

MERCHANT AGREEMENT

PREAMBLE:

Home Credit is a financing company duly licensed by the Securities and Exchange Commission (“**SEC**”) as such.

Home Credit is duly licensed by the Bangko Sentral ng Pilipinas (“**BSP**”) to engage in the business of issuing credit cards.

Merchant is duly licensed to do business in the Philippines and accepts alternative modes of payment, such as cards, QR code, electronic wallet and other electronic modes of payment.

The Parties would like to cooperate to increase sales and profitability of their respective businesses.

NOW THEREFORE, the parties hereby agree as follows:

1. DEFINITION OF TERMS

- 1.1. **Cardholder in good standing** are those Customers with cards that are not reported lost or stolen, whose accounts are not delinquent, not under investigation due to suspected fraud, and those Customers who have not violated any of the HCCC Terms and Conditions.
- 1.2. **Customer** shall mean a customer who availed of any of Home Credit’s financial services, whether POS loan, cash loan, credit card or other product of Home Credit.
- 1.3. **HCC or Card** shall mean a Home Credit issued credit card, prepaid card, debit card or any other card payment method.
- 1.4. **Merchant Branches** shall mean all branches, shops or online shops of the Merchant where Card and/or Home Credit QR payment is accepted. In case new branches, shops or online shops will be opened during the existence of this Agreement, those branches, shops or on-line shops will automatically be included.
- 1.5. **Merchant ID** a unique code assigned to each specific business by its payment processor before a Merchant can begin processing card transactions.
- 1.6. **Merchant Point of Sale (POS) Terminal** is an electronic device assigned to the Merchant and used to process card payments at the Merchants branches.
- 1.7. **Payment Network** shall mean the payment solutions company which will process the card payments of such as VISA and Mastercard.
- 1.8. **Subsidy Amount** shall mean the amount to be subsidized by the Merchant for every transaction covered by a loyalty program, in accordance with the Subsidy Rate to be agreed by the Parties.

2. UNDERSTANDING BETWEEN THE PARTIES

- 2.1. Each Party intends to promote its own business by sharing the equipment, technology, experience and other facilities provided or agreed to be provided by a Party to the opposite Party under the terms and conditions of this Agreement to the extent that such promotion is in line with the business activities of the Parties.
- 2.2. The relationship between the Parties is purely a business relationship based upon Principal-to-Principal arrangements and shall, unless expressly provided otherwise, never be construed as partnership, or joint venture, or employer-employee, principal- agent arrangement between the parties for any purpose whatsoever.
- 2.3. Home Credit neither guarantees any minimum sale or business to the Merchant nor undertakes to provide any kind of particular service or facility for consideration to the Merchant and the Merchant shall be solely responsible for all its own business and undertakes to bear all losses or profits arising out of its own business.
- 2.4. All existing Merchant stores will be included in the list of participating branches for promotions. Further, even if a Merchant does not enroll some of its branches for promotions or loyalty programs, qualified transactions using HCC will still be subject to the promotion or loyalty program available at the time of the transaction.
- 2.5. All transactions processed under the name of the Merchant, as it appears in the statement from the Payment Network, regardless of the branch name, will be billed to the Merchant, if applicable.
- 2.6. Home Credit reserves the right to decline or terminate the Customer's participation in any of the promotions or loyalty programs if it finds that the Customer has breached any of the terms and conditions of its card, loan, or financing agreement with Home Credit.
- 2.7. Merchant agrees that the decision of Home Credit shall prevail in case of any conflict in the promotions or loyalty programs.

3. OBLIGATIONS OF HOME CREDIT

- 3.1. Home Credit shall exert every effort to come up with loyalty programs to make shopping a more rewarding experience for all HCC Cardholders and Customers and Mobile App Users, which will in turn be beneficial to Merchant in terms of sales and brand awareness.
- 3.2. Design and produce all communication materials. Materials with Merchant logo shall be subject to approval by Merchant.
- 3.3. Train and cascade the promo mechanics to the Home Credit sales and customer service agents to be able to provide support to Merchant and also address customer concerns.
- 3.4. Secure the necessary regulatory permit/s in order to legally implement the

promotion or loyalty program.

- 3.5. Home Credit shall send the billing or statement of account to Merchant in accordance with **Annex "B"**.

4. OBLIGATIONS OF MERCHANT

- 4.1. Merchant is responsible for providing an updated list of branches by sending a Letter of Appointment (**Annex "A"**) to Home Credit through email.
- 4.2. Merchant shall train and cascade the promo mechanics to all frontliners and cashiers in all participating stores including but not limited to escalating any payment issues to Home Credit customer service.
- 4.3. For loyalty programs requiring subsidy, Merchant shall subsidize a portion of the transaction price in accordance with the subsidy rate agreed by the Parties in the Notice of Implementation. Merchants shall also have the option to offer discounts to Home Credit Mobile App Users.
- 4.4. Merchant agrees and warrants that all subsidy rates, discounts to be given to Home Credit Customers and Home Credit Mobile App Users will be at par with, if not greater than, any promotion, discount or special benefit available for non-Home Credit Customers.
- 4.5. Merchant shall comply with the billing and settlement process and schedule outlined in **Annex "B"**.
- 4.6. Merchant allows Home Credit to retrieve all Merchant's acquiring bank provider and merchant ID from Payment Network as deemed necessary to operationalize the loyalty programs.
- 4.7. Merchant shall obtain the consent of Home Credit prior to using the Home Credit brand or logo in any marketing material, website or social media posting. Merchant shall provide Home Credit with its updated brand logo which may be used by Home Credit in its future campaigns. Should the Merchant fail to provide/update its brand/logo, Merchant is hereby granting authority to Home Credit to use Merchant's brand/logo from the official social media site/page given by the Merchant upon application.
- 4.8. Merchant shall use platform/s or tool/s provided by Home Credit upon the direction given by Home Credit from time to time.

5. LOYALTY PROGRAMS

Home Credit shall exert every effort to come up with loyalty programs to give Home Credit customers and mobile app users a more rewarding experience, which will in turn be beneficial to Merchant in terms of sales and brand awareness.

5.1. Automatic Equal Payment Plan ("AEPP")

- 5.1.1. AEPP service enables Home Credit customers to purchase goods from Merchant using their HCCC and pay in installment at zero percent interest.
- 5.1.2. All Home Credit customers who will purchase products from participating stores of Merchant through their HCCC shall be eligible to the AEPP service, without cost to the customer, if the single-receipt purchase meets the minimum purchase requirement as agreed by the Parties and provided for in the Notice of Participation.
- 5.1.3. All eligible HCCC transactions shall automatically be converted by the AEPP service to installment plan at zero percent interest provided that the payment was processed at any of the Merchant's POS terminals. The conversion shall take effect on transaction posting date.
- 5.1.4. HCCC transactions that do not meet the conditions set forth above shall not be eligible for the AEPP service and will be treated as a straight retail transaction.
- 5.1.5. Merchant shall subsidize a percentage of every HCCC transaction that is converted by the AEPP service in accordance with the Notice of Participation.
- 5.1.6. Monthly billing and settlement instructions for the subsidy amount are outlined in **Annex "B"**.

5.2. Special Cashback Program ("Cashback")

- 5.2.1. Merchant shall extend a cashback in the amount to be agreed by the Parties to all HCC Cardholders or Customer during the promotion period to be agreed by the Parties in the Notice of Implementation.
- 5.2.2. Eligible Cardholders and Customers are entitled to earn the corresponding cashback rate, in an amount to be agreed by the Parties, for every transaction in the Merchant Branches using their HCC, HC QR Code or other Home Credit products.
- 5.2.3. Cashback is not transferrable and is not convertible to cash or gift certificates.

5.3. Discounts

- 5.3.1. All Home Credit Mobile App Users are entitled to discounts. Must present their Home Credit mobile application to avail of the discount.
- 5.3.2. All Home Credit Mobile App Users are entitled to avail the corresponding discounted rate for qualified transactions in the Merchant Branches.
- 5.3.3. Offer is not transferable and is not convertible to cash or gift certificates.

5.4. General Provisions

- 5.4.1. The Parties agree that the Merchant can choose to participate in any of the loyalty programs to be launched by Home Credit by sending a Notice of Participation for a loyalty program. Templates of the Notice of Participation are hereto attached as follows:

LOYALTY PROGRAM	
Automatic Equal Payment Plan	Annex "D"
Special Cashback Program	
Discounts	
Home Credit Pay	

- 5.4.2. Home Credit may also come up with other loyalty programs or special campaigns, in which case, the Parties shall agree in writing in the form of an addendum to this Agreement on the terms and conditions of such loyalty program prior to its implementation.

6. NOTICES

- 6.1. Notices of Participation, as well as other notices or conformities to be set under this Agreement, shall be sent via e-mail to and by the following:

FOR HOME CREDIT:

Name: Loyalty Merchant Acquisition Team

E-mail address: Loyalty-Merchant.Acquisition@homecredit.ph

FOR MERCHANT: *(to be reflected in the Application for Merchant Cooperation)*

Name:

E-mail address:

- 6.2. The other party shall be notified at least three (3) working days prior to implementation of any change to the contact person/details stated above.

7. CONFIDENTIALITY

- 7.1. Home Credit and the Merchant must protect and treat the following information as confidential and shall not share it with any third party:

- 7.1.1. Any trade secrets, knowledge, data or other information of a party relating to Goods, services, research and development activities, inventions, discoveries, processes, software, titles, concepts, know how, designs, formulas, algorithms, test data, technologies, customer lists, business plans, marketing plans and strategies, and pricing strategies or other subject matter pertaining to the business or research of the other Party, or which such Party knows or has reason to know is considered confidential.
- 7.1.2. The provisions of this Agreement and all information provided to the Party by the other Party under this Agreement, including without limitation, technical, operational, marketing, billing, pricing and commercial information; and
- 7.1.3. The documents and information collected from all customers.

- 7.2. A Party shall keep this Agreement and all information relating to this Agreement confidential at all times and may not disclose or discuss this Agreement or any information relating to this Agreement with any third party without the prior written consent of the other Party, unless such Party is required to disclose such information by any relevant authority or by law.
- 7.3. A Party violating its obligations under this section shall fully indemnify the other Party for all damages caused by such breach. The Breaching Party shall pay the Disclosing Party the amount of One Hundred Thousand Pesos (Php100,000.00) as liquidated damages, in addition to any actual or incidental damages caused by the breach. Moreover, because money damages may not be a sufficient remedy for any breach of the foregoing covenants and agreements, the Disclosing Party shall be entitled to specific performance and injunctive and other equitable relief, in addition to all monetary or other remedies available at law or in equity.
- 7.4. The Parties shall ensure that their employees, agents and representatives comply with the provisions of this Clause.
- 7.5. The obligations under this Clause shall survive the termination or expiry of this Agreement.

8. TERM AND TERMINATION

- 8.1. This Agreement shall be valid from the date of execution until either party gives written notice to the other party of its intention to terminate at least ninety (90) days prior to the intended date of termination.
- 8.2. Home Credit, at its sole discretion, may terminate this Agreement effective immediately in case of breach by the Merchant of any of the provisions of this Agreement.
- 8.3. All obligations existing before the date of termination shall be performed in accordance with this Agreement.
- 8.4. This Agreement and all Notices of Participation shall constitute the entire agreement between the Parties. Any amendment hereto must be agreed by the Parties in writing.

9. DISPUTE RESOLUTION

- 9.1. All disputes, controversies or differences which may arise between the Parties out of or in relation to or in connection with this Agreement, or for the construction, termination or breach thereof, shall be decided amicably by the Parties. If such dispute, controversy or difference cannot be so settled, a party may submit the dispute before the appropriate courts within Metro Manila.