



# SpartaPay Merchant Information Pack

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## Introduction

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Our mission is to deliver electronic payment solutions, tailor made to meet the on-line trading needs of any type of business or public body.

### Objectives:

To provide secure and reliable electronic funds transfer solutions for both Merchants and their customers through the use of SpartaPay escrow based risk free payment processing linking buyers and sellers without the need for credit card payments. We work closely with our key partners to promote best practice e-commerce solutions.

### Our Market:

To provide secure online payment systems to the B2B and B2C sectors, including Local Government, Trade Finance Specialists, Auction sites, portal, P2P organisations and socially excluded communities.

### Services :

SpartaPay provides electronic fund transfer and settlement services (EFTS), with the following features:

- Risk Free Cash Collection (Escrow based payments) -
- Micro Payments Cash Collection
- Mobile Enabled Collection -
- Electronic Wallet Payments
- Smartcard Enabled Payments

Our process incorporates facilities for single, regular, scheduled or deferred payment for users.

### Benefits : -

- No chargeback's
- Reduced cost of collecting cash and micro payments
- Reach more markets than standard credit based systems

### Costs : -

SpartaPay charge a single processing fee per transaction. We have special rates for large volume merchants.

Details can be found on the website. Please contact us to discuss.

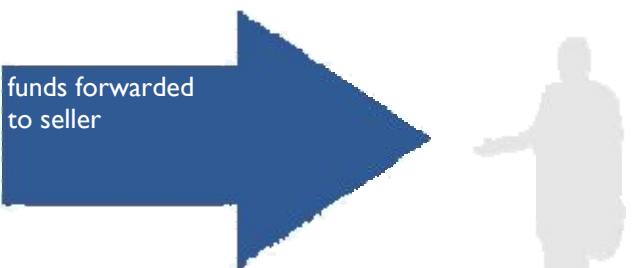
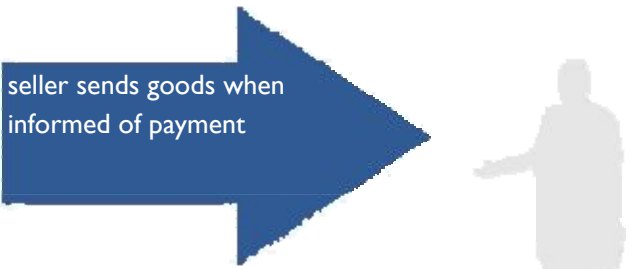
### How to Sign Up :-

- 1 - Complete the application form and sign, posting the original copies back to SpartaPay for approval.
  - 2 - Get your bank to sign the bank verification form and return to us (to prevent fraud and comply with legal money regulations in the UK).
  - 3 - SpartaPay will setup your account and return an HTML form to add to your website. 4 -
- Once this has been added you will be able to start trading immediately.

All data provided to Sparta Technologies (trading as SpartaPay) is covered by the Data Protection Act.

### "SpartaPay"

- removes the barriers and creates opportunity for greater online trading and security.



## How the Process Works

### Step One

- Buyer chooses product from Seller's site
- Chooses to pay via SpartaPay button
- Initiates the transaction with the Seller
- Email sent to Seller with order details
- Buyer awaits email confirmation of acceptance of order

### Step Two

- Buyer awaits confirmation of order acceptance
- Seller confirms acceptance and requests payment
- Buyer enters payment choice - cash, bank transfer, on or offline, cheque, money order
- Buyer transfers funds to secure SpartaPay escrow account
- Seller receives notification from SpartaPay of received funds

### Step Three

- Payment receipt confirmed by SpartaPay system to the seller
- Seller inputs carrier information and expected delivery date
- Seller sends goods to Buyer
- Awaits confirmation of Buyer satisfaction

### Step Four

- Buyer receives goods, confirms satisfaction.
- Buyer informs SpartaPay of acceptance or return of goods

### Step Five

- On expiry of agreed Inspection Period with no notification of rejection of goods, SpartaPay forwards funds to Seller
- Or, on satisfactory receipt of returned goods to Seller funds are refunded to Buyer
- Details and confirmation of payment sent to relevant parties
- Transaction completed...



## Application Form for Merchant Account

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Contact Name :

Company Name :

Registration Number :

Address :

City :

County :

Country :

Postal Code :

Website Address :

Email Address :

Telephone :

Fax :

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Goods/Services Provided :

Annual Turnover :

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Bank/Building Society :

Account Number :

Sort Code :

Currency Type :

**In signing this document, I confirm that I have read and accept the Terms and Conditions contained within this Information Pack, and I agree to abide by the terms and the code of conduct of SpartaPay as shown on the website.**

Signature :

Date :



## Bank Verification Document

To meet with our compliance requirements, please arrange for the following details to be confirmed by your bank and forwarded to us. This information will ensure that funds are routed quickly and correctly to your account, and will remain strictly confidential.

To : Customer Services Manager,  
SpartaPay, Arch 29, PO Box 88, Sackville Street, Manchester, M60 1QD

From :

Stamp of Branch

## Verification of Customer Identity

(This document is NOT a Status Enquiry)

In accordance with the Criminal Justice Act of 1993 and the Money Laundering Regulations of 1993, we confirm that -

1. The following customer is known to us.
2. The following address is one we hold on our records.
3. The signature (s) on this letter match the one that we hold on our records.

## Business Details

Business Name :

Address :

Account No :

Sorting Code :

Examples of Businesses Authorized Signature(s) :

Name:  Signature:

Name:  Signature:

The above information is given in the strictest confidence for the purpose of the Criminal Justice Bill (1993) and the Money Laundering Regulation of 1993 for your private use only, and without any guarantee or responsibility on behalf of this bank/building society or its officials.

Yours sincerely,

Name:  Signature:

Position:



## Terms and Conditions

1 "SpartaPay™": Sparta Technologies Ltd (registered number 04440137), an English company whose registered office is Arch 29, PB Box 88, Sackville St, Manchester M60 1QD, UK

### 2 The User or Customer of this services and related services

Background: Sparta, SpartaPay™, SpartaCard, SpartaSecure and Sparta Technologies, are trading names of Sparta Technologies Ltd, operates an online escrow service called RISK FREE PAYMENTS which the Merchant wishes to use to take payments from its customers for goods and/or services in return for payment of the Fees to SpartaPay (as defined below) and subject to the terms and conditions set out below.

### 3. The services consist of any one or all of the following; please tick required service (s)

- a. Risk Free Payments via e-wallets transfers and collections
- b. Smartcard enabled topping up collections
- c. Smartcard enabled micro payment collection
- d. DiTV payments collection
- e. Any other offered by the company to the merchant

### Operative provisions:

#### 1 Definitions & Interpretation

1.1 The definitions in this agreement shall have the meaning attributed to them in Schedule 1. 1.2 In this agreement (except where the context otherwise requires):

1.2.1 any reference to schedule is to a schedule of or to this agreement;

1.2.2 headings are included for convenience only and shall not affect the interpretation of this agreement;

1.2.3 use of the singular includes the plural and vice versa;

1.2.4 any reference to a statute, statutory provision or subordinate legislation ("legislation") shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation;

1.2.5 any reference to an English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include a reference to what most nearly approximates in that jurisdiction to the English legal term; and

1.2.6 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.3 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement and any reference to this agreement includes the schedules.

1.4 These conditions are the only conditions upon which Sparta Technologies is prepared to deal with the User, Customer and Merchant and they shall govern the agreement between the parties to the entire exclusion of all other terms or conditions.

#### 2 Operations of SpartaPay™

2.1 The detailed operation of the Services is dependent upon the Software, which SpartaPay™ reserves the right to alter from time-to-time without notice. The operations fall under the following heading;

- a. SpartaPay™- Risk Free based payment transmission services
  - b. Sparta Micropayments services
  - c. SpartaCard - Smart card based payment transmission and related services
- However, the following is agreed for all the above:

2.1.1 The Customer will indicate to the Merchant that she/he wishes to purchase goods/services from the Merchant using a non-credit Payment Method. The Merchant will direct the Customer to Sparta Technologies' web site via a hypertext link. The Customer or user will register (if a new customer or user) with SpartaPay™, providing personal details;

2.1.2 An order will be agreed directly between the Merchant and the Customer using the Software at SpartaPay™is web site. Once the terms are agreed, the Order is assigned a Reference Number; 2.1.3 Funds are then to be paid to Sparta Technologies by the Customer or user for the purposes of related transaction only and who will hold those Funds in a Customer Account or e-wallet. Sparta Technologies will inform the Merchant when it receives Funds by reference to the Reference Number. If Funds are not received it is for the Merchant to communicate further with the Customer should it wish to do so;

continued -



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2.1.4 once notified by Sparta Technologies that the Funds have been received, the Merchant shall promptly deliver the goods or perform the services and confirm Delivery to Sparta Technologies. Upon this occurring Sparta Technologies will either:

(a) release the Funds to the Merchant upon (i) receiving notification from the Customer of Delivery and that the Customer is satisfied with the Merchant's goods or services; or, if no such notification is received, upon (ii) the expiry of the Inspection Period; whichever is the sooner. Sparta Technologies will deduct and retain the Commission Fee as payment for the Services before forwarding Funds; or

(b) return the Funds, less any Shipping Costs, to the Customer if informed by the Merchant of an Order's Cancellation. In these cases a Cancellation Fee will be retained from the Shipping Costs retained or the next Funds transferred to the Merchant (or, at Sparta Technologies' sole discretion, invoiced to the Merchant). The balance of any Shipping Costs shall be forwarded to the Merchant with a subsequent transfer of Funds; or

(c) retain the Funds, if informed by the Merchant or Customer of a Dispute and the relevant Reference Number until (i) the Dispute is resolved and Sparta Technologies is advised by both the Merchant and Customer of such resolution; or, (ii) Sparta Technologies receives the final ruling of an arbitrator appointed by the Merchant and Customer or a court order.

2.2 The Merchant may use Sparta Technologies' Shopping Cart to facilitate the process at clause the subject to payment of the Shopping Cart Fee which will be [invoiced] to the Merchant at regular [quarterly] intervals.

2.3 The Merchant shall remain fully responsible for any goods/services supplied to its Customer. Above

2.4 The fees, charges and commissions are set out below in schedule 1

2.5 Sparta does not charge interest nor get paid interest by its bankers. Any funds held by SpartaPay Technologies's for Users or Customers accounts will be paid by Sparta Technologies into the payees account on refund less any administration fees charged plus 40p bank fees.

### 3 Obligations of Sparta Technologies

3.1 Sparta Technologies agrees to provide the Services to the User, Customer or Merchant in an efficient and effective manner and to the best of its abilities.

### 4 Obligations of the Merchant

4.1 The Merchant undertakes to:

4.1.1 abide by Sparta Technologies' Code of Practice;

4.1.2 provide a visible and obvious link to Sparta Technologies' web site for the benefit of Customers wishing to purchase goods or services from the Merchant using a non-credit Payment Method.

4.1.3 prominently display Sparta Technologies' logo (in a form approved by Sparta Technologies) on the site to which the Services relate and such logo shall also act as a link to Sparta Technologies' explanatory web pages;

4.1.4 comply with all legislation (including any subsidiary rules and regulations) applicable in the Merchant's jurisdiction (including those relating to data protection and money laundering); 4.1.5 share personal data relating to the Customer (whether through use of the Software or otherwise at the request of Sparta Technologies);

4.1.6 promptly inform Sparta Technologies of any Delivery, failure to make a Delivery, Dispute, Cancellation or any other information relevant to the Order, Funds or Customer which might reasonably be of interest to Sparta Technologies in deciding whether to continue providing the Services in relation to a Customer.

4.1.7 notify the relevant delivery identity numbers to Sparta Technologies in a manner required by it if using an Approved Courier so that Sparta Technologies is able to obtain direct notification of delivery;

4.1.8 appoint a Primary Contact and provide their full business contact details, including an regularly monitored e-mail address;

4.1.9 not state or imply that Sparta Technologies are anything other than a payment transaction processor; and

4.1.10 co-operate with Sparta Technologies to check the accuracy and suitability of any specification, design, plan or scheme to effect the Services.

4.1.11 complies with current UK Financial Service Regulations for Money Laundering and Data Protection.

### 5 Warranties

5.1 The User, Customer or Merchant warrants that:

5.1.1 it has complied with all relevant legislation and obtained all necessary consents and licences in order to carry out its business;

5.1.3 maintains adequate product liability insurance cover.



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5.1.4 in the case of local government or group scheme membership, that the customers are under UK money laundering regulations enacted by the FSAM are compiled and verifiable and up to date. 5.1.4 SpartaPay™ or any service takes no warranty of any services or goods offered by merchants to customers and are no way to be construed as a third party in such cases.

### 6 Intellectual Property

6.1 All copyright, design rights, database rights, trade marks, rights in inventions and intellectual property rights of a similar nature in, amongst other materials, the Software, data, publications, content of Sparta Technologies' web site and marketing materials shall (unless licensed to Sparta Technologies) be owned by and vest absolutely in Sparta Technologies.

6.2 The User, Customer or Merchant represents, warrants and undertakes that it will not do anything or cause or permit anything to be done that may infringe, damage or endanger any intellectual property rights of Sparta Technologies.

### 7 Liability

7.1 Nothing in this Agreement excludes or limits the liability of either party for death of personal injury caused by either party's negligence or fraudulent misrepresentation.

7.2 If Sparta Technologies makes an erroneous payment, it will make good any directly foreseeable loss (i.e., excluding, amongst others, consequential damages, loss of goodwill and lost profits), as a result of such payment, provided that the relevant claim is made in writing within twenty-one (21) days after the Merchant became aware of or should reasonably have become aware of the erroneous payment to which such claim relates.

7.3 All warranties, conditions and other terms implied by statute or common law which relate to Sparta Technologies' provision of the Services are, to the fullest extent permitted by law, excluded from this Agreement.

7.4 Subject to clauses 7.1, 7.2 & 7.3 and in the absence of gross negligence or willful misconduct, Sparta Technologies shall not in any circumstances be liable, whether in contract or tort, to the User, Customer or Merchant or Partner for any direct, indirect or consequential loss or damage (including, without limitation, loss of profits, loss of contracts or loss of customers) or for any claim made against the Merchant by any third party.

### 8 Indemnity

8.1 The Merchant agrees to indemnify and keep indemnified Sparta Technologies from and against all costs claims, demands, liabilities, expenses, damages or losses (including without limitation consequential losses loss of profit and loss of reputation, and all interest, penalties and legal

and other professional costs and expenses) arising out of or in connection with the Merchant's negligence, default or breach of this Agreement.

8.2 This indemnity shall cover (but is not limited to) Sparta Technologies' liability to third parties arising out of the Merchant's dealings with its Customers, including (without limitation) liability for unsafe or defective goods. The indemnity shall apply whether or not the Merchant may have been negligent or at fault and does not limit any further compensation rights of Sparta Technologies. 8.3 If any third party makes a claim against, or notifies an intention to make a claim against Sparta Technologies which may reasonably be considered as likely to give rise to a liability under this indemnity ("a relevant claim"), the Merchant shall:

8.3.1 as soon as reasonably practicable give written notice of that matter to Sparta Technologies, specifying in reasonable detail the nature of the relevant claim;

8.3.2 not make any admission of liability, agreement or compromise in relation to the relevant claim without the prior written consent of Sparta Technologies ;

8.3.3 give Sparta Technologies and its professional advisers reasonable access to the premises and personnel of the Merchant and/or any of its subsidiaries (as the case may be) and to any relevant assets, accounts, documents and records within the power or control of the Merchant and/or its subsidiaries so as to enable Sparta Technologies and its professional advisers to examine such premises, assets, accounts, documents and records, and to take copies at their own expense for the purpose of assessing the merits of the relevant claim;

8.3.4 take such action as Sparta Technologies may reasonably request to avoid, dispute, resist, compromise or defend the relevant claim.

8.4 If a payment due from the Merchant under this clause is subject to tax (whether by way of direct assessment or withholding at its source), Sparta Technologies shall be entitled to receive from the Merchant such amounts as will ensure that the net receipt, after tax, to Sparta Technologies in respect of the payment is the same as it would have been were the payment not subject to tax.

### 9 Confidentiality

9.1 Each party undertakes that it will not at any time hereafter use, divulge or communicate to any person except to its professional representatives or advisers or as may be required by law or any legal or regulatory authority, any confidential information concerning the business or affairs of the other party or of any member of the group of companies to which the other party belongs



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which may have or may in future come to its knowledge and each of the parties shall use its reasonable endeavours to prevent the publication or disclosure of any confidential information concerning such matters.

### 10 Duration and Termination

10.1 This Agreement shall be effective for a minimum duration of three calendar months from the date of this agreement and shall continue thereon from year to year until terminated by either party by providing a minimum of 30 days written notice of termination.

10.2 Without prejudice to any other rights to which Sparta Technologies may be entitled, Sparta Technologies may give notice in writing to the User, Customer or Merchant terminating this agreement with immediate effect if:

10.2.1 the User, Customer or Merchant commits any material breach of any of the terms of this agreement. For the avoidance of doubt, a breach of any of clauses 4.1 or 5.1 is a material breach for the purposes of or his clause;

10.2.2 the User Customer or Merchant has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise take the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver appointed of its undertaking or any part thereof, or a resolution is passed or a petition presented to any court for the winding up of the Merchant or for the granting of an administration order in respect of the Merchant, or any proceedings are commenced relating to the insolvency or possible insolvency of the Merchant;

10.2.3 the Merchant ceases or threatens to cease to carry on its business;

10.2.4 the financial position of the Merchant deteriorates to such an extent that in the opinion of the Sparta Technologies the capability of the Merchant adequately to fulfill its obligations under this Agreement has been placed in jeopardy, including any bank with whom the Merchant holds an declining to offer or continue to provide merchant services for any reason whatsoever. 10.2.5 There is a change of control of the Merchant;

10.2.6 the Merchant purports to assign its rights or obligations under this agreement;

10.2.7 the Merchant utilises, or intends to utilise, the Services to support a business considered by Sparta Technologies to be unsuitable in terms of ethics, principle, morality or general acceptability;

10.2.8 requested, by the Merchant, to make any payment to the Merchant or a Customer (whether orally, in writing or by virtue of the procedures outlined at clause 2.1 or otherwise) which would be unlawful in any way; or

10.2.9 a force majeure event occurs. In this agreement a "force majeure event" shall mean any cause preventing either party from performing any or all of its obligations for more than 10 working days which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the party so prevented including, without limitation, industrial disputes, acts of God, war, riot, terrorist act, civil commotion, malicious damage, compliance with any legislation or court order, accident, breakdown of machinery, fire, flood or storm.

10.3 On termination:

10.3.1 the Merchant shall cease to use Sparta Technologies' logos and other intellectual property and promptly remove any links from its web sites to Sparta Technologies' web site;

10.3.2 all fees due to Sparta Technologies for the provision of the Services will become immediately due including the Commission Fees, Cancellation Fees and Shopping Cart Fees;

10.3.3 Sparta Technologies may choose, in its sole discretion whether to complete Orders or, if Delivery has not been notified to it, whether to cancel Orders and return any Funds to Customers; 10.3.4 any Shipping Costs held by Sparta Technologies will, in Sparta Technologies' sole discretion, either be set off against payments due under clause

10.3.3 above or returned to the Merchant; and

10.3.5 Sparta Technologies and the Merchant will ensure the continuance of confidentiality in accordance with the terms of this Agreement.

10.3.4 a User or Customer can cease the services at any time and funds refunded by Sparta Technologies less any charges except where any transactions are in process as described above or are unclosed. Unclosed in this agreement means; either the customer has funds in escrow or in the e-wallet against good or goods in the process of being delivered or confirmed returned or transaction on both sides is being processed. Funds will be returned on close of all transactions.

### 11 General

11.1 The failure to exercise or delay in exercising a right or remedy provided by this agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. A waiver of a breach of any of the terms of this agreement or of a default under this agreement does not constitute a waiver of any other breach or default and shall not affect the other terms of this agreement. A waiver of a breach of any of the terms of this agreement or



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of a default under this agreement will not prevent a party from subsequently requiring compliance with the waived obligation. The rights and remedies provided by this agreement are cumulative and (subject as otherwise provided in this agreement) are not exclusive of any rights or remedies provided by law.

11.2 If any provision of this agreement shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this agreement, which shall remain in full force and effect.

11.3 Nothing in this agreement is intended to or shall operate to create a partnership or joint venture of any kind between the parties, or to authorise either party to act as agent for the other, and neither party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

11.4 If any provision of this agreement is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provision were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid and enforceable.

11.5 No term of this agreement shall be enforceable by a third party (being any person other than the parties and their permitted successors and assignees).

11.6 Neither party shall without the prior written consent of the other party assign, transfer, charge or deal in any other manner with this agreement or any of its rights under it, or purport to do any of the same, nor sub-contract any or all of its obligations under this agreement.

11.7 No variation of this agreement shall be valid unless it is in writing and signed by or on behalf of each of the parties.

### 12 Notices

12.1 Any notice given under this Agreement shall be in writing and signed by or on behalf of the party giving it and shall be served by delivering it personally or sending it by pre-paid recorded delivery or registered post (or registered airmail where one party is outside the United Kingdom) or fax to the address and for the attention of the relevant party (or as otherwise notified by that party hereunder). Any such notice shall be deemed to have been received:

12.1.1 if delivered personally, at the time of delivery;

12.1.2 in the case of pre-paid recorded delivery or registered post, 2 working days after the date of posting;

12.1.3 in the case of registered airmail, five working days from the date of posting; and 12.1.4 in the case of fax, at the time of transmission provided that if receipt occurs after 4pm on a working day or on a day which is not a working day, the notice shall be deemed to have been received at 9am on the next working day.

12.2 Addresses and facsimile number are as may be notified in writing from time to time by the relevant party to the other party.

12.3 In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant party set out at the top of the Agreement (or as otherwise notified by that party hereunder) and delivered either to that address or into the custody of the postal authorities as a pre-paid recorded delivery, registered post or airmail letter, or that the notice was transmitted by fax to a fax number of the relevant party hereafter notified by that party.

12.4 For the avoidance of doubt, notice given under this Agreement shall not be validly served if sent by e-mail.

### 13 Disputes

13.1 If any dispute arises out of this agreement the parties will attempt to settle it by negotiation. A party may not commence court proceedings until 21 days after it has made a written offer to the other party to negotiate a settlement to the dispute.

### 14 Law

14.1 This agreement shall be governed by and construed in accordance with the law of England. 14.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England over any claim or matter arising under or in connection with this agreement.

**Thank you for your interest in SpartaPay Merchant Services**