

OPERATIONAL FRAMEWORK AGREEMENT



WHATEVER // WHEREVER // WHOEVER



//CONTENTS

1. DOCUMENT PURPOSE	2
1.1. The Agreement with the Retailer	2
1.2. The Operational Framework	3
2. COMPLIANCE WITH LEGISLATION	2
2.1. National Consumer Credit Protection Act (NCCP)	2
2.2. Privacy Act	3
2.3. Anti-Money Laundering	3
2.4. Fraud	3
2.5. Retailer Responsibilities	4
2.6. Advertising guidelines regarding finance facilities	4
3. GENERAL REQUIREMENTS	4
3.1. Dealing with the Customer	4
3.2. Dealing with the Financier	5
4. TRAINING AND EDUCATION	5
5. SUSPENSIONS	5
6. FINANCIER'S PRODUCT	5
6.1. Product	5
6.2. How does it work?	5
6.3. Promotional Terms	5
6.4. The Finance Facility – Product Information	6
7. THE CAPTURE PORTAL	7
7.1. What is Capture?	7
7.2. The two step process	7
8. SETTLEMENTS PROCESS	7
9. REFUND/CANCELLATION PROCESS	7
10. ESCALATION PROCESS REGARDING FEEDBACK ON THE FINANCIER	7
11. ESCALATION PROCESS FOR A SUSPICIOUS TRANSACTION	7
12. STATIONARY / POINT OF SALE	7



Dated: November 2020

Financier: humm Cards Pty Limited ABN 31 099 651 877

Retailer: The Retailer listed as "Retailer" under a retail relationship framework agreement or retailer introducer agreement (Agreement)

1. Document purpose

The purpose of this document is to provide a step-by-step guide to processing transactions requests (Additional Purchases) via the Financier's online portal, known as "hummm90 Dealer Portal", as well as completing refunds and cancellations.

All Retailers must comply with the procedures outlined in this document. In this document, references to "Retailers" include both Retailers and Retailer's personnel, that is, officer's, employees, agents, franchisees, contractors or other representatives (Personnel).

1.1. The Agreement with the Retailer

A Retailer must be accredited with the Financier and must have a fully executed Agreement with the Financier to process an Additional Purchase. This Agreement enables the Retailer to introduce customer's to the Financier's finance facilities for the purpose of funding the purchase of the Retailer's products by the customer.

The Agreement also sets out the Retailers' obligations in relation to the introduction of customers to the Financier's finance facilities, which commences on the Commencement Date set out in the Agreement and is subject to the terms within the Agreement and this document.

Capitalised terms not defined in this document have the same meaning given to it under the relevant Agreement.

1.2. The Operational Framework

This document is the "Operational Framework" referred to in the Agreement setting out the Financier's operating terms.

This document:

- (a) is for use by accredited Retailers;
- (b) relates to the processing of Additional Purchases; and
- (c) details the processes and procedures that must be followed by accredited Retailers and its personnel.

NOTE: If you have any questions about the Operational Framework or the finance solutions provided by the Financier, please call the Financier on 1300 115 533.

This is an important document which forms part of the Retailer's underlying Agreement with the Financier. It is to be used by Retailers whenever dealing with the Financier's finance facilities, Additional Purchases, any discussions in relation to the Interest Free offering to Customers and includes important information about:

- (d) Legislative requirements;
- (e) Advertising and promoting finance facilities;
- (f) Application and transaction authorisation process; and
- (g) Training staff to enable them to comply with these procedures.

All Retailers must comply with the procedures outlined in this document. In this document, references to "Retailers" include both Retailers and Retailer's personnel, that is, officer's, employees, agents, franchisees, contractors or other representatives (Personnel).

2. Compliance with legislation

When dealing with this finance program the Retailer must comply with all applicable laws, including those relating to consumer credit, trade practices and fair trading and privacy laws. The relevant requirements are set out in the Agreement (although not limited to the Agreement).

2.1. National Consumer Credit Protection Act (NCCP)

- (a) Under the NCCP, to engage in "credit activities", business or individuals must either:
 - (i) Hold an Australian Credit License (ACL);
 - (ii) Be an Authorised Credit Representative of an ACL holder; or
 - (iii) Fall within an exemption.
- (b) A "credit activity" under the NCCP includes any activity where you suggest or facilitate a Customer in applying for finance or increasing their credit limit. This includes speaking to Customers and advising them of the Financier's Interest Free options which are available.
- (c) The Financier is a credit licensee who holds the necessary ACL. Typically, most of the Financier's accredited Retailer's like you are "point of sale" exempt. If you are point of sale exempt within the meaning of the NCCP, you can engage with Customers to introduce the Financier's finance facility.
- (d) Your obligations under the point of sale exemption include:
 - (i) To act fairly, honestly and transparent when dealing with the Customer;
 - (ii) Take and record accurate information provided;
 - (iii) Not to suggest, assist or facilitate a customer application if the Customer has expressed concern that the loan is unsuitable for their needs;
 - (iv) Ensure that you have done your part in being responsible. Such as:

- (A) If the Customer states that they are not able to make repayments without some difficulty.
- (B) If the Customer makes it known that their circumstance are changing such as loss of job or moving overseas.

2.2. Privacy Act

- (a) The Privacy Act regulates the handling of personal information about individuals. Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable. An example of this is a person's name, address or date of birth.
- (b) Before the Financier can provide finance to Customers, it is required to collect, use or disclose personal information by or under a variety of laws. The privacy consent form signed by the Customer allows the Financier to do this.
- (c) The Financier can only use personal information they have collected for the purpose of the account with the Financier as outlined in their privacy consent form. There are a few exceptions to this rule.
- (d) When dealing with Customers personal information, the Retailer must comply with the following:
 - (i) The Retailer must not disclose any personal information (being a fact or opinion about an identifiable individual) collected or accessed in connection with an application or Additional Purchase to any person.
 - (ii) The Retailer must not make records, or allow records to be made, of any personal information unless consent is provided.
 - (iii) The Retailer must use their best endeavours to ensure that all personal information is kept under their control and secure from theft, loss, damage and unauthorised access, use and disclosure.
 - (iv) The Retailer must not use any such personal information, except in accordance with this document, the privacy consent form and the Agreement.
 - (v) If the Customer cannot understand the terms and conditions of applying for a finance account with the Financier because the Customer does not read English, then the Retailer should use the services of a professional interpreter service.

2.3. Anti-Money Laundering

- (a) The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF**) relates to criminal activity and money laundering. Money laundering is the process of making illegally gained proceeds appear legal, whereby criminals attempt to conceal or disguise the identity of illegally gained proceeds, so that they appear to have originated from legitimate sources.
- (b) Typically, a money launderer would seek to evade scrutiny from government agencies by breaking up a transaction involving a large amount of money into smaller transactions below the reporting threshold.
- (c) The AML/CTF Act also extends to terrorist financing and/ or proliferation financing.

- (d) All the Financier's employees and agents are expected to comply with applicable AML/CTF laws and regulations. All the Financier's employees and agents must be vigilant and must not allow the Financier to be used as a conduit for money laundering, terrorist financing activities, tax evasion or other criminal activity which relates to financial crime.
- (e) The AML/CTF laws places a number of obligations on the Financier, including:
 - (i) Being reasonably satisfied that an individual Customer doing business with the Financier is who they claim to be through Customer identification and verification of identity.
 - (ii) Ongoing Customer due diligence and reporting.
- (f) To assist the Financier in meeting its obligations under AML/CTF laws, we require you as an "agent" of the Financier for AML/CTF purposes, to complete the following:
 - (i) You must carefully examine the customers ID to ensure that it has not been tampered with or altered in anyway.
 - (ii) The primary photo ID must be current and the application must follow the same name and spelling as the primary ID provided by the customer. You must visually confirm that the applicant is the same as the photograph on the primary ID. Any doubts, you should not proceed and refer the application to the Financier.
 - (iii) You must be careful when entering the Customer name by ensuring the spelling is accurate and the name exactly matches their primary photo ID provided.
 - (iv) You must report anything you feel is suspicious to the Financier immediately upon becoming aware and wait for instructions from the Financier on next steps.

2.4. Fraud

(a) What is Fraud?

Fraud is a broad term that refers to a variety of offences involving dishonesty or "fraudulent acts". In essence, fraud is the intentional deception of a person or entity by another, made for monetary or personal gain. Thousands of people each year fall victim to fraudulent acts – often unknowingly. While many instances of fraud go undetected, learning how to spot the warning signs early will help mitigate any loss and will give customers a sense of security.

(b) Types of Fraud

The most common type of fraud is identity theft. Identity Theft is when someone pretends to be someone else by assuming that person's identity to gain access to resources or obtain credit and other benefits in that person's name.

Identity Theft may occur if a person may have found a print out of another person's approved application or application number and ask you to change the details.

You should always request the photo ID of any person that is finalising the transaction that may have been pre approved, to ensure it's the correct customer and check that names and addresses match the application.

(c) Retailer obligations

With technology, fraudsters have access to make authentic replications of ID's. Always scrutinise the quality and condition of the Passport or License provided as well as the information and photo it contains.

If you are suspicious of a person that you believe is committing fraud, please DO NOT challenge them directly. Complete and submit the application, retain the ID provided and then call the **hummm Cards Sales Support team on 1300 115 533** (option 1, option 4), from another phone. Make them aware of your suspicions and provide them with the application number and name. They will direct you from there.

2.5. Retailer Responsibilities

- (a) Accredited retailers must:
 - (i) Pre-qualify the customer against the provided pre-qualification checklist.
 - (ii) Provide truthful and accurate information to **hummm Cards**.
 - (iii) Sight the customer and their original copies of identification.
 - (iv) Ensure the customer's identification documents meet the **hummm Cards** requirements.
 - (v) Ensure the customer is the one who is applying for the finance. **hummm Cards** Australia do not accept third party loans.
 - (vi) Promptly resolve disputes with customers.
- (b) Accredited retailers must not:
 - (i) Sign on behalf of the customer.
 - (ii) Engage in high pressure/scare sales tactics.
 - (iii) Alter customer information.
 - (iv) Add/omit customer information.
 - (v) Verify identification sighting when not done.
 - (vi) Provide false/misleading information.
 - (vii) Provide store login details to anyone other than store employees.
 - (viii) Complete and verify your own application.

2.6. Advertising guidelines regarding finance facilities

- (a) You should always present your advertisement for approval by the Financier prior to print approval or broadcast in the form that the end Customer will see. This includes actual size, colour and the complete content of the advertisement, even if only part of it refers to the Financier's products. All advertising needs to include a disclaimer, the content of which will be advised by the Financier as part of the approval process.
- (b) The Financier has developed an advertising guide designed to assist you in ensuring that all advertising developed in relation to the Financier's finance facilities are compliant with applicable laws. This Advertising Guide is only a summary of key legal and regulatory obligations, including those under ASIC's Regulatory Guide 234 (**RG 234**), the Australian Securities and Investments Commission Act 2001 (**ASIC Act**), the NCCP and the Competition

and Consumer Act 2010 (**CCA**). It is not an exhaustive list of all the legal obligations that apply in advertising financial products and services. It does not set out the advertising requirements applicable to Retailers. It concentrates on ensuring that a Retailer does not engage in conduct in relation to the Financier's finance facility that is "misleading or deceptive or is likely to mislead or deceive".

- (c) The Retailer must comply with these Advertising Guidelines.
- (d) The Retailer must ensure it undertakes sales and marketing campaigns, including the following:
 - (i) undertaking systematic advertising and marketing campaigns (**Program**) from time to time in relation to the Finance Facilities in consultation with the Financier;
 - (ii) provide information and/or links on the Retailer's websites about and/or to the Finance Facilities;
 - (iii) ensure that all marketing materials are displayed prominently onsite;
 - (iv) whenever reasonably possible ensure any advertising or promotion of the Products by the Retailer in any form of print media incorporates reference to or otherwise promotes the Finance Facilities.
- (e) The Retailer must seek the Financier's written approval in respect of the proposed actions undertaken under or in connection with any Program marketing campaign.
- (f) All marketing material and specific marketing Programs are to be approved by the Financier prior to the commencement of production including without limitation anticipated costing, responsibilities for that cost and "live to market" delivery schedule in respect of such material or programs.

3. General requirements

3.1. Dealing with the Customer

When dealing with a customer for the purpose of finance, the Retailer must ensure the following is adhered to:

- (a) Maintain a fair exchange and return policy for goods, and adjustments for services.
- (b) Not impose any special conditions on, or discriminate against, customers who use an account.
- (c) The Retailer is engaging with the Customer primarily on the premises of the Retailer.
- (d) The Retailer has not made unsolicited contact with the Customer leading to the Finance Facility.
- (e) It will deal with Customers honestly, efficiently and fairly and comply with the Financier's specific requirements as advised by the Financier.
- (f) It, and its Personnel, will not represent to any person that it is an agent of the Financier.
- (g) It will ensure that its Personnel act in accordance with the terms, conditions and obligations of the Agreement.
- (h) The Retailer will not engage in any misleading or deceptive conduct or make any misrepresentation to any Customer in connection with the Financier or the Finance Facilities.
- (i) The Customer will acquire absolute property in the goods, or

will acquire an unrestricted right to use and enjoy the services, free from all competing interests (except any interest in favour of the Financier) as soon as payment is made.

3.2. Dealing with the Financier

When dealing with the Financier, the Retailer must:

- (a) Immediately advise the Financier in writing if, for any reason, the Retailer is prevented from operating its business, or its business is affected by any statutory authority.
- (b) Provide at least 30 days written notice to the Financier of any proposed sale of business, change to the partnership, or change in the beneficial ownership of the company's shares.
- (c) Fully co-operate with the Financier when a lodged complaint has an involvement with the Retailer, to ensure the complaint is resolved to all parties' satisfaction.

4. Training and education

- (a) The Retailer must ensure that all Personnel regularly attend training programs so that they are able to understand and comply with the Financier's operating framework.
- (b) The Retailer must advise the Financier in writing of any new sales Personnel that are employed or engaged by the Retailer and shall ensure that such persons are made available for all sales training by the Financier.
- (c) The Financier will provide training materials for use in conducting the training programs required. Retailers should contact **hummm90** Sales Support team for all training requests. It is your responsibility to ensure that all new Personnel are trained in accordance with the requirements set out by the Financier.
- (d) The Financier may also get in contact with you from time to time to arrange a mutual time to conduct training with your business or confirm that your Personnel have been trained on any new processes that may be developed.
- (e) The Retailer will promptly provide the Financier with written notice of any issues involving the Financier's sales support which may adversely impact the ability of the Retailer in performing its obligations under the program, to enable corrective action to be taken.

5. Suspensions

- (a) If the Retailer is in breach, has threatened to breach or if the Financier suspects or has reason to believe that there has been a breach or potential breach of the program set out in the Agreement or any applicable law, then Financier may at any time in respect of the Retailer or its Personnel:
 - (i) suspend any of their rights under or in connection with the program set out in the Agreement;
 - (ii) require a store or Personnel to cease (temporarily or permanently) performing any obligation under the program set out in the Agreement; or
- (b) The Retailer must do all things necessary to ensure that all Personnel complies with the requirements of the Financier.

6. Financier's product

6.1. Product

Product name: **hummm90 Mastercard®**

Product features are disclosed [here](#).

NOTE: This product is available to eligible customers who are permanent residents of Australia. The Financier reserves the right to change any features of any product, including our right to discontinue offering a particular product.

The Financier's product combines "Point of Sale" finance, with the convenience of a payment scheme card that the customer can use to access their available credit.

6.2. How does it work?

To get Interest Free finance, it's a simple two-step process:

- (a) **Apply** – Customer applies for a **hummm90 Mastercard** account online (unless the Customer already has a **hummm90 Mastercard** account); and
- (b) **Transact** – once approved for a **hummm90 Mastercard** account, your Personnel submits a 'New Purchase' for the Customer via the **hummm90 Dealer Portal**.

The Interest Free term varies and depends on the offer available at point of sale with the Retailer.

Customers that already have a **hummm90 Mastercard** finance account do not need to reapply. Existing customers can use their existing account for subsequent Interest Free or Payment Deferred promotional purchases (see the New Purchase Process in the [hummm90 Dealer Portal User Guide](#) for more details).

Customers receive a monthly statement, as they would for a traditional card product, showing the Minimum Monthly Payment required which is 3% of the eligible unpaid balance or \$30, whichever is greater (unless there is a Payment Deferred period whereby no payment is required on the loan amount).

Product features, benefits, fees and charges are disclosed in the Credit Contract and available from [here](#).

6.3. Promotional Terms

There are four types of promotional terms available to accredited Retailers.

- (a) Interest Free – Minimum Monthly Payments
 - (i) No interest is charged on the promotional purchase during the Interest Free term.
 - (ii) The customer is required to make Minimum Monthly Payments, which is 3% of the eligible unpaid balance or \$30, whichever is greater.
 - (iii) The customer can make additional payments or payments greater than the required Minimum Monthly Payment during the Interest Free term without any penalties.

- (iv) If the customer chooses not to pay out the total amount at the end of the promotional Interest Free term, the prevailing Annual Percentage Rate (APR) applies to the outstanding amount from the day after the Interest Free term expires.

NOTE: If the customer makes only the Minimum Monthly Payments during the Interest Free term, there will be a balance outstanding at the end of the promotional term. If this amount is not paid off by the last day of the promotional term, it will attract interest at the prevailing APR.

- (b) Interest Free – Fixed Instalment Plan
 - (i) No interest is charged on the promotional purchase during the Interest Free term.
 - (ii) Customers can utilise up to 80% of their approved credit limit for the Fixed Instalment Plan purchase.
 - (iii) The customer is required to make equal monthly payments of the financed amount during the Interest Free term.
 - (iv) The customer is unable to make additional payments throughout the term however they can pay out the balance in full, at any time, without penalty.
 - (v) If the customer fails to pay a fixed monthly instalment, interest, (charged at the Expired Promotional Rate) is payable on the missed Instalment Repayment.
- (c) Interest Free Payment Deferred (PD)
 - (i) The customer is not required to make repayments for the Payment Deferred term on the promotional purchase and no interest is charged during those months.
 - (ii) If the customer chooses not to pay out the total amount at the end of the promotional term, the prevailing APR applies to the outstanding amount from the day after the promotion term expires.
 - (iii) The customer can make additional repayments during the Interest Free Payment Deferred term without any penalties.
- (d) Interest Bearing
 - (i) Interest is charged from the first day on the promotional purchase.
- (e) Hybrid promotions: Interest Free and Payment Deferred Combinations
 - (i) A Hybrid promotion is where there is an Interest Free period and an Interest Free Payment Deferred period for the one promotion. Example 12MIF/6PD.
 - (ii) The interest free period can be longer than the payment deferred period, e.g. 12 months interest free, of which 6 months are payment deferred.
 - (iii) At the end of the 6 month payment deferred period, minimum monthly payments (3% or \$30, whichever is greater) are required for the remaining 6 months of the interest free period.
 - (iv) The total length of the interest free period is 12 months.
 - (v) The prevailing APR applies to any outstanding amount from the day after the Interest-free promotion period expires.

6.4. The Finance Facility – Product Information

(a) Interest rate

The applicable interest rate varies by product. The contract outlines the applicable interest rate. You can otherwise obtain the interest rate by visiting www.hummm90.com/au

The APR is calculated by applying the daily annual percentage rate to the unpaid balance for the end of the day and is debited to the account on a monthly basis.

On Interest Free promotions, the APR is charged on the balance outstanding once the Interest Free term has ended or as advised by the Financier from time-to-time.

(b) Statements

The Financier issues monthly statements to customers. This includes customers who are not required to make a payment that month. If an account has a zero balance and there has been no activity on the account for that month, customers will not receive a statement that month. A \$2.50 will be charged for each paper statement we provide you.

(c) Repayments

The minimum amount payable for a statement period is the amount shown on the customer's monthly statement. Any over limit or overdue amount is payable immediately. Customers can pay more than the Minimum Monthly Payments if they wish, without penalty.

(d) Easy Payment Options

Customers can make payments to their account via one of the following methods:

- >> Monthly Direct Debit
- >> BPAY
- >> Single payment through [my hummm90](#)

NOTE: Payment options are shown on customers' monthly statement. Retailers cannot accept account payments in store.

(e) Card and PIN

The Financier's customers are issued with a payment scheme card and PIN once their **hummm90 Mastercard** account is open.

(f) Multiple promotions and transactions

Customers can access multiple special promotions and conduct standard transactions on their account, up to their available credit limit.

(g) Card Activation

For security purposes, customers need to activate the Financier's payment scheme cards once they have received them. Instructions for doing this are sent with the cards.

(h) Up to 110 days Interest Free on all card purchases.

(i) Credit Limit Increase for Existing Cardholders

Customers may request a credit limit increase by calling 1300 115 533. The Financier will require the Customer to complete a credit limit increase application. Applications for credit limit increases are subject to the Financier's normal lending criteria.

(j) **No Foreign Transaction Fees**

Customers pay no fees when purchasing online or whilst overseas

(k) **Joint applications**

Customers who are married or de-facto living in the same household can apply for a joint account. Applications are subject to Financiers normal lending criteria

7. The humm90 Dealer Portal

7.1. What is the humm90 Dealer Portal?

The **hummm90** Dealer Portal is used by accredited Retailers to

- (a) Send finance quotes to customers
- (b) Search customers application status
- (c) Process customers finance purchases
- (d) SMS your store application link to customers

Each Retailer's store will be provided with **hummm90** Dealer Portal login details in their Welcome email.

If you cannot locate your log in details contact the **hummm90** Sales Support team on 1300 115 533 (option 1, option 4) or email cards.dealersupport@hummm-group.com

7.2. The two step process

To finance a purchase on Interest Free or other promotional terms, it's a simple two-step process.

1. Apply – customer applies for a **hummm90 Mastercard** facility online
2. Transact – if approved, your Personnel submits a 'New Purchase' via the **hummm90** Dealer Portal
3. Click to download the [hummm90 Dealer Portal User Guide](#)

8. Settlements process

Once signing is complete, a confirmation email will be sent to your store. Upon receipt you are then permitted to release goods to your suppliers. **hummm Cards** will make payment to your store/head office on the same day if the new purchase is submitted before 12pm otherwise payment will be made the next business day.

hummm Cards payments are treated as settled funds. An email confirmation is sent directly to the store when the payment authorisation is complete for the customer's transaction.

hummm Cards will pay the store bank account the following day. It may take a few days for your bank to clear the funds.

9. Refund/cancellation process

In the event that a Customer decides to cancel their purchase, follow the steps below:

- (a) Store must advise **hummm Cards** of the cancellation via email at settlements.cards@hummm-group.com and include the following details:
 - (i) Customer's full name;

- (ii) Address; and

- (iii) Refund amount

The subject should be 'Cancellation required - <Enter Customer Full Name>'

- (b) The Settlements team will cancel or part cancel the purchase and this will be reflected on the customer's account the next day.
- (c) The refund amount will be net-off against your next settlement. You will be provided a tax invoice detailing the breakdown of the net-off on your next payment.

NOTE: It is absolutely imperative that you ensure the store pays the Financier within 10 days. At no point can you directly refund the customer. This should mitigate the customer from receiving debt collection calls and removes any risk of fraud and cash advances.

10. Escalation process regarding feedback on the financier

- (a) Escalation regarding suspicious applications/transactions see Fraud Process
- (b) Escalation regarding the Financier process or Support Services please contact **hummm90** Sales Support team on 1300 115 533 (option 1, option 4) or email cards.dealersupport@hummm-group.com
- (c) Escalation regarding the Financier Sales Support team escalate internally to your retail Head Office to be raised with the Financier National Sales Manager
- (d) Any feedback from the Customer regarding their transaction account must be raised directly with the Financier by the card holder calling 1300 115 533.

11. Escalation process for a suspicious transaction

Store Personnel identify suspicious transaction that potentially could be fraudulent.

Retailer calls the Financier on 1300 115 533 to identify application number of suspicious transaction and receive further instructions from the Financier.

NOTE:

1. Do not release goods
2. Take copies of ID documents provided
3. Escalate a request to your manager to save CCTV footage of the customer

12. Stationary/Point of sale

Dealers can promote an Interest Free offer in-store by creating their own POS or by ordering **hummm90 Mastercard** branded POS.

- (a) If you are creating POS material that promotes **hummm90** Interest Free using your own branded assets, please refer to the [digital assets web page](#) and ensure your artwork is approved by the **hummm90** Marketing team by submitting your request to advertapproval@hummm-group.com
If you would like to order **hummm90** POS please contact cards.dealersupport@hummm-group.com



SALES SERVICE

CALL 1300 115 533

OVERSEAS +61 2 8905 2904

VISIT [humm90.com/au](https://www.humm90.com/au)