellow contributors to contribute directly from M-PESA Account.
- 4.2** Safaricom M-PESA Customers will have the ability to create M-PESA EQUB Groups and invite other M-PESA Customers as members under the financial services menu on the M-PESA USSD code *733# or the M-PESA App.

- 4.3** While creating a Group the organizer will be required to provide the name of the Group, number of Group members, contribution amount, number of approvals required to process transactions, Group payout cycle or contribution cycle and payout type (random, sequential or manual).
- 4.4** The Group Organizer shall also determine the Group member being invited to the Group, the members Group role (Approver or ordinary member), the expected contribution amounts and determine the payout sequence position (in cases where the Group has a set sequence of payouts).
- 4.5** The Organizer can remove members, change payout sequence, change members role, close the Group.
- 4.6** Failure to contribute funds to a Group at the agreed time and amounts will result in limited or restricted access to M-PESA Services, including exclusion from joining other EQUB Groups or receiving shared funds distributions from any Groups that Customer has previously joined.
- 4.7** With effect from the Effective Date and for the duration of the term of the Agreement, Safaricom M-PESA shall:
- 4.7.1** Allocate an EQUB/Account(s) separate from your normal M-PESA Account, through which Customers (i.e., your contributors) may contribute to EQUB M-PESA Account through the appropriate EQUB service functionality on the Customer's M-PESA menu.
- 4.7.2** Grant secure access rights to the M-PESA Menu through which the Customer may manage both M-PESA Account and EQUB Account(s). In this case, you are strongly advised that; You should not share or reveal your PIN with anyone including Safaricom M-PESA Staff.
- 4.7.3** Provide Customer service support to the users, who are using the EQUB options and M-PESA functionality on their M-PESA menu;
- 4.7.4** Credit the Customer's EQUB/M-PESA account with e-money upon receipt of E-Money paid through the M-PESA System or upon the EQUB account expiration time elapsed.
- 4.8** With effect from the Effective Date and for the duration of the Initial Term, the you shall:
- i.** Initiate Withdrawal Request instructions to Safaricom M-PESA for redemption of accrued E-Money for Manual Payout;
 - ii.** Authorize Safaricom M-PESA to debit charges, fees, and commissions to its M-Pesa Account for providing the service;
 - iii.** Comply with Safaricom M-PESA's charges for using the Service as may be notified to it by Safaricom M-PESA in either writing or electronically or other method deemed fit as from time to time;
 - iv.** Agreed and comply and pay or been deducted any governmental levy, tax and others as per directives from governmental authority organs.

- 4.9** Cash Out/Withdrawals can be initiated automatically via the system or manually through the Approver ;
- 4.9.1** For security and transparency, the Organizer is required to determine approval level for the purposes of cash out process;
 - 4.9.2** Once collection payout is made EQUB Account members will be able to withdraw e-money (i.e., funds) collected not limited to the following options as shall be determined by Safaricom M-PESA from time to time:
 - i.** Withdraw at M-PESA Agent
 - ii.** Pay Merchant
 - iii.** Transfer funds to his/her M-PESA Account; the process used after expiration and upon your selection.
 - iv.** Transfer funds to bank account.
- 4.10** Statement: there will be a Group statement option made available on your EQUB menu in order to have a visibility of the details for EQUB Account transactions. As modified by Safaricom M-PESA from time to time the Statement may contained but not limited to;
- i.** Date and time of contribution,
 - ii.** Name of the contributor,
 - iii.** MSISDN of the contributor (If available)
 - iv.** M-PESA receipt (or any relevant reference number)
 - v.** Available balance RSALS

5. Facilitation Fee

Safaricom M-PESA shall charge a facilitation fee amounting to 0.5% of each round payout value (Facilitation Fee). However, the Facilitation Fee shall not exceed ETB 500 per payout.

6. Limitation of Liability

Safaricom M-PESA's role is to facilitate the availability of the M-PESA EQUB Service and to provide support related thereto. Hence, Safaricom M-PESA's does not provide and is not responsible for guaranteeing the contribution by rotational saving Group members. Safaricom M-PESA does not verify Group members' information, review or approve Groups, participate in Groups, or provide any promises, warranties or guarantees regarding Groups activity. You acknowledge that Safaricom M-PESA will not be liable for any loss or damage related to your participation in any Group. Safaricom M-PESA does not refer or endorse or recommend Customer or Groups. You acknowledge and agree that you are responsible for your own acts and

omissions. You acknowledge your responsibility to resolve any issues arising from members' failure to make contributions through the group organizer and administrators.