

Karri Card Terms & Conditions (Trial)

1. Definitions

- 1.1. **'Admin User'** means a natural person - including (but not limited to) a parent or guardian - who completes onboarding for Karri Card services as the party responsible for all activities performed using one or more Karri Cards;
- 1.2. **'ATM'** means Automated Teller Machine;
- 1.3. **'Business Day'** means any day on which business is conducted in the Republic of South Africa, excluding Saturdays, Sundays and statutory Public Holidays;
- 1.4. **'Contactless Payment'** means a payment transaction (often referred to as a 'tap') that may not require a PIN;
- 1.5. **'Delegated User'** means a natural person who is assigned a Karri Card by an Admin User through a card activation process which is performed by the Admin User. The Delegated User may be (but is not required to be) a Minor;
- 1.6. **'Minor'** means a natural person under the age of 18 years.
- 1.7. **'Monthly Subscription Fees'** means a monthly fee charged to the Admin User as per Appendix 1.
- 1.8. **'Karri'** means Education Payment Solutions (Pty) Ltd, trading as Karri.
- 1.9. **'Karri Card (or Card)'** means a reloadable prepaid Mastercard card issued by Karri and Sponsored by Nedbank which can be used at South African Merchants which accept Mastercard cards.
- 1.10. **'Karri Mobile App'** means a mobile application available to Admin Users to activate cards, block cards and manage PINs, funds and Transaction Limits.
- 1.11. **'Nedbank'** means Nedbank Ltd Reg No 1951/000009/06, a public company duly registered and incorporated in terms of the Companies Act of the Republic of South Africa conducting business as a duly registered bank in terms of the Banks Act of the Republic of South Africa. Nedbank is an authorised financial services and registered credit provider (NCRCP16);
- 1.12. **'Top-up'** means a transaction wherein an Admin User loads funds onto a Karri Card;
- 1.13. **'Transaction'** means any commercial transaction, including purchases, withdrawals or top-ups;
- 1.14. **'Transaction Limits'** means all limits on the use of the Karri Card, including overall limits on all Cards and customisable limits per Card;
- 1.15. **'Transaction Notifications'** means all notifications sent via mobile app push notification, email or SMS relating to purchases, declined transactions, top-ups, security alerts or other relevant information.
- 1.16. **'Trial Version'** means a product version of the Karri Card which is in a live testing phase and has limited functionality;
- 1.17. **'South African Merchant'** means any merchant who has a merchant account number for card acceptance facilities with a South African bank.

2. Parties, service providers and users

- 2.1. The contracting parties are the Admin User and Karri.
 - 2.1.1. The Admin User is fully responsible for all activity performed using the Karri Card and Karri mobile app as set out in this Agreement, including actions taken by a Delegated User in relation to the Karri Card.
 - 2.1.2. The Admin User warrants that they are 18 years or older, have a South African Identification Number and reside in South Africa.

- 2.1.3. The Admin User warrants that they have the contractual capacity to enter into an agreement with Karri. The Admin User further warrants that their estate is not under any administration which would require a trustee, curator or administrator to enter into this agreement on their behalf.
- 2.1.4. The Admin User warrants that they are not a US citizen and further warrants that they do not have any tax obligations in any country other than the Republic of South Africa.
- 2.1.5. The Karri Card is issued by Education Payment Solutions (Pty) Ltd, trading as Karri.
- 2.2. The Delegated User is the person authorised by the Admin User to transact with a Karri Card.
- 2.3. The sponsor bank is Nedbank.
- 2.4. The Admin User agrees that each Karri Card may only have one Admin User, while one Admin User may be linked to several Karri Cards.

3. Services

- 3.1. The Admin User acknowledges that for the Trial Version, the Karri Card is a live testing phase and Karri reserves the right to make changes to the functionality of the Karri Card and communicate with the Admin User accordingly.
- 3.2. During the Trial Version, the Karri Card may be used at Point of Sales and online at South African merchants.
 - 3.2.1. The Card cannot be used for online purchases at merchants that hold bank accounts with foreign banks outside of the Republic of South Africa.
 - 3.2.2. The Card cannot be used to withdraw cash at an ATM and cannot be used to withdraw cash ("cash back") at a Point of Sale device.
- 3.3. The Karri Card is a pre funded card, therefore the following restrictions shall apply:
 - 3.3.1. Only the pre funded amounts on the card may be spent;
 - 3.3.2. The card does not have a credit facility;
 - 3.3.3. No interest will be earned on the card balance;
 - 3.3.4. The Delegated User should not attempt a transaction which exceeds the available balance on the Karri Card.

4. Privacy consent

- 4.1. By using this product, the Admin User consents to Smile Identity Inc, a U.S. company, and Karri, a company based in South Africa, collecting images and device information about the Admin User and/or their identity documents.
- 4.2. The Admin User hereby grants Karri consent to collect the name, official Government ID Number (ID Number) and photo image of the Admin User.
- 4.3. The Admin User understands that Karri will share this information, and other personal information collected by Karri, with relevant 3rd parties, including Smile Identity Inc, in order to validate it against a Government source or assess it for the creation of a risk profile. The Admin User also understand that Smile Identity Inc may use the Admin User's ID Number to collect the following additional data:
 - 4.3.1. Full Name;
 - 4.3.2. Date of Birth;
 - 4.3.3. ID Number;
 - 4.3.4. Image;
 - 4.3.5. Address;
 - 4.3.6. Phone Number;

- 4.3.7. Gender;
- 4.3.8. Government ID Expiry Date; and
- 4.3.9. Other additional information associated with an ID Number that the Issuing Authority may provide.
- 4.4. The Admin User understands that this data is being used to confirm identity and understands that this data may be processed or stored outside of the borders of South Africa and hereby consents to this.
- 4.5. The Admin User is aware that Karri must be contacted regarding any changes to data permissions, access and storage.
- 4.6. Karri must comply with local and international laws, regulations, policies and requirements with regard to anti-money-laundering, counter-terrorist financing and sanctions. Karri may therefore continuously screen, verify, process and monitor all Admin User and any related information, instructions and transactions effected by the Delegated User, the Admin User and/or on behalf of the Admin User. This may also result in transactions or the use of a Karri Card being prohibited, delayed, withheld, limited, declined or conditionally approved, funds being confiscated and/or this Agreement being terminated.
- 4.7. The Admin User agrees that Karri may request additional information, either via the Karri mobile app or via other channels prior to establishing a business relationship with the Admin User or during the course of a business relationship.

5. Card delivery and activation

- 5.1. The Admin User agrees that Karri may deliver a Karri Card on behalf of the Admin User to the Delegated Users at the Delegated User's school according to the database provided to Karri by the school.
- 5.2. Karri will not be responsible for cards lost by Delegated Users. Replacement cards are provided according to Appendix 2 – Fees.
- 5.3. Cards must be activated by the Admin User via the Karri mobile app.
- 5.4. Cards may only be activated once an Admin User has accepted this Agreement and completed the Know Your Customer (KYC) verification process.
- 5.5. Karri will undertake KYC verification processes in accordance with the requirements of an Accountable Institution under the Financial Intelligence Centre Act (FIC Act).

6. Card PIN

- 6.1. The Admin User is responsible for setting the card PIN and safely communicating the PIN to the Delegated User.
- 6.2. PIN of a Karri Card should not be disclosed to anyone other than the Delegated User.
- 6.3. The Admin User will be liable for any transaction performed with a Karri Card if the PIN has been used by a 3rd party.

7. Card funding

- 7.1. A Karri Card may only be funded by the Admin User that accepted this agreement and activated the card.
- 7.2. Karri Cards may only be funded by the debit or credit card of an Admin User. Failure to comply will be a material breach of this Agreement.
- 7.3. Neither cash deposits nor EFT transfers onto the Karri Card are possible.
- 7.4. Third parties cannot directly fund a Karri Card.
- 7.5. Karri Cards should not be used to receive payment for services rendered or goods provided.

- 7.6. Neither Karri nor its partners can be held liable for any loss arising from a contravention or attempted contravention of clause 8.5.

8. Limits

- 8.1. Overall transaction limits apply to all Karri Cards and cannot be changed by the Admin User.
 - 8.1.1. Overall transaction limits are covered in *Appendix 1: Transaction Limits*;
 - 8.1.2. Karri applies limits on merchant categories that are deemed inappropriate for Minors. Merchant Category Codes (MCCs) are used to apply restrictions. See *Appendix 3: Blocked Merchant Category Codes* for the list of restricted MCCs.
 - 8.1.3. Karri will not be responsible for any transaction that takes place with unwanted merchants as a result of the categorisation of the merchant.
 - 8.1.4. Karri reserves the right to update limits at any time and provide reasonable notice to the Admin User.
- 8.2. Customisable transaction limits
 - 8.2.1. Admin Users will have the option to customise specific limits from within the Karri Mobile App.
 - 8.2.2. Karri reserves the right to make updates to the types of limits that can be set at any time.
- 8.3. Card number limits
 - 8.3.1. Each Admin User is limited to 3 Delegated Users under this agreement, unless otherwise agreed by Karri.

9. Transactions and balances

- 9.1. It is the responsibility of the Admin User and the Delegated User to avoid loss, theft or misuse of the Karri Card.
- 9.2. Once a transaction has been authorised, it cannot be cancelled or stopped and the Card balance will be updated accordingly.
- 9.3. Should any action result in a Karri Card going into a negative balance, the Admin User will become immediately liable to fund the Card with the amount of the negative balance.
- 9.4. In order to enable *Contactless Payment*, the Delegated User must first carry out one chip and PIN transaction by inserting the Karri Card into a Point of Sales device.
- 9.5. Magnetic stripe transactions such as card swiping are not possible.
- 9.6. The balance and transaction history of all Karri Cards linked to the Admin User can be viewed on the Karri mobile app.

10. 3D Secure

- 10.1. Karri Cards are enabled with 3D Secure as an extra security feature for online shopping.
- 10.2. Neither Karri nor its partners are liable for failures in mobile phone reception or internet connection which results in 3D Secure not operating as intended.
- 10.3. 3D Secure only works with participating merchants. 3D Secure does not work for certain recurring transactions such as card-on-file monthly subscription charges.

11. Lost or stolen cards or suspected fraud

- 11.1. The Admin User must immediately block lost or stolen cards on the Karri Mobile App and report the lost or stolen card to the Karri Customer Support team in writing.
- 11.2. The Admin User must immediately block a Card on the Karri app when becoming aware of a suspected fraudulent transaction.
- 11.3. The Admin User must immediately report suspected fraud in writing to Karri.

12. Customer Service

- 12.1. All customer service is provided by Karri. **Nedbank customer support and Nedbank branches are unable to provide any services relating to Karri Cards.**
- 12.2. For security reasons, the Karri Customer Support team will only be able to
 - 12.2.1. Provide information about Karri Cards to Admin Users.
 - 12.2.2. Carry out tasks on instruction from the Admin User.
- 12.3. Any dissatisfaction or complaints must be sent to the Karri Customer Support team.

13. Transaction disputes and chargebacks

- 13.1. Transaction disputes must be raised in writing with the Karri Customer Support team within 90 days of the transaction taking place. Disputes raised telephonically must be followed up in writing.
- 13.2. Disputes may only be raised by an Admin User.
- 13.3. The Admin User will be required to complete a dispute form. Karri may request that additional information is provided.
- 13.4. Where a dispute is raised on a legitimate transaction, the Admin User will be charged an administration fee per *Appendix 2: Fees*
- 13.5. Where Mastercard requests documents or information, if this is not provided, the Admin User accepts that there may be an unfavourable outcome.
- 13.6. Karri will not participate in disputes between Admin Users and Delegated Users.
- 13.7. The Admin User will be liable for all losses in respect of the Card if the Admin User or the Delegated User have:
 - 13.7.1. acted fraudulently;
 - 13.7.2. failed to use the Card in accordance with this Agreement;
 - 13.7.3. failed to notify Karri without undue delay when the Admin User or Delegated User became aware of the loss, theft or misuse of the Card; or
 - 13.7.4. failed to take all reasonable steps to keep the Card's security features safe.
- 13.8. Where The Admin User is not liable for an unauthorised Transaction and/or related Fees, Karri will refund the value of that Charge and will have no further liability to the Admin User for any other losses the Admin User may suffer.
- 13.9. If investigations of Karri and Mastercard conclude that the Transactions and/or Fees disputed were authorised by the Admin User or on behalf of the Admin User, or the Admin User has acted fraudulently, Karri will not refund the value of the Transaction and any related Fees.
- 13.10. The Admin User accepts that Contactless Payment transactions cannot be disputed.
- 13.11. Where an Admin User wishes to request a chargeback on a transaction that is not a case of suspected fraud (such as faulty goods or a grievance), the Admin User agrees to first take up the matter with the merchant prior to engagement with Karri.
- 13.12. Neither Karri nor its partners will be held liable for recurring subscription fees charged by merchants on Karri Cards, even in the event that a Delegated User claims they were unaware that a fee is recurring.

14. Top-up disbursement

- 14.1. Disbursement of funds loaded onto a Karri Card is *not* possible. Once funds have been loaded onto a Karri Card via a top-up transaction, those funds must be spent by transacting with the Karri Card.

15. Fees

- 15.1. Admin Users will be charged fees according to *Appendix 2: Fees - Section 1*, unless otherwise agreed by Karri.
 - 15.1.1. Should an Admin User terminate any services, no refunds will be provided on fees already paid.
 - 15.1.2. Where applicable, the monthly subscription fee will be deducted from the linked card of the Admin User.
- 15.2. Delegated Users will be charged fees according to *Appendix 2: Fees - section 2*.
- 15.3. Karri reserves the right to
 - 15.3.1. Change fees at any time, with reasonable notice to the Admin User.
 - 15.3.2. Suspend Karri Card services due to unpaid fees.

16. Card renewal

- 16.1. Within a reasonable period prior to the expiry of a Karri Card, an Admin User may request a renewal card by contacting Karri Customer Support.
- 16.2. Karri reserves the right to issue a renewal card automatically, provided the Admin User has not given written notice to the contrary.
- 16.3. The issuing of a renewal card is at the sole discretion of Karri.
- 16.4. All Karri Cards include an expiry date. Upon reaching the expiry date, the card will no longer be valid.
- 16.5. Expired cards must be destroyed.

17. Liability

- 17.1. The Admin User remains fully responsible for all linked Karri Cards.
- 17.2. The Admin User must ensure that each Delegated User:
 - 17.2.1. Does not use the card in contravention of any applicable laws and regulations of the Republic of South Africa, card scheme rules or this Agreement;
 - 17.2.2. Does not disclose their PIN or other security information to any person.
- 17.3. The Admin User will be liable for all funds due to third parties due to the use of Card, unless otherwise indicated in this agreement.
- 17.4. The Admin User will be held liable for any loss suffered by Karri as a result of misuse of a card by a Delegated User.
- 17.5. Except where damage or loss arises directly or indirectly from Karri's wilful misconduct or gross negligence (or that of any person acting for or controlled by Karri), Karri will not be liable to the Admin User for any damage or loss suffered due to:
 - 17.5.1. use of the Card;
 - 17.5.2. the Card not being accepted;
 - 17.5.3. there being any disputes concerning the quality of goods or services bought with the Card;
 - 17.5.4. the operators of terminals charging additional fees;
 - 17.5.5. use of electronic means to communicate with Karri;
 - 17.5.6. any person having gained unauthorised access to any information or data; or

- 17.5.7. incorrect information having been given to Karri or to any person.
- 17.6. Karri is not responsible for ensuring that ATMs and point-of-sale terminals accept the Card or for the way in which a merchant processes a Transaction.
- 17.7. The Admin User agrees to reimburse Karri for any reasonable losses, damages, claims or expenses (including reasonable legal fees) that Karri incurs due to the Admin User's failure to comply with this Agreement.
- 17.8. Karri is not liable for any loss of profits, loss of business, or any indirect, consequential, special or punitive losses arising from use or inability to use the Card.
- 17.9. Except as otherwise set out in these terms and conditions or if Karri has acted with gross negligence or fraudulent intent, any liability Karri or its partners has to the Admin User will be limited to the balance or the value on the Karri Card at the time when the liability was incurred.
- 17.10. The Admin User agrees that Karri and its affiliates shall not be liable for any direct or indirect damages or losses arising out of use or inability to use the Karri Card.
- 17.11. The Admin User agrees to indemnify and hold harmless Karri and its affiliates against any claims arising out of use or inability to use the Karri Card.

18. User warranties

- 18.1. The Admin User:
 - 18.1.1. Warrants that the information provided to Karri at the time when this agreement was concluded is accurate and that the information has been updated where necessary.
 - 18.1.2. Will ensure that Karri is kept informed of any changes to personal information, including its address and contact details.

19. Suspending or terminating services

- 19.1. Provided there are no pending transactions on a Karri Card, the Admin User may:
 - 19.1.1. Suspend Karri Card services by giving written notice to Karri.
 - 19.1.2. Terminate Karri Card services by giving written notice to Karri.
- 19.2. Services will be suspended or terminated by Karri within 10 business days of receipt of the written notice.
- 19.3. Prior to termination of services, all available funds on all Cards should be spent or withdrawn by the Admin User or Delegated user.
- 19.4. Karri reserves the right to suspend or terminate Karri Card services for one or more linked cards at any time.
 - 19.4.1. Reasons for such a suspension or termination include, but are not limited to:
 - 19.4.1.1. A breach of this Agreement;
 - 19.4.1.2. Failure to rectify any negative balances within 7 days;
 - 19.4.1.3. Suspected fraudulent, unlawful or illegal activity;
 - 19.4.1.4. Without cause, by giving no less than 7 days notice.
 - 19.4.2. Should such a step be necessary, Karri will make its best efforts to notify the Admin User of such suspension or termination. On suspension or termination, Karri will cease charging fees relating to any suspended Cards but will continue to charge fees related to active Cards.
- 19.5. On termination of services, the Admin User must destroy the Card for which services have been terminated.
- 19.6. Monthly subscription fees already billed are not refundable.

- 19.7. If it becomes uneconomical or commercially impracticable for Karri to provide products or services offered in terms of this agreement, or if Karri is unable to continue providing the product or service for whatever reason, Karri may terminate this agreement on reasonable notice to the Admin User.

20. General

- 20.1. This agreement should be read in conjunction with the Karri Collections Terms & Conditions and Privacy Policy available on the Karri website.
- 20.2. In the case of a conflict for matters relating to the Karri Card, this agreement will supersede the Karri Collections Terms & Conditions.
- 20.3. Karri reserves the right to amend this agreement. Whenever possible, Karri will provide written notice of such changes. By continuing to make use of a Karri Card, the Admin User accepts any changes to this agreement.
- 20.4. The Admin User agrees to educate and instruct the Delegated User in the use of the Card and explain any implications related to these terms and conditions and any other consents or disclosures given to Karri.
- 20.5. The Admin User agrees that Karri may rely on all acts or uses of the Karri Card by the Delegated User even if those acts or uses are not in accordance with instructions given to the Delegated User, and even if the Delegated User is a Minor.
- 20.6. Karri may transfer any rights and obligations under this agreement, without prior consent of the Admin User, to any third party, provided such party continues with the obligations in the agreement. The Admin User has no right to transfer rights and obligations under this agreement to any third party.
- 20.7. If any term or provision in this agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of the agreement but the validity and enforceability of the remainder of the agreement shall not be affected.
- 20.8. This agreement is governed by the laws and the courts of South Africa.
- 20.9. This agreement is only available in English and all communication will be conducted in English.

Appendix 1: Transaction Limits

Section 1: Overall Limits

1. Limits on top-ups, balances and transactions

Top-up limits		
1	Maximum top-up in a single transaction	R19 999
2	Maximum total top-up per day	R25 000
3	Maximum total top-up per month	R25 000
4	Minimum top-up per transaction	R5
Balance limit		
4	Maximum card balance	R25 000
Transaction limits		
5	Maximum spend per day	R25 000
6	Maximum number of spends per day	25
7	Maximum spend per month	R25 000
8	ATM withdrawal - maximum amount per day	R5 000
9	ATM withdrawal - maximum number per day	3
10	ATM withdrawal - maximum amount per month	R10 000

2. Limits on merchant categories (See appendix 3 for more details):

- 2.1. Toll gate fees
- 2.2. Liquor stores
- 2.3. Cigar establishments
- 2.4. Dating services
- 2.5. Gambling
- 2.6. Direct Marketing
- 2.7. MoneySend

Karri is not responsible for any transactions that take place with unwanted merchants as a result of the categorisation of that merchant outside of the abovementioned merchant categories.

Section 2: Customisable Limits

3. Admin Users may customise the following limits on the Karri Mobile App. Note purchase and ATM are separate limits. Cash withdrawals are deactivated during Trial Version.

Amount limits		
1	Daily spend limit	Amount
2	Daily ATM withdrawal limit	Amount
Channel limits		
3	Card machine	Yes/No
4	Online	Yes/No
5	ATM withdrawal (deactivated during Trial Version)	Deactivated
6	Contactless Payment	Yes/No

Appendix 2: Fees

Section 1 – Admin User Fees (VAT Included)

No monthly subscription fee will be charged during the Trial Version.

Admin User Fees		
1	Monthly subscription fee - 1st Karri Card	R39.00
2	Monthly subscription fee - 2nd Karri Card	+R29.00
3	Monthly subscription fee - 3rd Karri Card and each additional	+R19.00
4	Lost, damaged or early renewal Card replacement	R120.00
5	Replacement of a stolen Card	R0.00
6	Card delivery to school	R0.00
7	Card top-up fee	2.5%
8	Dispute raised on a legitimate transaction	R250.00

Section 2 – Delegated User Fees (VAT included)

Delegated User Fees				
		Waivers	Successful	Declined
1	Point of Sales purchase	N/A	Free	Free
2	Online purchase	N/A	Free	Free
4	Cash withdrawal at ATM (deactivated during Trial Version)	1 free pm	R5.31+0.64% (Minimum of R6)	R1.31
5	Cash withdrawal at Point of Sales	Not supported		
6	Balance enquiry at ATM	1 free pm	R1.68	N/A

Appendix 3: Blocked Merchant Category Codes

The below list covers the exact Merchant Category Codes (MCCs) that are blocked for the Karri Card:

- Toll gate fees
 - MCC: Bridge and Road Fees, Tolls
- Liquor stores
 - MCC: Package Stores, Beer, Wine, Liquor
- Cigar establishments
 - MCC: Cigar Stores and Stands
- Dating services
 - MCC: T Dating Services (also called Dating & Escort Services)
- Gambling
 - MCC: Government Owned Lottery (USA only)
 - MCC: Government-Licensed Casinos (Online or Internet Gambling) (USA only)
 - MCC: Government-Licensed Horse/Dog Racing (USA only)
 - MCC: Gambling Transactions (Global)
- Direct Marketing
 - MCC: Direct Marketing Insurance Services
 - MCC: Direct Marketing Travel-Related Arrangement Services
 - MCC: Door-to-Door Sales
 - MCC: Direct Marketing Catalog Merchants
 - MCC: Direct Marketing Combination Catalog and Retail Merchants
 - MCC: Direct Marketing Outbound Telemarketing Merchants
 - MCC: Direct Marketing Inbound Telemarketing Merchants
 - MCC: Direct Marketing Continuity/Subscription Merchants
 - MCC: Direct Marketing Other Direct Marketers not elsewhere classified
- MoneySend
 - MCC: MoneySend Intra Country
 - MCC: MoneySend Inter Country
 - MCC: T MoneySend Funding
 - MCC: Money Transfer Merchant
- Cash Disbursements (during Trial Version)
 - MCC: Member Financial Institution Manual Cash Disbursements
 - MCC: Member Financial Institution Automated Cash Disbursements
- Other
 - MCC: Quasi Cash Member Financial Institution
 - MCC: Quasi Cash Merchant