<u>**REVERSAL AND CHARGEBACK POLICY**</u>

Last Update: SEPTEMBER 10, 2020

1. PURPOSE OF THE POLICY

Khudrapay's Reversal and Chargeback Policy herein describes:
- Definition of Reversal and Chargeback.
- Events where Reversals and Chargebacks apply.
- Procedure for requesting a Reversal or a Chargeback.
- Applicable guidelines for executing Reversals and Chargebacks for transactions processed through Khudrapay.

2. REVERSALS

2.1. Definition of Reversal

2.1.1. A Reversal is the drawback that Khudrapay provides a buyer / payer for the value of a purchase processed through Khudrapay 's Platform.

2.1.2. Khudrapay will apply Reversals upon Merchant request. An exception to this rule applies when the payment instrument's issuer requests a Reversal, based on a claim from a payer, backed by the applicable legislation and as long as said issuer provides the technology required for this process.

2.2. Reversal Applicability

2.2.1. A Reversal will apply in the following events:

2.2.1.1. When the buyer / payer has been the object of fraud.

2.2.1.2. When Khudrapay suspects payer identity theft, in which case the Merchant must authorize Reversal.

2.2.1.3. When the buyer / payer has not requested the purchase.

2.2.1.4. When the value of a purchase is charged and discounted from the buyer more than once.

2.2.1.5. When the buyer has revoked his / her authorization to charge for periodic payments from his / her cards or bank accounts before the payment instrument's issuer and the Merchant, and said charges have continued after the date of reversal.

2.2.1.6. Upon Merchant request, when the buyer / payer has made a mistake when selecting the product.

2.2.1.7. Upon Merchant request, when the buyer / payer exercises his / her right of first refusal before the Merchant.

2.2.1.8. When the Merchant has cancelled the sale in lieu of product stock.

2.2.1.9. Upon Merchant request when the product has not been received promptly by the buyer /payer.

2.2.1.10. Upon Merchant request when the product delivered by the Merchant does not correspond to that requested by the buyer / payer.

2.3. Timeframe for Reversal request

2.3.1. The buyer / payer will have up to five (5) business days after the events described in section 2.2. to request a Reversal from the Merchant and the electronic payment instrument's issuer.

2.3.2. The Merchant or the payment instrument's issuer will notify Khudrapay of said request so that Khudrapay may proceed to reverse payment.

2.3.3. Reversal on payment transactions processed by Khudrapay six (6) months before the date of said Reversal request, will not be considered.

2.4. Procedure for the request of Reversals

2.4.1. Reversal requests must be sent by the Merchant or by the corresponding payment instrument's issuer to reversales@khurapay.com.

2.4.2. A request for Reversal from Khudrapay must include:

2.4.3.1. Transaction number.

2.4.3.2. Transaction date.

2.4.3.4. Transaction value.

2.4.3.5. Reversal amount requested.

2.4.3.6. An express statement of the reason or reasons that are grounds for the payment Reversal request; they must correspond to one or some of those mentioned in section 2.2. of this Policy.

2.4.3.7. Credit card or payment instrument used for the purchase subject to Reversal. It is not necessary to send the full number of said payment instrument for its identification.

2.5. Response time and cost for a Reversal request

2.5.1. Khudrapay has up to fifteen (15) business days, unless otherwise agreed with the Merchant by signing a service level agreement, from the date in which the Merchant or payment instrument's issuer request the Reversal.

2.5.2. Khudrapay will not be responsible for delays in Reversals attributable to financial institutions throughout the Reversal process.

2.5.3. Unless the payment instrument's issuer commits operational error, this type of Reversal will not affect the balance of the corresponding credit card.

2.5.4. Khudrapay may charge the Merchant for Reversals.

2.6. Exemption from liability

2.6.1. The Merchant is held liable for its own Reversal order or authorization. www.khudrapay.com

2.6.2. The Merchant holds Khudrapay harmless for Reversals carried out upon a request by the payment instrument's issuer, based on a payer's claim and subject to the applicable legislation in force.

3. CHARGEBACKS

3.1. Definition of Chargeback

3.1.1. A Chargeback is the debit carried out by the acquiring bank to Khudrapay, upon unawareness of a purchase by a cardholder before the card's issuer.

3.2. Applicability of Chargebacks

3.2.1. A cardholder (buyer / payer) may allege unawareness of a purchase before the card issuer in the following events:

3.2.1.1. Identity theft.

3.2.1.2. The buyer / payer does not associate Khudrapay 's name with the purchase from the Merchant (brand unawareness).

3.2.1.3. The Merchant's denial of a transaction Reversal when there is conflict between the Merchant and the buyer / payer because of discrepancies as a result of exchange rates, product / service quality defects or non-delivery of products or services, among others.

3.3. Procedure for Chargeback

3.3.1. The acquiring bank or the network processing Khudrapay 's payments shall notify the unawareness of a charge.

3.3.2. Khudrapay informs the Merchant about said notices from email address Reversales@khudrapay.com sent to the email registered by the Merchant. The Merchant is responsible for maintaining its contact information up to date.

3.3.3. Khudrapay requires having the following information available, as applicable to avoid Chargebacks:

3.3.3.1. A product delivery slip including the name of the buyer / payer - cardholder, even when it can be signed by a different person.

3.3.3.2. Sales invoice.

3.3.3.3. Registration of sold services, such as work orders, accommodation documents, hotel registration, ticket, among others. (This applies in case of an accommodation facility, travel, summer camps, conferences or entertainment, among others).

3.3.3.4. Other documents deemed convenient by Khudrapay.

3.3.4. The Merchant must send the aforementioned documents within the following three (3) business days upon Khudrapay 's request.

3.3.5. When the information requested by Khudrapay from the Merchant is not provided within the aforementioned period, Khudrapay will temporarily block the Merchant's account until the grounds for Chargeback have been clarified.

3.4. Response time for a Chargeback

3.4.1. Khudrapay 's response time for financial institutions and / or networks upon charge unawareness notice, will depend directly on the time set for that purpose, which is not set forth herein

3.5. Notice of debit upon chargeback and additional charges

3.5.1. Khudrapay will debit any debit carried out on a Chargeback by the acquiring bank against Khudrapay, from the Merchant's accounts.

3.5.2. Khudrapay will notify the Merchant once it has carried out the debit upon a Chargeback.

3.5.3. Khudrapay may charge the Merchant for the Chargeback process.

3.6. Exemption from liability

3.6.1. Khudrapay will be held harmless for any amount discounted from the Merchant on a Chargeback.

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