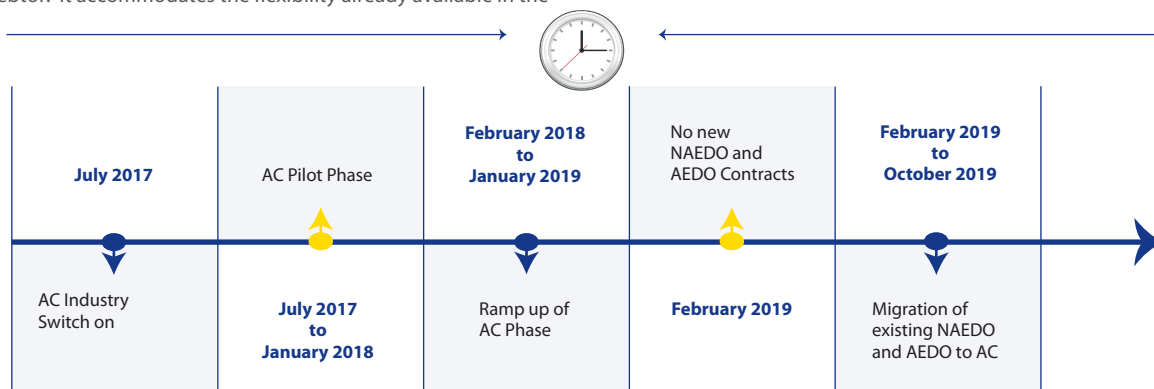


Hyphen Technology (Pty) Limited

Authenticated Collections (AC) is a new payment and collection stream that has been designed by the Banking Industry, in conjunction with a stakeholder forum, in response to the terms of reference supplied to the Payments Association of South Africa (PASA) by the South African Reserve Bank.

The AC programme aims to provide a more efficient and reliable payment and collection environment for both the Creditor and Debtor. It accommodates the flexibility already available in the

Non-Authenticated Early Debit Order System (NAEDO) as well as addressing NAEDO shortcomings which were exploited by debit order abusers. By enabling the Debtor Banks to store the debtor mandates electronically, early debit order collections are less disputable and more reliable. It should be noted that AC instructions cannot be processed without a corresponding authenticated electronic mandate and therefore the mandate process is key to the new early debit order stream.



Hyphen Value Proposition

Hyphen's value proposition for the AC programme addresses the non-financial (electronic mandate) and financial (AC Collection) separately.

Mandate (Non-financial)

For electronic mandates Hyphen has developed a full Mandate Management System. Multiple protocols and connectivity options are on offer to best suit the Client's line of business. The Client is able to process his mandate as follows:

- via Host to Host (HtH) straight-through process model;
- Via the Hyphen Web Portal;
- A combination of the HtH platform and Web Portal (Interoperability). Examples of how the Client could use this are:
 - The Client submits HtH mandate requests and subsequently views, send, amends or cancels these mandates using the Web Screens;
 - The Client submits HtH mandate requests that are held back from submission to the Bank until they are authorised via the Web Screens;
 - The Client processes all his mandate requirements using the Web Screens and then exports the results to Client's line of business.

The Hyphen Mandate Management System has consolidated the multiple (seven) file formats required by the Bank into a simpler format for mandate requests and responses thus introducing operational efficiencies and significantly reducing development costs.

The Mandate Management System allows the Client to tailor the solution to best suit the respective business environment, namely:

- Segregation of duties on the Web Portal;
- Up-front validation of mandate requests prior to submitting to the Bank;
- Mandate data verification using the Hyphen Account Verification Service (AVS) and/or Data Quality Service (DQS) prior to submitting to the Bank;
- Duplicate checking of mandates at a mandate and/or debtor level prior to submitting to the Bank;
- The set up of the mandate, corresponding payment (for a loan), and a schedule of collections thereafter;

- Warehousing and release of the mandate to the Bank on the date required by the Client;
- Notification to the Client and/or his customer of outstanding mandates requiring authentication;
- Operational reporting;
- Electronic submission of the mandates to the Client's customer (Debtor) after authentication or alternatively supplying the mandates for presentation on the Client's Portal for customer consumption;
- Electronic storage of all mandates for the Client. Key benefits include:
 - Data is encrypted in transit and at rest;
 - Data is stored in a secure environment which is fully PCI compliant;
 - Data is stored in three separate physical sites for back up and redundancy purposes;
 - Data is replicated in real time in accordance with Business Continuity Protocols (BCP) standards;
 - Data is backed up, archived and kept historically in accordance with local regulations and legislation.

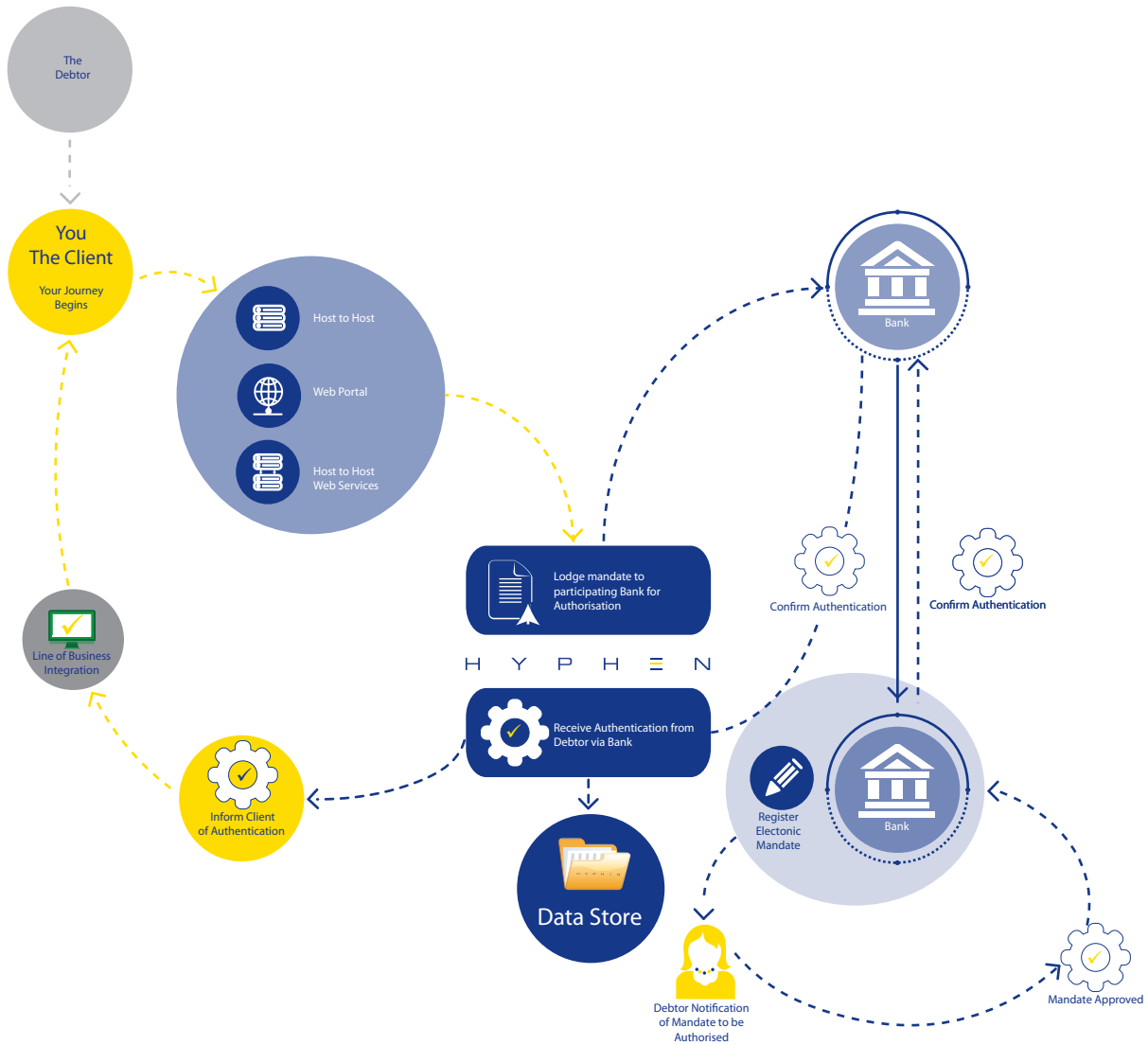
Authenticated Collection (Financial)

The transactions in the AC payment stream will be managed via Hyphen's FACS system. Hyphen's current interoperability offered between EFT debits and NAEDO will be extended to include AC. Hyphen's Rules Engine, based on the Client's requirements, can determine for the Client whether the transaction is eligible for a standard EFT debit or an Early Debit Order collection.

Clients will submit their AC collection to Hyphen on the existing standard FACS format, thus requiring minimal changes to their system to initiate AC financial requests. FACS in turn will translate these financials into the multiple formats required by the Bank.

The full functionality offered by FACS for NAEDO transactions will be rolled out to AC transactions. This includes but is not limited to:

- Reconciliation of transactions;
- Itemised fate report giving the Client the cash position (optional SMS facility);
- Real time transaction status update to the Client's line of business pre bank statement;
- Balance sheet view of the AC activity;
- Drill down functionality into tracking transactions;
- Detailed billing reports.



Credible track record

Hyphen processes in excess of 180 million transactions per annum and has built a thorough understanding of the different industries within the marketplace. Its management, sales, operations and customer service personnel have deep industry experience, which enables them to understand the unique needs of both small business entities and large corporate entities.

Quality people with a service ethos

Hyphen strives to exceed your expectations around service and related product offerings by being in tune with your needs and implementing efficiencies that translate into cost savings.

Hyphen provides solutions and services to some of the largest organisations in Southern Africa, including life assurance companies, short-term insurance companies, furniture and retail groups, municipalities, certain banks and prepaid service providers.

Let's talk

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