PAYSTRAX LTD.

(Malta)

Terms

of PAYSTRAX's Merchant Framework Agreement on Payment Service

version 1.5 – effective 12 November 2026

PAYSTRAX LTD.
Registration code: C110276
Registered office: Floor 3, 6 Triq Paceville, San Giljan, STJ 4011, Malta
www.paystrax.com – info@paystrax.com

Table of Contents

1 DEFINITIONS 5
2 INTRODUCTION 7
2.1 Scope 7
2.2 Prepaid sales (prepaid services) 8
3 RIGHTS AND DUTIES OF THE MERCHANT 8
3.1 Acceptance of payment cards 8
3.2 Registering of payment card information 9
3.3 Issuer authorisations 9
3.4 Use of payment card/transaction information 10
3.5 Approved currencies 10
3.6 Monitoring process, security instructions and security requirements 10
3.7 Delivery of transactions and data submissions to PAYSTRAX 10
3.8 Submission of data to PAYSTRAX 10
3.8.1 Communications between the Merchant and a cardholder—complaints 10
3.8.2 Credit transactions 10
3.8.3 Cancellation of a card payment 11
3.9 Product returns 11
3.10 Fees for card use 11
3.11 Use of and rights in connection with trademarks 11
3.12 Equipment and security requirements 11
3.13 Service providers 12
3.14 Treatment of card and transaction information and other data 12
3.14.1 Data protection 12
3.14.2 Data Protection Legislation obligations: 13
3.14.3 Mutual assistance 14
3.15 Systems jeopardised 14
3.16 Deletion of transaction data 14
3.17 Recovered payment cards 14
4 THE RIGHTS AND DUTIES OF PAYSTRAX 14
4.1 Contribution of PAYSTRAX 14
4.2 Risk assessment and management 14
4.3 Rules on precautions against money laundering and financing of terrorist acts 15
4.4 Settlements and reversals/refunds on card payments 15
4.5 Settlement of alternate payment transactions 16
4.6 Objections on a card payment 16
4.7 Monitoring and fraud 17
4.8 Changes to the merchant framework agreement 17
4.8.1 Changes in the merchant framework agreement, including a change in commission 17
4.8.2 Changes in the merchant's circumstances 17
4.9 Public discussion 18
4.10 PCI DSS responsibilities 18
4.11 PCI DSS compliance and evidence thereof 18
5 FEES AND SETTLEMENTS 18
5.1 Price list 18
5.2 Settlement and monitoring of settlement 18
5.3 Further on settlement 19
6 OTHER PROVISIONS 19
6.1 Liability and limits to liability 19
6.2 Assignment 20

6.3 Termination of the merchant framework agreement 20
6.4 Duty of confidentiality 21
6.5 Registration of fraudulent or terminated Merchant Framework Agreements 21
6.6 Jurisdiction and resolution of disputes 21
7 SPECIAL RULES FOR MERCHANTS USING THE DCC PAYMENT TRANSFER SYSTEM 22
7.1 DCC payment transfer system 22
8 SPECIAL RULES—CAR RENTAL 22
8.1 General 22
8.2 Authorisation when a car is picked up 22
8.3 Final transaction amount 22
8.4 Retrospective debit transaction 22
9 SPECIAL RULES—HOTELS AND OVERNIGHT ACCOMMODATIONS 23
9.1 General 23
9.2 Confirmed booking 23
9.2.1 Cardholder's booking 23
9.2.2 Cancellations 23
9.2.3 All cards 24
9.2.4 No-show 24
9.2.5 Overbooking 24
9.3 Prepayment/security deposit 24
9.3.1 Cardholder's booking 24
9.3.2 Transaction receipt 24
9.3.3 Cancellations and confirmation of cancellations 25
9.3.4 Overbooking 25
9.4 Express checkout 25
9.4.1 Cardholder's agreement 25
9.4.2 Execution of transactions 25
9.5 Issuer authorisation and final transaction amount 26
9.5.1. Issuer authorisation 26
9.5.2 Final transaction amount 26
9.6 Retrospective debit transaction 26
10 DISBURSEMENT IN CASH 26
10.1 General 26
10.2 Procedure 26
11 SPECIAL RULES—ACCESSES TO CUSTOMER PORTAL 27
11.1 General 27
11.2 Access to the system 27
11.3 User device connection to the PAYSTRAX Customer Portal 27
11.4 Execution of transactions 27
11.5 Notifications 28
11.6 Settlement and monitoring of settlement 28
11.7 Commissions and service fees 28
11.8 Consent to special rules on the PAYSTRAX Customer Portal 28
11.9 PAYSTRAX's responsibility 28
11.10 Duty of confidentiality 28
11.11 Jurisdiction and resolution of disputes 28
12 SPECIAL RULES — FOR INTERNATIONAL E-COMMERCE 28
12.1 General 28
12.2 International E-commerce rules 29
13 SPECIAL RULES — FOR CHARGEBACK AVOIDANCE SYSTEMS OF ETHOCA/MASTERCARD AND VERIFI/VISA 35

13.1 General terms 35

PAYSTRAX LTD.
Registration code: C110276
Registered office: Floor 3, 6 Triq Paceville, San Giljan, STJ 4011, Malta
www.paystrax.com – info@paystrax.com

1 DEFINITIONS

For the purposes of these Terms and the documents consisting of the full merchant agreement, which are the Merchant Framework Agreement and Merchant Application Form and other documents referred to herein, the following definitions apply unless the context explicitly requires otherwise.

Address Verification: A service that allows the Merchant to verify the home address of Cardholders with the relevant Issuer.

Alternate payment transactions: Transactions made with other payment systems than made available by the card schemes, cf. these definitions.

Authorisation request: The process of seeking an issuer authorisation from the card issuer for a certain amount for a certain payment card. Upon receipt of authorisation, the amount is generally deducted from the payment card's authorised payment limit.

Issuer authorisation: An affirmative response, by or on behalf of an Issuer to a request to effect a Transaction, that a Transaction is within the Cardholder's available credit limit and that the Cardholder has not yet reported the Card lost or stolen. All Transactions require an Issuer authorisation.

Authorisation Center: The facility or facilities designated from time to time by PAYSTRAX or ISO to which Merchant shall submit all requests for issuer authorisation.

Account data. It is cardholder data and sensitive authentication data as defined as further: primary account number (PAN), cardholder name, payment card expiration date, service code, full track data (magnetic-stripe data or equivalent on a payment card chip), PIN, PIN block and CAV2/CVC2/CVV2/CID.

Business Day: Any day other than (i) a Saturday or Sunday, or (ii) a holiday in Malta and/or in the state where the Merchant has its establishment (iii) a day on which banking institutions in Malta are authorized by law or by a regulatory order to be closed.

Card(s): Shall mean credit card(s)/payment card(s) issued by the Issuer.

Card company/card schemes: E.g. MasterCard International, Visa International, i.e., the companies setting international rules on payment systems; processing specific brands of credit cards and that have granted PAYSTRAX permission to collect payments made with the cards.

Card information: The information used to identify a payment card, e.g., name of the cardholder, card number, date of expiration and security number.

Card payment: An agreement between a merchant and a cardholder on transferring an amount from the latter's account to the former's account.

Card present transactions: Card present transactions mean a card payment made in the actual presence and with the participation of the cardholder and a service provider from the merchant. Examples of card present transactions are those occurring in retail stores, hotels or car rentals, when a customer is actually present and is serviced by an employee of the above parties.

Cardholder: The person or the entity identified on the payment card as the one to whom the card was issued.

Chargeback: Amount claimed because of objections of a cardholder or card issuer, that PAYSTRAX may deduct from a merchant's settlement without consultation.

Chargeback avoidance: Systems used by Ethoca/Mastercard and Verifi/Visa to avoid chargebacks by getting alert cases before the claims become chargebacks. PAYSTRAX can on its own decide to accept and refund such claims as a risk measure to avoid high chargeback ratios.

Customer Portal: These terms include special rules on PAYSTRAX's Customer Portal (CP). This means service software applications of PAYSTRAX LTD. More specifically this involves a website directory that a merchant automatically gets access to when a merchant framework agreement is signed. There, for example, information can be found on card transactions and various reports. The application for a merchant framework agreement on payment service contains a section for the access to Customer Portal, which is then also a part of a Merchant Framework Agreement.

Data Controller and Data Processor: the same meaning as they have in GDPR.

Data Protection legislation: GDPR together with any national implementation laws and any applicable laws relating to the Processing of Personal Data within the relevant jurisdiction in which the payment services are provided.

Dynamic Currency Conversion (DCC): DCC entails that a merchant, cf. the definition below, can offer its customers payment in their own currency. A merchant's service equipment or payment solution must be certified and set up for this service. Section 7 of these terms defines the currencies that are permitted in PAYSTRAX's DCC solution.

E-commerce: Payment made when the cardholder registers a transaction in a payment solution, including an Internet service.

EMV: Global standard for card payments based on micro-chip technology. For further details see www.emvco.com.

Floor limit: The limit of a card transaction, where a merchant must obtain special issuer authorization for card payments exceeding the amount specified in the floor limit, cf. however, Section 3.3 **.**

Forced Sale: A sales Transaction processed without an approved electronic issuer authorization number being obtained for the full amount of the sales Transaction at the time the Transaction is processed.

Full Recourse Transactions: Mail orders, telephone orders, e-commerce (Internet) orders, Pre-Authorized Recurring Order Transactions, and other "card not present" sales.

GDPR: Regulation of the European Parliament and of the Council (EU) no. 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation).

Identification: A procedure to confirm a cardholder's legitimacy by using a password, personal secret password or something comparable.

Issuer: A member of a Card company that enters into a contractual relationship with a Cardholder for the issuance of one or more Cards.

Independent Sales Organisation (ISO): Organization that conducts merchant account or transaction processing solicitation, sales, customer service, merchant training activities and / or solicitation and sales of POS terminals and / or mPOS devices. Does not have access to the merchant cardholder data (CHD) or the cardholder data environment (CDE). May also sell or resell gateway services (i.e. white label gateway) in conjunction with selling the merchant account and allow the merchant to implement a payment system solution without installing or configuring their own system. ISO could also provide services (provide merchant solicitation, sales, customer service, merchant transaction solicitation and/or customer training) to "high– brand risk merchants". In that case it is considered as High-Risk ISO (HR-ISO).

Mail or telephone order (MO/TO): The card payment made when a merchant enters information on a payment card and a cardholder, on behalf of the cardholder, in a payment solution appropriate for mail and telephone orders.

Merchant Framework Agreement (MFA): Agreement on payment service. An application for payment service, a form agreement between a merchant and PAYSTRAX (Merchant Framework Agreement on Payment Service) and these terms, as they are all an inseparable part of a merchant framework agreement cf. to Malta's Financial Institutions Act.

Merchant Statement: A statement of charges and credits to the Operating Account.

Merchant: An individual or legal person accepting payment with payment cards, who has signed a Merchant Framework Agreement with PAYSTRAX, as a payment service provider, on making card transactions. A merchant is therefore a payee in the meaning of Malta's Financial Institutions Act. Or a Sub-merchant as per meaning defined in Card company rules.

Non-Qualified Transactions: shall mean: (i) any Transaction submitted for processing more than 24 hours past the time the issuer authorization occurred; (ii) any Transaction missing the required data.

Operating Account: A technical account in the name of a merchant within PAYSTRAX's systems, that holds the settlement position of the merchant, in accordance to the Merchant Framework Agreement.

PA-DSS: Payment Application Data Security Standard. A security standard for payment equipment in accordance with the security requirements of PCI DSS, cf. below. See further information on https://www.pcisecuritystandards.org

Payment authorization: A cardholder authorization of a payment transaction where the cardholder (payer) has given consent to execute the payment transaction, cf. Malta's Financial Institutions Act.

Payment card: Domestic debit cards, the international payment cards or payment methods that an agreement covers, e.g., MasterCard, Maestro, Visa, Visa Electron, V PAY, Alipay and WeChat Pay. Payment cards, such as debit and credit cards, are also defined as an example of a payment instrument according to Malta's Financial Institutions Act.

Payment service provider: Service provider handling payment information and card payments on behalf of a merchant. E.g. PAYSTRAX is a payment service provider, as a payment institution, cf. Malta's Financial Institutions Act.

Payment system: A system to transfer amounts of money formally in a standardized arrangement and mutual rules on the handling, clearance and/or settlement of payments.

PAYSTRAX: PAYSTRAX LTD., company code C110276, address Floor 3, 6 Triq Paceville, San Giljan, STJ 4011, Malta, email info@paystrax.com. Licensed Payments Institution supervised by the Malta Financial Services Authority (address Triq l-Imdina, Zone 1, Central Business District, Birkirkara, CBD 1010, web page https://www.mfsa.mt/)

PCI DSS (Payment Card Industry Data Security Standard)**:** a worldwide information security standard defined by the Payment Card Industry Security Standards Council and applies to all organisations which hold, process, or exchange Cardholder information from any Card. See further information on https://www.pcisecuritystandards.org.

PIN: PIN stands for Personal Identification Number. It's a secret numeric password known only to the user and a system to authenticate the user to the system. In this document PIN related to a payment card.

Pre-Authorized Recurring Order Transactions: mean Transactions that have been pre-authorized by the Cardholder and for which the goods or services are to be delivered or performed in the future by Merchant without having to obtain approval from the Cardholder each time.

Qualified Transactions: mean: (i) Visa and MasterCard retail transactions in which the Card is swiped; (ii) Visa Card Not Present telephone, mail or Internet Transactions processed with Address Verification Service (AVS); (iii) MasterCard telephone, mail or Internet transactions or (iv) Transactions that are part of a special registered program approved by the Card Companies; correctly performed payment transactions from any other card company or payment method serviced by PAYSTRAX at any given time.

Personal Data: have the same meaning as in GDPR.

Personal Data Breach: a breach of security leading to accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to, Personal Data transmitted, stored or otherwise processed.

Receipt: Confirmation of a card payment, e.g., the receipt that the cardholder has signed, a subscription agreement, rental agreement regarding car rental or another comparable confirmation.

Security code: A payment card's security code is on, or near, the signature box on the backside of the card. Security codes are the numbers provided after the card number, in a separate area, usually 3 digits and often referred to as a CVC2 or CVV2 number.

Self-service terminals: Cardholder-activated service terminal, e.g., vending machines, admission ticket or car park fees, i.e., when the cardholder makes payment using a terminal, regardless of whether or not a PIN is used.

Service provider of a merchant: One servicing a merchant, e.g., with a payment system, cash register system, web page or otherwise.

Services: The transaction processing services provided by PAYSTRAX under this Agreement.

Shared Personal Data: means the Personal Data to be shared and processed between the parties for the purposes of this Agreement.

Strong Customer Authentication (SCA): An authentication based on the use of two or more elements categorized as knowledge (something only the user knows), possession (something only the user possesses) and inherence (something the user is) that are independent, in that the breach of one does not compromise the reliability of the others, and is designed in such a way as to protect the confidentiality of the authentication data.

Transaction: The acceptance of a Card or information embossed on the Card, for payment for goods sold and/or leased and/or services provided to Cardholders by Merchant, and receipt of payment from PAYSTRAX, whether the Transaction is approved, declined, or processed as a forced sale. The term “Transaction” also includes credits, errors, returns and adjustments. All transactions should be made with Strong Customer Authentication, otherwise the merchant bears the liability of the transaction if challenged.

Transaction currency: The currency used for a cardholder's payment that appears on the receipt.

Transaction date: The date when a transaction between a cardholder and merchant occurs. When E-commerce, mail and telephone orders are involved, the transaction date is normally the date when a product is sent, or a service is provided.

Transaction information: The information used to carry out a card payment. More specifically card and other information that is received during a card payment, e.g., transaction amount, issuer authorisation number and description of what is purchased.

Use instructions: Use instructions regarding acceptance of payment cards, which are an inseparable part of a merchant framework agreement, cf. explanation of the term merchant framework agreement below.

3-D Secure: Procedure to identify a cardholder during E-commerce. Global standards, covering both MasterCard SecureCode and Verified by Visa. 3D-Secure is a form of "Strong Customer Authentication" cf. explanation of term above.

2 INTRODUCTION

These terms, which are part of a Merchant Framework Agreement of parties, cf. the definition above, are intended to shape communications between the merchant and PAYSTRAX LTD (hereinafter referred to as PAYSTRAX). The terms apply to the merchant's acceptance and PAYSTRAX's redemption of transactions occurring with one of the following payment cards or payment methods: Domestic debit cards, Visa credit cards, Visa debit cards, Visa business and corporate cards, Visa Electron, V PAY, MasterCard credit cards, MasterCard debit cards, MasterCard business and corporate cards, Maestro and any other card types offered by or through PAYSTRAX at any given time.

In addition to these general terms, the Merchant Framework Agreement contains information about the merchant, selected payment card types and methods, prices, use instructions, data protection information, the merchant's settlements and service equipment/payment solutions.

PAYSTRAX has a duty to follow to the rules of the card companies, e.g. Visa Inc., MasterCard Worldwide and the rules of third party processors and endeavor to take care that the merchant follows all of the important rules as well as legislation in connection with making card payments with the relevant card, e.g. rules for the usage of Mastercard, Visa logos, etc.

If the aforementioned rules of the third-party processors and the card companies that are in force each time are not observed, it could result in one or more of them imposing fees on PAYSTRAX. If such fees are the result of the merchant's failure to fulfil its duties under the merchant framework agreement, PAYSTRAX has a claim for reinforcement against the relevant merchant.

PAYSTRAX is a payment institution licenced in accordance with the Second Schedule of the Financial Institutions Act and is subject to supervision of the Malta Financial Services Authority.

2.1 Scope

A merchant framework agreement applies to payments with the payment cards that the merchant has decided to accept as a payment medium, cf. further the relevant Merchant Framework Agreement on payment service. The Merchant Framework Agreement on payment service defines the rules applying to card payments in the merchant’s payment solutions.

In addition to the general terms, the relationships between PAYSTRAX and the merchant relating to the provision of services shall also be regulated by laws and other legal acts of Malta, agreements, and the principles of reasonability, justice and fairness in payment service activities.

The merchant is responsible for sales that occur and that all transactions in connection with them being in accordance with the relevant laws and rules in both the relevant country and the global context, including that the sale of the products and/or provision of the services involved is in accordance with the current legislation.

The merchant is only authorised to use the merchant framework agreement in connection with payment of the operations, products and/or services that PAYSTRAX has received information about and approved when the merchant framework agreement was signed. The merchant may use the location where the aforementioned products are sold and/or the service is provided, whether local premises or a website is involved. The residence shall be registered on the name of the merchant as it appears in the merchant framework agreement. The merchant framework agreement applies to card payments made at the specified residence in accordance with the merchant framework agreement and for the products and/or services specified.

The merchant may not make payments originating from the sales or operations of other parties. Neither may it make payments that are later sent to other parties, e.g., by assigning its balances at PAYSTRAX to others or by accepting contributions on behalf of others, et cetera.

Neither the Merchant nor a related company to the Merchant may use the Merchant Framework Agreement in connection with prohibited business categories according to the PAYSTRAX Acceptance Policy and among else the following:

- The sale of a product or service other than those specified in the Merchant Framework Agreement.
- Activities that can damage the company name and image of PAYSTRAX and/or the card companies.
- Goals that are morally or ethically doubtful or goals that are in some way not in accordance with current laws and rules applicable to the Merchant and/ or PAYSTRAX.
- Fund collections, including refinancing of the cardholder's credit obligations.
- Any kind of illegal activity (e.g. drugs selling, human trafficking, money laundering, tax evasion ect.).

2.2 Prepaid sales (prepaid services)

The sale of products or services for later delivery, including deposits, membership and subscription fees for more than 1 month at a time, travel, admission tickets, courses, etc, requires PAYSTRAX's prior approval, in writing, and contractual sales time in advance shall also be stated in the Merchant Framework Agreement.

3 RIGHTS AND DUTIES OF THE MERCHANT

3.1 Acceptance of payment cards

The merchant undertakes to ensure that all its employees and partners, who participate in card payments acceptance process, have familiarized with the terms of the Merchant's Framework Agreement and received necessary training in connection with it.

The Merchant is obligated to accept payments with all valid payment cards of the types that the Merchant has decided, in accordance with the Merchant Framework Agreement, to accept as payment for the sale of products and services. If a payment card has a chip and is used in a card present environment, the merchant's service equipment shall always read the payment card's chip. If it is not possible to read the chip, the merchant can try to make the transaction with the magnetic stripe if the payment card allows it.

The cardholder has the right to get a receipt for each card payment. The Merchant shall deliver/send a receipt to the cardholder after a card transaction has gone through. At least the following information shall appear on a receipt:

> name and address of the merchant, the amount, date of transaction, last four digits of the card number, authorization number, signature box if applicable, and address also if applicable (E-commerce).

In particular instances, e.g., regarding transactions for low amounts of money at self-service locations, PAYSTRAX can authorize sales to be made without a printed receipt.

Further reference is made to the use instructions regarding the acceptance of payment cards in card present transactions, at self-service locations, in E-commerce sales, including the use of 3-D Secure, and in connection with MO/TO orders.

Where the merchant itself possesses a Card, such card (where the merchant is operated as a sole proprietorship, partnership, limited partnership or limited company which is an affiliated company) may not be used for payment. Possession of a Card means that the Cardholder and the merchant are identical, i.e. have the same personal ID or registration number, or that the Cardholder is the owner of, or a partner in, the merchant.

The Merchant shall not do any of the following with respect to any Transaction:

a. Impose a surcharge on a Cardholder who elects to use a Card in lieu of payment by cash, check or other mode of payment;

b. Charge a Cardholder more than the amount the Cardholder would pay if payment were made by cash or check;

c. Establish a minimum or maximum Transaction amount, except for risk management purposes;

d. Obtain multiple Issuer authorisations for amounts less than the total sale amount;

e. Obtain Issuer authorisation for purposes of setting aside Cardholder's credit line for use in future sales;

f. Extend credit for or defer the time of payment of the total cash price in any Transaction;

g. Honor a Card except in a Transaction where a total cash price is due and payable;

h. Make any special charge to or extract any special agreement or security from any Cardholder in connection with any Transaction;

i. Transmit or accept for payment any Transaction that was not originated directly between the Merchant and a Cardholder for the sale or lease of goods or the performance of services of the type indicated in the Merchant's application for card processing services initially submitted to and approved by PAYSTRAX;

j. Honor or accept a Card as payment for any legal services or expenses arising out of or related to: (i) the defense of any crime other than a traffic violation; (ii) any domestic relations matter where such services or expenses are furnished to a person whose name is not embossed on a Card; or (iii) any bankruptcy, insolvency, compromise, composition or other process affecting Cardholder's creditors;

k. Use the Merchant's own Card, or one to which the Merchant has access, to process a Transaction for the purpose of obtaining credit for the Merchant's own benefit;

l. Redeposit a previously charged Transaction, regardless of whether the Cardholder consents;

m. Initiate a Transaction credit without a balance in the Operating Account equal to the credit;

n. Use the Software or any data received thereon for any other purpose other than for determining whether or not the Merchant should accept checks or Cards in connection with a current sale or lease of goods or services;

o. Use the Software or any data received thereon for credit inquiry purposes or any other purpose not authorised by this Agreement;

p. Draw or convey any inference concerning a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living when any Card or check is processed as non-accepted;

q. Disclose any information obtained through the Software to any person except for necessary disclosures to affected Cardholders, PAYSTRAX and/or the Issuer;

r. Add any tax to Transactions unless applicable law expressly requires that the Merchant be permitted to impose a tax. Any tax, if allowed, must be included in the Transaction amount and not collected separately;

s. Disburse funds in the form of travelers' checks, if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from the Merchant;

t. Disburse funds in the form of cash;

u. Accept a Card to collect or refinance an existing debt;

v. Issue a transaction credit for returned goods or services acquired in a cash transaction;

w. Make any cash refund to a Cardholder who has made a purchase with a Card. All transaction credits will be issued to the same Card account number as the sale; or

x. Accept a card for sales by third parties;

y. Submit a transaction that was previously disputed and subsequently returned to the merchant. However, the merchant may pursue payment from the customer outside the card schemes systems.

3.2 Registering of payment card information

It is strictly forbidden to register payment card numbers and other account data in service equipment unless PAYSTRAX has specifically approved doing so, e.g. regarding special rules for hotels and car rentals.

3.3 Issuer authorisations

In card present transactions the Merchant must always request an Issuer authorisation for card transactions unless specifically agreed otherwise with PAYSTRAX regarding other transactions, e.g., MO/TO and E-commerce, the Merchant must also always get an Issuer authorisation for all card transactions, regardless of the amount.

The Merchant may not circumvent a defined floor limit by dividing the amount into more card transactions. The Issuer authorisation that the Merchant requests must be for the entire purchase price (total amount of the transaction) and therefore be stated as a single total amount. The authorisation number shall be sent

with the transaction information to PAYSTRAX. If the Merchant gets a rejection of the request for Issuer authorisation, it may not execute the aforementioned card payment, regardless of the amount.

The Merchant may not accept authorisation number from the cardholder or a third party but may only accept an authorisation number from PAYSTRAX or systems that PAYSTRAX has approved. The Merchant may not request, or seek, authorisation at the request of a third party. An authorisation number is neither an assurance of PAYSTRAX's settlement of a card payment nor confirmation of who the cardholder is. It only involves confirmation that the relevant payment card is open and has a balance for the amount of the transaction.

The Merchant shall always use Strong Customer Authentication (SCA) according to current legislation and Card company rules. In cases where the Merchant does not use SCA, the Merchant bears full liability for the transaction, if it is challenged by the cardholder, the card schemes or PAYSTRAX. It is important that the Merchant has relevant documents to confirm the validity of the payment transaction.

3.4 Use of payment card/transaction information

Payment card information may only be used for executing transactions, but not at all as an admission ticket or confirmation of who the cardholder is, e.g., at access checkpoints or the like. In case card data is planned to be used for loyalty schemes at the Merchant that should be agreed with PAYSTRAX in advance.

3.5 Approved currencies

Transactions may be sent and settled in the currencies specified in the MFA. On the Dynamic Currency Conversion transaction system, reference is made to Section 7 in these terms.

3.6 Monitoring process, security instructions and security requirements

The merchant has a duty to follow the monitoring processes and security requirements described in MFA including these Terms or that PAYSTRAX otherwise makes known each time to the merchant.

3.7 Delivery of transactions and data submissions to PAYSTRAX

The Merchant must send PAYSTRAX transaction data as quickly as possible, and it shall reach PAYSTRAX on the same date that a transaction is authorised. However, the merchant may not send PAYSTRAX transaction data for settlement before a product has been delivered or sent or services provided to the cardholder or the recipient that the cardholder has specified except only if the Merchant has made an agreement in advance on the sales time in connection with a prepaid sale (prepaid services) cf. 2.2. above.

Electronic transactions, transactions for E-commerce and mail and telephone orders are sent to PAYSTRAX for settlement via service equipment or the relevant payment solution. The Merchant undertakes to clear the service equipment or payment solution daily if transactions have occurred.

3.8 Submission of data to PAYSTRAX

The Merchant shall preserve transaction data for no less than 20 (twenty) months. If PAYSTRAX requests that confirmation of a transaction be sent, e.g., in connection with objections or a request for a receipt from a cardholder or card Issuer, the Merchant shall always submit the requested data. The Merchant shall submit data to PAYSTRAX not later than at the end of the period specified in the aforementioned request from PAYSTRAX (7-14 calendar days). If the Merchant does not submit the requested data, PAYSTRAX may without further warning reverse the aforementioned transaction amount of the merchant. This also applies even if the transaction occurred with a chip and a PIN or 3-D Secure.

3.8.1 Communications between the Merchant and a cardholder—complaints

The Merchant undertakes to receive and handle possible complaints from a cardholder regarding a product and/or service. The Merchant and the cardholder shall make all efforts to resolve such complaints without the involvement of PAYSTRAX. PAYSTRAX shall reasonably support the merchant in resolving such claims. The Merchant must make accessible the information about customer rights on the Merchant website.

All refunds/crediting shall relate to a previously undertaken purchase transaction. The return/credit amount may not exceed the amount of the purchase transaction. The return/crediting shall take place using the Card which was used for the purchase transaction. The amount may not be refunded in cash unless otherwise agreed between the Parties. In conjunction with refunds/crediting, a signature receipt or equivalent basis for the Transaction shall be signed by the Merchant.

3.8.2 Credit transactions

The Merchant may only execute a credit transaction for the cardholder when the goal is to partially or completely refund a card payment that has already been made, e.g. if a customer returns a product that he has purchased from the Merchant.

A credit transaction regarding a purchase paid for with a card (previously approved transaction) shall always be executed with a credit transaction on the same payment card as the one used for the purchase involved. The amount may not be refunded in cash. The amount credited to the cardholder may never be higher than the total amount of the relevant transaction. When electronic transactions are involved, credit transactions may be sent electronically. The Merchant is obligated to deliver/send the cardholder a receipt for the credit transaction.

PAYSTRAX debits the total amount of the executed credit transaction and other incidental costs in the next settlement for the Merchant or opens a separate account for the Merchant for the credit transaction. Service fees that have already been charged are not reimbursed with a credit transaction.

3.8.3 Cancellation of a card payment

If a card payment has been executed by mistake, the Merchant is obligated to cancel it, if possible. If it is not possible, the Merchant is obligated to execute a credit transaction. If this is impossible, the Merchant should contact PAYSTRAX.

3.9 Product returns

If the cardholder or recipient of a product and/or services exercises a statutory right of return in connection with E-commerce or MO/TO order, or if the cardholder utilises another agreed right of return, the Merchant ought to execute a credit transaction or otherwise compensate the cardholder for the aforementioned amount.

The Merchant will maintain a fair exchange and return policy and make adjustments with respect to goods and services sold and/or leased to its customers whenever appropriate. If goods are returned, or services are terminated or canceled, or any price is adjusted, the Merchant will prepare and transmit a credit or return Transaction, either electronically or by paper, for the amount of the adjustment as a deduction from the total amount of Transactions transmitted that day. If the amount of credit or return Transactions exceeds the amount of sales Transactions, the Merchant shall pay PAYSTRAX the excess. The Merchant shall make no cash refunds on Transactions and shall handle all credit adjustments as provided in this Section If no refund or return will be given, Cardholder must be advised in writing that the sale is a “final sale” and “no returns” are permitted at the time of the Transaction. Cardholder also must be advised in writing of any policy of the Merchant that provides for no-cash refunds and in-store credit only. The Merchant shall follow Card company reservation/no-show policies. The Merchant shall notify Cardholders in writing of this policy on all advance reservations. The Merchant also shall notify Cardholders at the time of the reservation of the exact number of days required for reservation deposit refunds.

3.10 Fees for card use

The Merchant undertakes to adhere to applicable laws and rules each time regarding charging of fees. It is illegal for the Merchant to charge fees for the use of any payment instrument, including payment cards.

PAYSTRAX (the payment service provider) may not prevent the merchant (payee) from offering the cardholder (payer) a reduction or promoting otherwise the use of a given payment instrument. However, the payee may not request a charge from the payer for the use of any payment instrument or payment service.

3.11 Use of and rights in connection with trademarks

The Merchant shall, in a visible manner, publish trademarks (logos) of the payment cards that are accepted as payment media. The Merchant may use the trademarks of payment cards in connection with marketing of the products and/or services that may be paid for with a payment card. All other use of payment cards trademarks is forbidden.

All rights regarding trademarks connected with the payment cards that the merchant accepts as payment are the property of the relevant card company and/or PAYSTRAX.

PAYSTRAX can deliver stickers for placement at sales locations and payment card trademarks to use for publicity. The trademark shall always be published in its correct original form. A card used for publicity may contain neither a valid card number nor the card issuer's name.

The usage of trademarks may not violate the right holders' rights and may not indicate that PAYSTRAX and/or the card companies sponsor, manufacture, offer, sell or otherwise support specific products or services. The Merchant shall acquaint itself with and adhere to Card companies’ requirements/instructions.

The Merchant gets no rights in connection with the payment card trademarks except the right of use described above, including both property rights and intangible rights. Upon termination of an agreement, the Merchant is obligated to stop all use of the trademarks, including in advertisements on signs, the Internet or other media or other kinds of marketing.

3.12 Equipment and security requirements

All service equipment used by the Merchant for card present transactions shall be approved and certified by PAYSTRAX.

The Merchant executing transactions in connection with E-commerce and/or MO/TO orders shall use equipment or payment solutions approved by PAYSTRAX.

It is the Merchant's responsibility to ensure that the service equipment and payment solutions it uses for transactions each time fulfil PAYSTRAX's technical and security requirements, including those in connection with obtaining authorisation and submitting transactions. Information on approved service equipment and payment solutions can be obtained from PAYSTRAX. The Merchant shall ensure that unauthorised individuals do not have access to either service equipment or payment solutions.

The Merchant shall always use Strong Customer Authentication (SCA). In cases where the Merchant does not use SCA, the Merchant bears full liability for the transaction, if it is challenged by the cardholder, the card schemes or PAYSTRAX. It is important that the Merchant has relevant documents to confirm the validity of the payment transaction (e.g. invoice etc.).

3.13 Service providers

The Merchant is obliged to inform PAYSTRAX of its service providers, e.g., regarding website hosting, website service providers, other payment service providers or comparable service providers that handle card information or, for any reason, have access to the Merchant's card information. The Merchant is also obliged to announce planned changes in connection with service providers, cf. more detailed requirements in Section 4.8.

The Merchant bears the risk incurred from what its service providers do or fail to do, and it may only use service providers fulfilling PAYSTRAX's security requirements and/or the card companies'.

3.14 Treatment of card and transaction information and other data

The Merchant is obligated to preserve all data securely and to secure all customer connections, so that an inappropriate party has no access to them.

All Merchants shall fulfil requirements in accordance with the Payment Card Industry Data Security Standard (PCI DSS) on security in handling card information. Information on PCI DSS is found at www.pcisecuritystandards.org.

The Merchant has a duty to inform PAYSTRAX of how card information is handled/stored (if it is stored) and is obligated to produce a certificate of PCI DSS certification or a filled-out Self-Assessment Questionnaire (depending on compliance validation requirements), in addition to confirmation that it has passed a quarterly vulnerability scan by an Approved Scanning Vendor (if required by PAYSTRAX).

The Merchant bears responsibility for all costs in connection with its fulfilment and validation of the aforementioned compliance with PCI DSS requirements.

Merchants have a duty to submit quarterly scan reports (if required by PAYSTRAX) and annual certifications or signed Self-Assessment Questionnaires on PCI DSS compliance to PAYSTRAX's. The aforementioned reports shall be submitted electronically to PAYSTRAX.

The security number of a payment card, full track data (from the magnetic stripe of the payment card, equivalent data on the chip, or elsewhere), PINs/PIN blocks and other sensitive card information may not, under any circumstances, be saved after Issuer authorisation has been provided.

A Merchant may not:

- Require a cardholder to complete a postcard or similar device that includes any of the following in plain view when mailed: the cardholder's account number, card expiration date, signature, or any other card account data.
- Request a Card Verification Value/Code 2 (CVV2/CVC2) from the cardholder for a card-present environment transaction.
- Request the Card Verification Value/Code 2 (CVV2/CVC2) data on any paper order form.
- Store Card Verification Value/Code 2 (CVV2/CVC2) information subsequent to authorization.

The Merchant must ensure that all service parties/3rd parties handling card information for it are PCI DSS-compliant at all times. If PCI DSS requirements are not fulfilled, PAYSTRAX can demand fees, fines and/or compensation for damages from the merchant equal to those demanded by the card companies and/or others from PAYSTRAX regarding the relevant instances. If the Merchant and PAYSTRAX, in instances like these, are judged to be mutually responsible for damages to the payment card companies and/or others that have made a claim against PAYSTRAX, the merchant and PAYSTRAX shall bear the damages equally. Section 6.1 has more details on PAYSTRAX's liability and liability limits.

3.14.1 Data protection

PAYSTRAX and the Merchant share data with each other as a joint Controller. The parties share personal data which is necessary to fulfill the obligations and service pursuant this Agreement (e.g. card data etc.).

PAYSTRAX and the Merchant agree to comply with the requirements relating to joint data controllers as laid down in Article 26 of the GDPR, in particular as regards the exercising of the rights of the data subject and their respective duties to provide the information referred to in Articles 13 and 14.

PAYSTRAX and the Merchant are obliged to ensure compliance with applicable Data Protection Legislation at all times during the terms of this Agreement.

Subject to the Data Protection Legislation, it is PAYSTRAX and the Merchant expectation that:

- PAYSTRAX will ordinarily be acting as Data Controller when Personal Data is processed in order to issue or administer the services or to meet PAYSTRAX's obligations under applicable law (for example, in connection with "customer due diligence" requirements under anti money laundering legislation and other obligations and requirements constituted under PAYSTRAX's regulatory authorization to provide financial services, such as but not limited to payment services.
- The merchant will be Data Controller in respect of Personal Data processed for many of the other purposes for which it is processed in connection with the services. In particular when collecting, receiving and processing for the purpose of marketing and/or offering any other services to the cardholders.

The subject-matter, nature and purpose of the processing, categories of Personal Data processed, and categories of data subjects are described in PAYSTRAX´s Privacy Policy which could be found in www.PAYSTRAX.com.

3.14.2 Data Protection Legislation obligations:

Merchant confirms that he has been informed how and on what purpose the PAYSTRAX collect's personal data. Below is provided more detailed information on the topic:

- PAYSTRAX LTD is committed to protect data subjects' privacy in accordance with the GDPR;
- PAYSTRAX LTD (registration code C110276, hereafter the PAYSTRAX, is acting as data controller and could be reached via email dpo@PAYSTRAX.com or visited at the physical address - Level 3 of 6 Triq Paceville, St. Julian's, STJ3108, Malta.

PAYSTRAX is required to process personal data for the purposes of assessing application forms filed by the prospective Merchant and the rendering of its services to the Merchant. Intended purposes for the processing of personal data at the PAYSTRAX are:

- Receiving the personal data from the online application and contact page, and printed/scanned version of merchant Application Form, emails or other communication and processing such personal data for underwriting/onboarding purposes;
- Drawing up the merchant Framework Agreement and executing this Agreement by electronic/written signature;
- Processing for the purpose of legal, judicial and regulatory obligations and/or disclosures;
- Processing and retention of data subject ID documents, proof of address and other provided documents;
- Debt collection and/or legal claims;
- Enabling operations of the PAYSTRAX;

PAYSTRAX collects personal data under GDPR Article 6 Section 1 (c) and (f).

Personal data may be disclosed to or exchanged with the PAYSTRAX employees and its subsidiaries, consultants, associates, card companies (e.g. VISA, Mastercard) and banks/Institutions the PAYSTRAX has an agreement with. The PAYSTRAX does not share personal data with external companies, organizations and individuals unless required for provision of acquiring services or with Merchant consent.

The PAYSTRAX will store the personal data for maximum amount of 5 years after the end of relationship with the merchant due to anti-money laundering, counter terrorism financing legal requirement or another period if a longer period is specified by law or regulatory institutions.

The Merchant has a right to request from the PAYSTRAX access to and rectification or erasure of personal data or restriction of processing concerning the merchant or to object to processing as well as the right to data portability.

In case it is not possible to solve data handling issues with the PAYSTRAX, the Merchant has a right to lodge a complaint with the Office of the Information and Data Protection Commissioner (https://idpc.org.mt/file-a-complaint/).

Provision of personal data is a requirement necessary for the Merchant and the PAYSTRAX to enter into the contract, in case the Merchant is reluctant or is not able to provide the necessary data, the PAYSTRAX will not be able to provide its services for such Merchant.

PAYSTRAX and the Merchant shall ensure that it processes Shared Personal Data fairly and lawfully in accordance with applicable Data Protection Legislation, that it has a legal basis for its data processing and that it shall comply with all the obligations imposed on a Controller under Data Protection Legislation including:

- be responsible for informing the data subjects of the purposes for which it will process their Personal Data and to provide all the information that it is obliged to provide under the Data Protection Legislation to ensure that the data subjects understand how their Personal Data will be processed by that party;
- be responsible for dealing with its own requests from data subjects in relation to the Shared Personal Data it holds;
- process the Shared Personal Data only for the purposes it was collected;
- implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to the risk (taking into account the nature, scope, context and purposes of processing Shared Personal Data), including from unauthorised or unlawful processing of such Shared Personal Data, or accidental loss or destruction of, or damage to, such Shared Personal Data;
- ensure that all employees, and others who may have access to the Personal Data, have committed themselves to confidentiality and have received appropriate training;
- ensure, that no transfer or disclosure of the Shared Personal Data to any person located outside of the EEA takes place without appropriate safeguards that provide an adequate level of protection of the rights of data subjects;
- be responsible for all damage, losses, costs, liabilities and expenses caused by a breach of Data Protection Legislation in respect of the Personal Data for which the Party is a Data Controller.

3.14.3 Mutual assistance

PAYSTRAX and the Merchant shall provide reasonable assistance to each other in complying with all applicable requirements of the Data Protection Legislation insofar as they pertain to this Agreement.

PAYSTRAX and Merchant shall notify the other party without undue delay on becoming aware of any Data Breach of the Data Protection Legislation that affects or comes within the scope of this Agreement. The notification shall include information or a description of the nature of the Personal Data Breach including the categories and approximate number of data subjects concerned and the categories and approximate number of Personal Data records concerned. The notification shall also describe the likely consequences of the Personal Data Breach and the measures taken or proposed to be taken to address the Personal Data Breach.

3.15 Systems jeopardised

If access is granted to the Merchant's systems containing payment card information, if systems are jeopardised, or payment card information is suspected of being jeopardised, notice of this shall immediately be given to PAYSTRAX.

If systems containing card information are jeopardised at the merchant's or at the merchant's service providers', PAYSTRAX can demand fees, fines and/or compensation for damages from the merchant equal to those demanded by the card companies and/or others of PAYSTRAX regarding the relevant instances or directly resulting from such jeopardise. If the merchant and PAYSTRAX, in instances like these, are judged to be mutually responsible for damages to the payment card companies and/or others that have made a claim against PAYSTRAX, the merchant and PAYSTRAX shall bear the damages equally. Section 6.1 has more details on PAYSTRAX's liability and liability limits.

If systems containing card information are jeopardised (or suspected to be jeopardized) at the merchant's or at the merchant's service providers', and forensic investigation is undergoing, merchant will fully cooperate with the investigation until completed. Merchant is liable for covering costs of forensic investigation. PAYSTRAX can also demand compensation for forensic investigation expenses from the merchant equal to those demanded by the card companies (if any) of PAYSTRAX regarding such investigation.

The merchant is responsible for each and every instance of damage incurred from the fraudulent use of payment cards, costs regarding the issue of new payment cards and costs regarding the investigations launched because of the risk situation involved here. Only a certified data security company recognised by the payment card companies can be engaged in such investigations and submit reports on them.

The merchant also declares its consent that if a risky situation develops, it can lead to a demand that the merchant framework agreement with the relevant merchant be closed pending completion of an investigation, and it has been confirmed that the merchant fulfils PCI DSS security requirements.

3.16 Deletion of transaction data

After the custodial period has passed, transfer data/receipts shall be deleted in accordance with the security requirements of PCI DSS, so that it is assured that inappropriate parties shall not have access to the information that the data contains. Transaction data on various media, such as hard disks, diskettes and magnetic tapes, shall be securely erased or the relevant media shall be physically destroyed in a way that information on the media cannot be restored before they are turned over to others or thrown out.

3.17 Recovered payment cards

If a payment card is forgotten or retained at a sales location, the merchant shall send it to PAYSTRAX.

4 THE RIGHTS AND DUTIES OF PAYSTRAX

4.1 Contribution of PAYSTRAX

PAYSTRAX's contribution in connection with the redemption of card payments entails, among other things, the following:

- Servicing of authorisation requests.
- Servicing and sending of issuer authorisation responses.
- Registering and servicing of card payments.
- Settlement of payments with cards that the merchant framework agreement covers.
- Servicing of objections from the card issuers/cardholders.

4.2 Risk assessment and management

When PAYSTRAX receives an application for a Merchant Framework Agreement regarding payment services, a risk assessment of the Merchant is carried out in accordance with PAYSTRAX’s risk management rules each time. PAYSTRAX also reserves the right each time, and without notice, to carry out a risk assessment of the Merchant, including gathering information on the debts and credit rating and of its representatives and/or an authorised signer for the Merchant, in addition to formally requesting delivery of annual accounts and all of the information that PAYSTRAX deems necessary to assess the Merchant's credit rating and risk and/or fulfill to regulatory requirements. This could for example involve data in confirmation of necessary permits and information on turnover in connection with prepaid sales.

The Merchant explicitly authorizes PAYSTRAX to obtain registration and credit information from third parties, such as commercial credit bureau and corporate registries, among else about principals and owners of the merchant. The Merchant confirms that he has all required consents from the Merchant principals and owners to approve obtaining registration and credit information from third parties by PAYSTRAX. The Merchant also agrees that in order to verify all or part of information submitted in Merchant framework agreement, PAYSTRAX may apply to any private and/or public national as well as foreign companies, organizations within and outside of European Union (including but not limited the database of board of State Social Insurance Fund, Population Register Service under the Ministry of Internal Affairs, Real estate and Legal persons registers of State Enterprise "Centre of Registers", Creditinfo, CreditSafe, Webshield, or other official or third party registers) in order to obtain necessary information about the Merchant, representatives, beneficial owners. The Merchant furthermore authorizes PAYSTRAX to hold and process identification information, among else with third party services. The Merchant authorizes PAYSTRAX to register the Merchant into the Ethoca/Mastercard and Verifi/Visa chargeback avoidance systems, without notice or explicit consent.

If PAYSTRAX deems it necessary, it can:

- Request a bank guarantee.
- Withhold part or all of the merchant's turnover.
- Extend the settlement period for all or part of the merchant's turnover.
- Determine a special risk fee that the merchant is obligated to pay.
- Employ chargeback avoidance systems and methods (from Ethoca/Mastercard and Verifi/Visa), without notice or an explicit merchant consent.

If the Merchant's turnover is stopped without prior warning to PAYSTRAX, or if a deviation from the Merchant's current agreement with PAYSTRAX is involved, e.g., with respect to turnover, use of equipment or products and services that are sold and prepaid sales, PAYSTRAX also reserves all rights to withhold settlements.

As part of the Merchant regular risk assessment, PAYSTRAX, the card companies, or a representative nominated by them, can carry out inspections, without prior notice, on the merchant's premises and/or at a sales location, or resort to other measures regarding a security assessment and/or a general assessment of the following factors:

- Premises and/or sales locations.
- Accessibility to the merchant's computer system and accessibility to data.
- Product inventories, if relevant.
- Business processes, etc.
- Adherence to all security requirements, etc.

With all changes that the Merchant gives notice of, PAYSTRAX may have to carry out a new risk assessment of the Merchant, cf. Section 4.8.2 for further details.

The Merchant bears all costs incurred from the inspections.

PAYSTRAX may terminate the relationship with the Merchant without notice based on the results of the risk assessment.

4.3 Rules on precautions against money laundering and financing of terrorist acts

Before establishing a contractual relationship, and to enable establishment of a Merchant Framework Agreement with the Merchant on payment card settlements, the Merchant agrees to provide PAYSTRAX with all the information it deems necessary, so that requirements are fulfilled regarding precautions against money laundering and financing of terrorism. For this purpose, PAYSTRAX prepares a special form and/or questionnaire that is filled out with an application for a Merchant Framework Agreement on payment service, if PAYSTRAX demands it, and it will then become an inseparable part of the Merchant Framework Agreement. The Merchant agrees that PAYSTRAX for the purposes of provision of services as well as prevention of money laundering and terrorist financing collects, compiles, verifies, and otherwise possesses and keeps the Merchant's, its representative(s), authorized signatory(s), manager(s), shareholder(s) and beneficial owner(s) personal data (name, surname, personal code (if applicable), date of birth, number of person's identification document) nationality, address, mobile phone number, information about types and sources of income, accounts in banks and other information which is necessary for PAYSTRAX. The Merchant confirms that he has all required consents from the Merchant representatives, authorized signatory(s), managers, shareholders and beneficial owners to share their personal information with PAYSTRAX prior doing this.

At the same time the merchant also provides PAYSTRAX with a full power of attorney to call for information, on its own initiative, and immediately be provided with confirmed information, so that PAYSTRAX will be able to fulfil its duties, including a survey of customers' reliability, in accordance with the Law on the Prevention of Money Laundering and Terrorist financing of Malta and other rules and regulations in force in this area.

4.4 Settlements and reversals/refunds on card payments

PAYSTRAX's settlements with the Merchant are regarding payments executed with the cards that the merchant framework agreement covers in accordance with the terms of the agreement.

Without consulting the Merchant, PAYSTRAX has the right to debit or reverse/refund card transactions in the following instances:

- The Merchant knew or ought to have known that the cardholder had no right to use a payment card.
- The Merchant did not obtain an authorisation number, cf. Section 3.3.
- The Merchant did not follow directions on monitoring, cf. special rules in these terms.
- A card issuer/cardholder makes an objection on a card payment that becomes a chargeback, cf. Section 4.6.

Without consulting the Merchant, PAYSTRAX reserves the right to reverse/refund card present transactions executed on service equipment that does not read chip if:

- The payment card used proves to be invalid or falsified, and/or
- The cardholder argues that he has not made the aforementioned card payment.

Without consulting the Merchant, PAYSTRAX reserves the right to reverse/refund card not present transactions if:

- The merchant did not require "strong customer authentication", cf. definitions in these terms.
- The chargeback and/or fraud ratios are nearing the limits of the card schemes.

Payments that are not settled are capitalised to the merchant's operating account at PAYSTRAX.

If the Merchant has not sent PAYSTRAX a card payment for settlement in accordance with provisions in Section 3, PAYSTRAX can refuse to settle the aforementioned payment.

4.5 Settlement of alternate payment transactions

Settlements of alternate payment transactions go through third party payment systems, and processing and settlement are governed in accordance with third party current arrangements and rules. Payments are deposited into the merchant's bank account in accordance with the third-party payment systems and the settlement for service fees and other fees in accordance with the price list and the Merchant Framework Agreement regarding the Merchant's alternate payment transactions, cf. in this regard the arrangement with the third-party payment provider. PAYSTRAX may also debit the above-specified fees, refunds and costs against the proceeds of the merchant's card transactions without consulting it.

4.6 Objections on a card payment

If PAYSTRAX receives a notification that a cardholder claims that he has not made a card payment, PAYSTRAX, without consulting the Merchant, may execute a chargeback, i.e. deduct the corresponding amount disputed from the Merchant's operating account at PAYSTRAX.

If the card payment has been made with the card's chip and PIN, or the cardholder has received a 3-D-Secure confirmation in an online E-commerce transaction, and the card payment has otherwise been approved, PAYSTRAX will settle the card payment, unless the Merchant knew or ought to have known that the cardholder had no right to use the payment card, or the merchant does not present necessary confirmation of the relevant transaction at the request of PAYSTRAX.

In the following instances PAYSTRAX can refuse to settle transactions with the merchant even if the merchant uses a payment solution accepting a PIN or 3-D Secure:

- The payment has been made with a new type of media that has not been approved by PAYSTRAX.
- Payment has been made with a prepaid (anonymous) payment card.
- Payment has been made with a Visa business card issued outside the Visa Europe area.
- Payment has been made with a MasterCard payment card issued outside MasterCard's EEA area.

If PAYSTRAX receives notice from a cardholder/card issuer that,

- an amount was paid in another manner,
- a subscription agreement was terminated,
- a card payment is higher than the amount that the cardholder has approved,
- sending of a product and/or dispensing of services is not in accordance with what it should have been, or
- the cardholder or recipient of a product and/or services exercised their statutory or contractual right of return in connection with distant sales,

PAYSTRAX, without consulting the Merchant, can reverse or deduct the corresponding amount from the Merchant's operating account at PAYSTRAX, provided that the merchant has not refunded the aforementioned amount.

If PAYSTRAX receives notice from a cardholder that the cardholder did not know precisely how much the amount was when the current payment occurred, and the card payment is higher than it is reasonable for the cardholder to expect would be charged to the payment card, PAYSTRAX, without consulting the Merchant, can deduct the entire transaction amount from the Merchant's operating account at PAYSTRAX, unless PAYSTRAX can immediately dismiss the aforementioned objection, on the grounds that it is unfounded.

If PAYSTRAX requests that the Merchant send confirmation of a card payment because of received objections, the Merchant is obligated to submit to PAYSTRAX confirmation of the card payment in accordance with what is stated in Section 3.8. If PAYSTRAX can dismiss an objection on the grounds of data from the merchant, the amount is again deposited into the merchant's operating account at PAYSTRAX.

If the merchant does not deliver a confirmation in accordance with what is asked for in the relevant request, PAYSTRAX can withhold the reversal. This applies even if the transaction occurred with a chip and a PIN or 3-D Secure.

PAYSTRAX has no duty to present confirmation of a cardholder's objection to the merchant.

If PAYSTRAX receives an alert case through the Ethoca or Verifi chargeback avoidance systems, PAYSTRAX can on its own and without notice or explicit consent of the Merchant decide to accept and refund such claims as a risk measure to avoid claims becoming chargeback, among else in order to avoid high chargeback ratios.

4.7 Monitoring and fraud

PAYSTRAX performs monitoring of the issuer authorisations and transactions it receives from the merchant. In addition, PAYSTRAX performs monitoring of the transactions defined as chargebacks or fraud. If monitoring brings to light evident departure from normal operations of the relevant merchant, or if PAYSTRAX deems there to be reason to suppose that fraudulent use of cards has occurred at a merchant location, or if notified fraud exceeds the limits that PAYSTRAX views as normal, PAYSTRAX can contact the merchant's representatives and further check into the matter. In such instances PAYSTRAX reserves the right to change settlement terms, postpone payment settlements or terminate the agreement, temporarily or permanently. PAYSTRAX additionally reserves the right to reverse transactions that the issuer of the payment card has confirmed are unauthorised, insofar as the merchant has not already delivered a product or provided the services paid for. PAYSTRAX has furthermore the right to accept and refund alert cases received through the Ethoca and Verifi systems.

PAYSTRAX can demand that the merchant take measures to reduce unauthorised transactions, refunds, issuing of credit notes, etc. Within a specified period, the merchant shall follow instructions from PAYSTRAX to reduce the fraudulent use of payment cards. If refunds, unauthorised transactions or credit transactions become so frequent that PAYSTRAX incurs additional costs for this reason, e.g., regarding service fees to one or more card companies, PAYSTRAX reserves the right to collect these fees from the merchant in accordance with the price list or Merchant Framework Agreement each time.

The merchant's right to capitalise transactions, where 3-D Secure is used for identification, but the cardholder denies having executed a transaction, can be cancelled if notified fraud with VISA and/or MasterCard, or other payment methods, exceeds internally set ratio limits of PAYSTRAX. Fraudulent use of payment cards and refunds are calculated equally on transactions in Malta, Europe and the entire world and/or on the number of transactions. The merchant gets notices from PAYSTRAX on this when deemed necessary.

4.8 Changes to the merchant framework agreement

4.8.1 Changes in the merchant framework agreement, including a change in commission

PAYSTRAX can change authorisation limits without notice, cf. Section 3.3.

PAYSTRAX can otherwise change the MFA, including the agreed commission, with 60 (sixty) days' notice. The notice can be shorter if the change is based on demands from governmental parties and/or payment card companies or is prompted because of important security factors.

A notice will be posted on www.PAYSTRAX.com and sent by email address provided by the Merchant. If the Merchant provided an email address, PAYSTRAX will give notice of a planned change electronically. The Merchant has a duty to immediately notify PAYSTRAX of all changes to its address and email address from the signed Merchant Framework Agreement. Consequently, if the Merchant neglects this duty, it is his responsibility if he does not get the aforementioned notification of a planned change from PAYSTRAX.

When Agreements are changed, this is deemed agreed unless the Merchant notifies PAYSTRAX in a provable manner, not later than before the day the changes are scheduled to enter into force, that it does not want to be bound by them. In such instances, upon entry into force of a changed agreement, the Merchant Framework Agreement is deemed to be cancelled and all prepaid subscriptions and monthly fees are not refunded.

These Terms and conditions for PAYSTRAX's merchant framework agreement are published on PAYSTRAX's website www.paystrax.com. Amendments to these terms are notified on PAYSTRAX's website with at least 60 (sixty) days' notice.

4.8.2 Changes in the merchant's circumstances

The Merchant shall notify PAYSTRAX in advance in writing of all changes occurring in its operations after signing an Agreement. This includes changes occurring in the Merchant's ownership, in addition to changes in the Board of Directors, managing director/daily manager, authorised signer for the company, address, email, telephone number, settlement bank account, use of external service providers or other changes in circumstances.

If the Merchant's operations change and/or it makes major changes in product selection or payment and delivery terms in connection with E-commerce or MO/TO orders, e.g., regarding prepayments, the Merchant is obligated to notify PAYSTRAX at once of this in writing.

Notice of a change in the settlement account shall be given in writing or by sending an account statement. Such data shall be signed by a party authorised to sign on behalf of the Merchant, or an authorised signer of the Merchant.

It shall be noted that upon all changes the Merchant gives notice of, PAYSTRAX may need to carry out a new risk assessment of the Merchant, among other things because of the duties that PAYSTRAX has as a mandatory notifier in accordance with the Law on the Prevention of Money Laundering and Terrorist financing of Malta. Regarding rules on measures against money laundering and terrorist financing, reference is made to further details in Section 4.3.

On the effect of the Merchant's failure to notify PAYSTRAX of changes in accordance with this section, reference is made to Section 6.3. on termination of the Merchant Framework Agreement.

4.9 Public discussion

For purposes of publicity, by signing the MFA the Merchant gives consent for PAYSTRAX to name a specific Merchant publicly as one of its customers, including sending out press releases, publishing the relevant Merchant's logo, etc. Merchant also gives its consent that PAYSTRAX may also send newsletters and press releases, e.g., to the merchants' provided email addresses.

4.10 PCI DSS responsibilities

PAYSTRAX shall be responsible for the security of Cardholder Card information that PAYSTRAX possesses, stores, processes, or transmits on behalf of the Merchant. This responsibility shall also extend to the extent that PAYSTRAX's Services could impact the security of the Merchant's Cardholder Card information.

PAYSTRAX shall implement and maintain security controls, policies, and procedures that meet or exceed all applicable legal, regulatory, and industry standards, including any requirements mandated by the PCI DSS.

4.11 PCI DSS compliance and evidence thereof

PAYSTRAX shall maintain full PCI DSS compliance for the Services provided and shall:

(i) Complete an annual PCI DSS assessment performed (by a qualified assessor or through a valid self-assessment, as applicable);

(ii) Maintain a valid Attestation of Compliance (AoC) and, where required, a Report on Compliance (RoC);

(iii) Provide the Merchant with current evidence of PCI DSS compliance upon request; and

(iv) Notify the Merchant without undue delay if PAYSTRAX:

- loses PCI DSS compliance;
- experiences a security incident or breach affecting Cardholder Card information or systems that may affect the Merchant's Cardholder Card information; or
- becomes aware of any issue that could materially impact its PCI DSS compliance.

PAYSTRAX shall ensure that any subcontractors, processors, or third parties involved in processing or handling Card information for PAYSTRAX's provision of the Services, are also PCI DSS compliant and shall provide evidence of such compliance to the Merchant upon request.

5 FEES AND SETTLEMENTS

5.1 Price list

In addition to a commission, which is agreed to in the MFA on payment service, and costs of doing business in other countries, PAYSTRAX's can issue a general price list that applies to services, as relevant. PAYSTRAX publishes the price list on its website. The price list on the website may change without notice.

5.2 Settlement and monitoring of settlement

At a regular settlement PAYSTRAX will deduct each time from the Merchant's operating account all costs due, including a commission, fees in accordance with the price list, corrections regarding a previous settlement, etc. If a chargeback is registered, cf. definitions in these terms, PAYSTRAX may deduct from the Merchant's settlement, without consulting it, a corresponding amount in addition to the related costs of the chargeback. PAYSTRAX may correct all mistakes regarding the registering of transactions, their execution or settlement, including reversed transactions, without consulting the Merchant. PAYSTRAX may also deduct from a settlement, costs regarding service equipment, service solutions and fees/costs of a third party, based on an agreement between parties in this regard. If the Merchant's balance in respect of PAYSTRAX is negative because of chargebacks, refunds or other reasons, a debt because of this is deemed due when this happens and is payable immediately. PAYSTRAX may debit a negative balance from other MFA and/or operating accounts registered to the same Merchant identity or owner. The Merchant authorises PAYSTRAX to register arrears older than 40 (forty) days with corporate arrears register, etc., whether involving arrears because of payment processing or other services provided by PAYSTRAX.

The Merchant authorizes PAYSTRAX to establish a fixed reserve and/or rolling reserve account to ensure PAYSTRAX's recovery of any liabilities owed to it or reasonably anticipated to be owed to it by the Merchant pursuant to this MFA. Such liabilities include, without limitations, all liabilities in respect of actual and/or potential post-termination chargebacks, post-termination fees, as well as all fees and indemnifications due or anticipated to be due to PAYSTRAX from the Merchant.

PAYSTRAX is authorised to collect all fees from the Merchant that the card companies charge PAYSTRAX and is attributable to the Merchant. This can for example be registration fees, fees for conduct, which are not approved, fraud fees, fees regarding security breach, monitoring fees and/or other fees that the card companies can charge PAYSTRAX for the merchant's act or omission.

When a settlement occurs in a currency other than that of the original transaction, exchange-rate calculations are made in accordance with PAYSTRAX's settlement exchange rate, which is the daily exchange rate published by Visa, Mastercard or other payment method organisation, with a surcharge.

Regarding settlement and reversals of payments, reference is made to Section 4.4 and regarding objections on a card payment to Section 4.6.

Settlement of alternate payment transactions is governed by Section 4.5.

When the total settlement due to the Merchant is less than the minimum settlement amount of €20.-, PAYSTRAX will withhold the settlement until the minimum settlement amount is reached. The minimum settlement amount is €20.- or as approximately equivalent in other currencies. Withheld settlements will be made in the next scheduled settlement after the minimum settlement amount has been reached.

The Merchant monitors whether a settlement is received from PAYSTRAX, and it is obligated to make comments in writing to PAYSTRAX if a settlement has not been made within a month from the agreed settlement date. If such comments have not been received within 6 (six) months from the date of the transactions, PAYSTRAX has no duty to settle the transactions involved, with the sole exception that the reason that the transactions were not settled can be attributed to circumstances for which PAYSTRAX is responsible. PAYSTRAX reserves the right to reject transactions received 30 (thirty) days after the transaction date.

PAYSTRAX shall be entitled to withhold or delay payments to the Merchant in the event PAYSTRAX deems it probable that a Transaction will be subject to a Chargeback. In such situation, PAYSTRAX shall be entitled to withhold and/or delay payment of an amount equal to the anticipated Chargeback.

PAYSTRAX may further withhold any unpaid and/or upcoming settlement towards the Merchant in accordance with the terms of the Agreement, and also:

- In case of Merchant violation of the Agreement with the PAYSTRAX or the card schemes rules and standards.
- In case of a suspicion of a Merchant fraud or possible violation of this Agreement, settlement is withheld until an investigation has been concluded.
- In case of fulfilling requirements from legal authorities.

In order for PAYSTRAX to release withheld payments, the Merchant shall provide PAYSTRAX with documentation which shows the date of delivery of the purchased goods and/or services. The released payments shall be made on a monthly basis or as otherwise determined by PAYSTRAX preconditioned that the Merchant has provided PAYSTRAX with documentation deemed sufficient by PAYSTRAX. PAYSTRAX shall be entitled to withhold payments corresponding to the outstanding value of the undelivered or unused goods and/or services (as determined by the information received from the merchant).

The Merchant is liable for any fines received by PAYSTRAX from any of the Card Schemes due to Merchant actions or inactivity.

5.3 Further on settlement

PAYSTRAX completes settlement of outstanding amounts directly with the Merchant's banking institution, as specified in the MFA on payment service. PAYSTRAX sends the Merchant a summary with information on settlement amounts and dates of settlement.

The following information is stated in PAYSTRAX's summary:

- Date that PAYSTRAX received transaction information.
- Reference number of a transaction or batch number.
- Number of transactions in a specified batch.
- Currency in which the transaction is made.
- Transaction amount.
- Settlement currency.
- Total amount of settlement.
- The commission and transaction fees that shall be paid to PAYSTRAX.
- Date of PAYSTRAX's payment of the settlement amount.
- Amount that the merchant shall pay to PAYSTRAX when that is relevant, and it is offset against debt in the next merchant's settlement.
- Amount for which no authorisation is received or is withheld will also be offset against the merchant's settlement.

In instances when the Merchant's transactions are settled in different currencies and/or in different accounts, PAYSTRAX may make an offset in the same or another currency and/or different accounts. The Merchant therefore only gets settlement from PAYSTRAX when a difference is in favor of the Merchant unless otherwise specifically agreed. If an amount is not sufficient for settlement by PAYSTRAX, it sends a collection claim for the difference due. The cost of payment in foreign currency shall be paid by the recipient of the payment.

6 OTHER PROVISIONS

6.1 Liability and limits to liability

PAYSTRAX is liable for damage that its employees cause by their gross negligence or by intention, causing PAYSTRAX's duties not to be fulfilled under the MFA. The liability extends only to direct damage, and PAYSTRAX's liability for damages is limited to the amount of the Merchant's total fees the previous month regarding the MFA. The criterion is the combined amount of damage claims should there be more than one each month. The limitations to PAYSTRAX's liability of the amount of damages in cases of gross negligence or intention do not apply in civil cases.

Under no circumstances PAYSTRAX bears any liability for any direct or consequential damage that the Merchant may incur, including operational damage, loss of data, turnover and profit and/or loss of interest.

PAYSTRAX is never responsible for damage incurred because of force majeure, e.g., regarding:

- Breakdown and/or lack of accessibility to IT equipment or damage to data in such systems that may be attributable to events specified below, whether PAYSTRAX sees to operation of the payment systems or an external service provider that PAYSTRAX has a contractual relationship with.
- Lack of current or breakdown in PAYSTRAX's telecommunication system, sudden governmental measures or law enactment, natural catastrophe, war, riot, uprising, civil unrest, sabotage, terrorist acts or vandalism, including computer disruptions and computer break-ins, import or export prohibitions, restrictions on general public transport, deficiencies or delays in energy supplies or telephone connections, the actions or omissions of public authorities, new or amended legislation, orders or actions of public authorities, labour conflicts, strikes blockades, fire, flooding, extensive losses, destruction or damage of property including but not limited to buildings or major accidents, as well as defects or delays in products or services from subcontractors as a consequence of circumstances stated above.
- Strikes, lockouts, commercial embargo or union workplace ban, even if struggles are directed at or originate at PAYSTRAX or within its entire organisation, regardless of the cause of the struggles. This also applies if the struggles affect only part of PAYSTRAX's operations.
- Circumstances beyond PAYSTRAX's sphere of authority.

If not otherwise determined in these terms, PAYSTRAX is not liable for damage resulting from unlawful use by a cardholder, or by others, of the cards covered by the MFA.

The merchant is liable towards PAYSTRAX for all Transactions entered into with the Card holders and will be responsible for the handling of all disputed Transactions, credits and customer service-related expenses and additional related losses endured by PAYSTRAX.

The merchant is liable towards PAYSTRAX for all its employees' actions related to the Services defined in merchant framework agreement (MFA) while they are employed by the Merchant and will be responsible for any losses incurred by PAYSTRAX due to the actions (both intended and unintended) of Merchant employees.

6.2 Assignment

PAYSTRAX can assign the merchant framework agreement to a company within the Group or to a third party if PAYSTRAX sells part or all of the operations that the agreement covers to a third party or another Group entity. If it comes to this, the agreement continues in force with the new owner as a party to the agreement. Likewise, PAYSTRAX may overtake other valid agreements, whether from within the Group or from a third party. In the event of any such assignment, the same terms then continue to apply as they are in the relevant agreement subject only to any mandatory updates to reflect the resulting jurisdictional, regulatory and administrative changes due to such assignment. Such updates would pertain to the governing law of the assignee, including its respective financial regulator, courts, arbitrator (if mandatory), and any changes to applicable data protection principles (such as longer or shorter data retention periods).

The merchant may not assign or otherwise transfer an agreement, whether in part or in whole, to a third party. The same applies to card payments accepted on the basis of the merchant's agreement with PAYSTRAX.

6.3 Termination of the merchant framework agreement

The merchant can terminate the merchant framework agreement with 30 (thirty) days prior written notice,. PAYSTRAX can terminate an agreement with 60 (sixty) days prior written notice. A prepaid annual subscription, if applicable, is not refunded.

In the event that the merchant stops doing business, the agreement then expires automatically. PAYSTRAX reserves the right to terminate an agreement that has not been used for 60 (sixty) days with prior written notice.

If the merchant's circumstances have changed, cf. Section 4.8.2, but no notice has been made in writing to PAYSTRAX as stipulated, PAYSTRAX can terminate the agreement.

PAYSTRAX can terminate an agreement unilaterally in writing or change the terms of one or more payment card types without notice if:

- The merchant has provided wrong or incomplete information on occupational ties or the Merchant company structure when making the agreement.
- The merchant has grossly violated its duties under the agreement, e.g., by not observing security requirements.
- The merchant has repeatedly violated its duties under the agreement, and amends have not been made within the period PAYSTRAX gave the merchant in a written warning.
- The number of chargebacks from the merchant is abnormally high in relation to Card Schemes Rules or Merchant risk assessment.
- The number of credit transactions that PAYSTRAX gets from the merchant is abnormally high.
- The merchant's website entails unlawful use, including games that are forbidden, illegal pornographic pictures or other things of that nature.
- The merchant does not immediately reply to PAYSTRAX's request for information or does not take necessary measures when fraud is suspected.
- PAYSTRAX's risk assessment result of the Merchant is unacceptable.
- PAYSTRAX receives instructions from a payment card company to change the agreement, temporarily suspend it or terminate it.
- In PAYSTRAX's opinion the merchants' operations are likely to damage PAYSTRAX's reputation or the payment card companies.
- The merchant is declared bankrupt; a request for authorisation of a payment moratorium has been made, or composition has been sought, or comparable debt measures have been resorted to. If the bankruptcy estate thinks it has a right to take over the Merchant Framework Agreement and chooses to do so, a reasoned request in writing to this effect shall be sent to PAYSTRAX within 24 (twenty-four) hours, from sending a notice of termination without notice. The merchant is responsible for the notice being received by the right party, e.g., the trustee in bankruptcy, so that it is possible to respond within the period.
- PAYSTRAX has been instructed to terminate the agreement from one of our partners or the regulator, the Malta Financial Services Authority.
- PAYSTRAX deems the relationship with the merchant damaging its business and law requirements.

- Keeping the agreement with the merchant would breach the law requirements.
- Keeping the agreement would cause negative consequences for PAYSTRAX that cannot be reasonably avoided.

Even though the Merchant Framework Agreement has been terminated, the claims that are outstanding when the Merchant Framework Agreement expires are still valid. In connection with termination, dissolution or another end to the Merchant Framework Agreement, PAYSTRAX can demand security or, without consulting the merchant, withhold the relevant portion of transaction amounts to pay a chargeback that may later be received from card issuers and/or cardholders.

The security amount (in reserve account) is determined by PAYSTRAX. PAYSTRAX can stop the settlement of submitted transactions until the security amount has been met.

PAYSTRAX's rights with respect to the reserve account shall survive the termination of Merchant Framework Agreement. During the term of Merchant Framework Agreement, PAYSTRAX may deduct a certain percentage of the gross value of all transactions to fund the reserve account. PAYSTRAX will release the reserve account deduction to the Merchant in the most expedient and practical method available to PAYSTRAX. The reserve account release is after the defined holding period and in accordance with the settlement periods defined in the merchant framework agreement. PAYSTRAX will continue to release the reserve account deduction in the manner described above, to the Merchant on a regular basis after this merchant framework agreement is terminated. PAYSTRAX may rightfully raise the percentage of the reserve account deduction if the Merchant's actions give reason for causing such. Such reasons might be but are not limited to excessive chargebacks, increase in volume above Merchant estimation, warnings or assessments from the card schemes and any significant deterioration of the Merchant financial standing.

If the merchant has been declared bankrupt, or if a request for authorisation of a payment moratorium has been submitted, PAYSTRAX can stop settlement of received transactions until the bankruptcy estate can take over the merchant framework agreement, or an assistant or the trustee in bankruptcy has approved continuing the agreement, and security has conceivably been presented in respect of PAYSTRAX, cf. Section 4.2.

In the situation where the Merchant Framework Agreement is cancelled or terminated, all funding will be ceased.

6.4 Duty of confidentiality

All information regarding the contractual relationship of the Merchant and PAYSTRAX shall be handled confidentially. The duty to handle information confidentially applies unless laws, instructions of governmental parties or governmental decisions require that information be provided, or if the information is generally known and accessible on the market, and the other party's negligence is not to blame. The Merchant may not provide information to a third party on the payment card companies that is not already generally known.

The Merchant may not, under any circumstances, provide information on payment cards and/or transactions to others unless necessity requires it, e.g. in connection with a correction to payment card transactions, to the police, or if required by mandatory legislation.

PAYSTRAX has the right to convey information on the content of the merchant framework agreement, the merchant's transactions, etc., to the card companies and/or to the government even after the merchant framework agreement expires.

6.5 Registration of fraudulent or terminated Merchant Framework Agreements

If the end of the Agreement can be traced to the merchant's gross default or to the merchant's allowance of or participation in some kind of fraud, PAYSTRAX has a duty to give notice of the relevant Merchant to the card companies' notification system. This applies whether PAYSTRAX or the merchant terminated the merchant framework agreement, or PAYSTRAX has rescinded it.

PAYSTRAX also has the right to register information on the Merchant for internal use.

6.6 Jurisdiction and resolution of disputes

The Merchant Framework Agreement falls under jurisdiction of the law of Malta. If a dispute arises between the parties to the Merchant Framework Agreement or on its construction, the Merchant should apply to PAYSTRAX in writing, describing the case and its demands explicitly in detail according to the Complaint Handling Policy available on www.paystrax.com. The complaint should be sent to PAYSTRAX no later than during 3 (three) months when the alleged breach became known. If the dispute cannot be resolved peacefully, it may be brought to the courts in Malta. If the Merchant is not a consumer and is not registered in Malta, then all disputes are resolved pursuant the laws of Malta in the courts in Valletta.

Consumers unsatisfied with the PAYSTRAX answers can send a complaint to the Arbiter for Financial Services with registered address at N/S in Regional Road, Msida, MSD 1920, Malta, or by the link https://www.financialarbiter.org.mt/content/step-1-complain-your-provider.

PAYSTRAX answers to the Merchants regarding consumer complaints no later than during 15 working days, if no other terms indicated in other applicable laws. PAYSTRAX can prolong the term for answer preparation by up to 35 (thirty-five) working days notifying the Merchant consumer about the reason. Disputes may be settled out of court by direct negotiation between the parties, using mediation or by choosing an arbitration tribunal, such as the Malta Arbitration Centre.

7 SPECIAL RULES FOR MERCHANTS USING THE DCC PAYMENT TRANSFER SYSTEM

7.1 DCC payment transfer system

If the merchant offers a DCC payment transfer system with conversion of payment card transfers into the cardholder's currency, i.e., before a payment card transfer is turned over to PAYSTRAX, the following procedure shall be followed.

With the cardholder's agreement the DCC payment transfer system may be used to convert transactions from a base currency: EUR, GBP, SEK, NOK, DKK to the following currencies: EUR, USD, GBP, SEK, NOK, CAD, DKK.

Before a payment is executed, the cardholder shall select the currency in which he wishes to pay, and the cardholder's consent shall also already be established on the basis of the declared exchange rate. If the cardholder does not agree to the conversion, the merchant shall execute the aforementioned card transaction in a base currency.

The foreign exchange listing that shall be used for conversion comes from Visa, Mastercard or other payment method organisations daily exchange rates.

The approved surplus on the foreign exchange listing appears in an offer displayed on a POS device or a printed receipt slip.

Settlement of DCC card transactions is based on the original transaction amount in a selected base currency. The commission in a DCC conversion is based on the original transaction amount in the base currency and is in accordance with the merchant framework agreement on payment service.

A DCC conversion can only occur when payment is made with MasterCard and Visa payment cards. PAYSTRAX reserves the right to set a minimum amount for a transaction, where DCC is offered.

8 SPECIAL RULES—CAR RENTAL

8.1 General

The operation of car rentals requires a permit in accordance with local law in which the car rentals operate. If changes occur in the merchant's operating permit, the merchant is obligated to immediately notify PAYSTRAX of this.

The following rules apply to MasterCard and Visa since it is not possible to debit domestic debit cards, Maestro, Visa Electron and V PAY retrospectively.

It is possible to accept domestic debit cards, Maestro, Visa Electron and V PAY, as payment for a car rental when the customer picks up/returns a car. These cards must always be read electronically, and a PIN or signature shall be used.

8.2 Authorisation when a car is picked up

When the cardholder picks up a rented car, the car rental shall apply for issuer authorisation regarding payment of the rental agreement. The authorised amount shall be determined on the basis of the following information:

- Planned length of the rental period.
- Rental price of car involved.
- Taxes and fees.
- Kilometer charge.

If the cardholder does not sign a separate insurance agreement, the car rental may not calculate into the amount a deductible or an amount estimated for compensation of possible damage. A car rental shall inform the cardholder what amount has been authorised at the same time as the car is rented. If the cardholder's use exceeds the authorised amount for the rental period, e.g., regarding extension of the rental period, the relevant car rental can, up to the time the car is returned, apply for further issuer authorisation for the difference between the previously authorised amount and the new estimated amount.

8.3 Final transaction amount

If the final transaction amount does not exceed 15% of the authorised total amount, the car rental does not have to apply for further issuer authorisation. On the other hand, if the final transaction amount exceeds 15% of the already authorised total amount, the car rental shall apply for issuer authorisation of the part of the transaction amount that has not been authorised. The last received issuer authorisation code shall be entered into the transaction information that is sent to PAYSTRAX.

8.4 Retrospective debit transaction

The car rental can retrospectively debit or change the transaction amount if the cardholder has consented unequivocally to this in writing when signing the rental agreement. A car rental may only debit retrospectively or change an amount regarding:

- Fuel.
- An addition to an already paid car rental.
- Costs/fees regarding parking places.

- Other small amounts (e.g. toll fees).

A retrospective debit transaction shall be made not later than 90 (ninety) calendar days after the date of the original transaction.

When making a retrospective debit transaction, e.g. regarding a fine for a stopping violation, the car rental shall deliver to the cardholder documents from the relevant authority, including the car's registration number, time and place of the violation and the amount in the currency of the state where the violation occurred, e.g., EUR.

A car rental shall file the transaction receipt (sales receipt slip) regarding a retrospective debit transaction and write "signature on file" in the signature box. A car rental shall notify the cardholder in writing, e.g. by email, of a retrospective debit transaction as soon as it is made and send a copy of the receipt to the cardholder. The notice shall specify the reason for the retrospective debit transaction.

A retrospective debit transaction because of damage to or theft of a car may only be executed when the cardholder has consented to this, in writing and unequivocally, when signing the rental agreement. The car rental shall notify the cardholder of a retrospective debit transaction regarding the above within 10 (ten) days from the agreed return date of the car. This shall be done in writing, e.g. by email, and the car rental shall deliver the following to the cardholder:

- Copy of the rental agreement.
- Estimated cost of repairs. The estimate shall be confirmed by a recognised repairer.
- A copy of the police report in connection with the cause of the damage, if available.
- Documents showing that the cardholder has agreed to pay for damage to or theft of the car with his payment card.
- Other important documents.
- Copy of the car rental's insurance policy if the car rental demands that the cardholder pay deductible in connection with damages.
- Otherwise, the car rental can enclose a copy of the aforementioned rental agreement, where the payment card holder, by signing the relevant provisions of the agreement, has clearly agreed to pay a deductible.
- Copy of transaction receipt for the amount debited retrospectively.

9 SPECIAL RULES—HOTELS AND OVERNIGHT ACCOMMODATIONS

9.1 General

The operation of establishments offering overnight accommodations requires a permit in accordance with the law in the country where the overnight accommodations are located. If changes occur in the merchant's operating permit, the merchant is obligated to immediately notify PAYSTRAX of this.

The following rules apply to MasterCard and Visa, regarding provisions on booking confirmation, no-shows, prepayment/security deposit, expedited checkout and retrospective debit transactions. The rules do not apply to domestic debit cards, Maestro, Visa Electron and V PAY.
It is possible to accept domestic debit cards, Maestro, Visa Electron and V PAY, as payment for accommodations when a guest comes to the place, i.e. is present. These cards must always be read electronically, and a PIN or signature shall be used.

9.2 Confirmed booking

If the merchant requests the use of card numbers as security for bookings, the merchant shall follow the rules on confirmed bookings.

9.2.1 Cardholder's booking

When the cardholder books accommodations, the relevant merchant shall inform him of the price of the room booked and provide the full name and address of the merchant. The merchant shall also inform the cardholder that issuer authorisation will be applied for when he arrives and tell him the rules on cancellations, including the fact that the cardholder's account will be debited for the accommodations if cancellation is not made by the cancellation deadline.
When booking, the merchant shall register the cardholder's name, address, card number and the card's expiration date. Finally, the merchant shall deliver to the cardholder the booking number for his files. If the cardholder requests, the merchant shall prepare a written confirmation, stating the following:

- Name of the cardholder, part of the card number and the card's expiration date.
- Booking number.
- Full address of the merchant.
- Important rules, including rules on cancellation.
- Other important information.

9.2.2 Cancellations

The merchant shall approve all cancellations received before expiration of the cancellation deadline.
Visa: The cancellation deadline shall not be more than 72 (seventy-two) hours before arrival time. If the cancellation deadline is 6 PM local time on the planned arrival date, the merchant shall send its cancellation rules (including information on the cancellation deadline) to the cardholder. If the cardholder orders less than 72 (seventy-two) hours from the arrival time, the cancellation deadline may at the earliest be until 6 PM local time for the planned arrival date.
MasterCard: If the Cardholder makes a booking less than 72 (seventy-two) hours prior to arrival, the cancellation deadline must not fall any earlier than 6 PM on the planned day of arrival.

9.2.3 All cards

When accommodations are cancelled at the correct time, the merchant involved shall deliver to the cardholder the cancellation number for his files.
If the cardholder requests confirmation of the cancellation in writing, the merchant shall send the cardholder confirmation, stating the following information:

- Name of the cardholder.
- Part of the card number.
- Expiration date of card.
- Cancellation number.
- Other important information.

9.2.4 No-show

In the event the cardholder does not show up and has not cancelled his accommodations before the cancellation deadline expires, the merchant can debit the cardholder's account for his accommodations in accordance with the reservation made. The merchant shall prepare a transaction receipt, stating the following:

- Name of merchant
- Cost of accommodations in addition to any taxes and fees.
- Date of no-show.
- Cardholder's name.
- Part of the card number.
- Expiration date of card.
- The words "guaranteed reservation/no-show" in the signature box of the receipt.

The merchant shall follow the regular procedures regarding issuer authorisation and submission of payment receipts. The merchant shall send a copy of the payment receipt to the cardholder not later than 3 (three) workdays after the date of the transaction.
The merchant shall keep registration forms/documents, showing the assigned accommodations, at least 20 (twenty) months from the date the payment receipt is sent to PAYSTRAX.

9.2.5 Overbooking

If booked accommodations are not available for the cardholder during regular registration hours, the merchant shall, at no cost to the cardholder,

- Procure for the cardholder comparable overnight accommodations elsewhere.
- See to moving to those accommodations at no cost to the cardholder.
- Offer the cardholder a 3 (three) minute phone call (local or long distance) if the cardholder requests it.
- Send a message to the cardholder's new accommodations if the cardholder requests.

9.3 Prepayment/security deposit

If the merchant requests to use a card number for prepayment/payment of a security deposit for accommodations, it shall observe the rules on prepayment/security deposits.

9.3.1 Cardholder's booking

When a cardholder books accommodation, the merchant shall register the cardholder's name, address, telephone number, card number and the expiration date of the card, planned arrival date and length of stay.

The merchant shall provide the cost of the accommodations along with the merchant's full name and address and estimate the transaction amount, on the basis of the planned length of stay (however, for no more than 14 (fourteen) days). If a security deposit is paid, it is included in the total amount the cardholder is obligated to pay.

The merchant shall inform the cardholder of its rules on cancellation. Here shall be stated whether the merchant will keep the entire prepaid amount/security deposit or part of it, should the cardholder fail to show up, at the latest, by checkout time on the intended final date of his stay and has not cancelled the accommodations within the cancellation period stated.

The merchant may retain the entire prepaid amount/security deposit, or part of it, if this does not conflict with the legislation in force. However, the merchant may not execute a transaction regarding a no-show.

Finally, the merchant shall deliver to the cardholder the booking number for his files. If the cardholder requests, the merchant shall send the cardholder confirmation in writing if there are changes in the booking.

If a dispute arises and, with respect to viewpoints on proof, objection, et cetera, PAYSTRAX recommends that the merchant request the cardholder to sign a confirmation of the booking.

9.3.2 Transaction receipt

The merchant shall fill out a transaction receipt, stating the following information:

- Security amount.
- Name of the cardholder, part of the card number and the card's expiration date.
- Cardholder's telephone number and address.
- The words "advance deposit" in the signature box of the transaction receipt.
- Booking number.
- Planned arrival date.
- Date and time of the deadline the cardholder has for cancelling without losing the security deposit.

The merchant shall send a copy of the transaction receipt and rules of cancellation to the cardholder, at the latest, 3 (three) work days after the date of the transaction.

9.3.3 Cancellations and confirmation of cancellations

The merchant shall approve all cancellations received before the cancellation deadline expires. When accommodations are cancelled at the correct time, the merchant shall deliver to the cardholder the cancellation number for his files.

Regarding repayment of a prepayment/security deposit, the merchant shall prepare a credit transaction receipt, stating the following:

- Transaction amount.
- Cardholder's name.
- Part of the card number.
- Expiration date of card.
- Cancellation number.
- The words "deposit cancellation" in the signature box the transaction receipt.

The merchant shall send the credit transaction to PAYSTRAX and send a copy of the transaction receipt to the cardholder not later than 3 (three) working days after the date of the transaction.

9.3.4 Overbooking

If ordered accommodations are not available for the cardholder during regular registration hours, the merchant shall, without cost to the cardholder:

- Refund the entire transaction amount to the cardholder's account. The merchant shall deliver a copy of the transaction receipt to the cardholder.
- Procure comparable accommodations for the cardholder for as many nights as the planned stay (14 days maximum), or until the accommodations originally booked are available at the merchant's.
- See to moving to other accommodations.
- Offer the cardholder a 3 (three) minute phone call (local or long distance) if the cardholder requests it.
- Send a message to the cardholder's new accommodations if the cardholder requests.

9.4 Express checkout

9.4.1 Cardholder's agreement

Express checkout with advance authorisation by the cardholder, allowing the merchant to debit his account retrospectively, without a signed invoice, enabling the cardholder to leave the place of accommodation on short notice. During signing in, the payment card shall be read or run through a POS device. If a cardholder requests express checkout, he shall fill out and sign a separate form for express checkout. The merchant can get information from PAYSTRAX about the requirements for a form for express checkout.

9.4.2 Execution of transactions

During or after the cardholder's departure, the merchant shall prepare a payment receipt, stating the following:

- Total cost of accommodations.
- Cardholder's name.
- Part of the card number.
- Expiration date of card.
- The words "express checkout/signature on file" in the signature box of the payment receipt.

The merchant shall ensure that the payment card numbers on the form for express checkout and the payment receipt are identical.

Within 3 (three) workdays from the cardholder's departure, the merchant shall deliver to the cardholder a copy of the payment receipt, an itemised invoice and a copy of the signed form for express checkout.

The merchant shall follow the regular procedures regarding issuer authorisation and submission of payment receipts. The authorisation numbers last received shall be entered into the transaction information.

The merchant shall keep the itemised invoice along with all accompanying documents and the signed form for express checkout. The documents shall be kept for at least 20 (twenty) months from the date of the transaction.

9.5 Issuer authorisation and final transaction amount

9.5.1. Issuer authorisation

The merchant shall apply for issuer authorisation on the arrival date or on the date when a security deposit shall be paid.

The authorised amount shall be determined on the basis of the following information:

- Planned length of stay.
- Cost of accommodations.
- Taxes and fees.
- Cost of other services.
- Cost of the services that may be debited retrospectively, with reference to the agreement with the cardholder.

Right up to the time of departure, the merchant can seek further issuer authorisation of the difference between the previously authorised amount and the new planned amount.

9.5.2 Final transaction amount

When the cardholder checks out, the merchant shall calculate the final transaction amount. If the final transaction amount does not exceed 15% of the authorised total amount, the merchant does not have to apply for further issuer authorisation.

If the final transaction amount exceeds 15% of the authorised total amount, the merchant shall apply for separate issuer authorisation for the portion of the transaction amount that has not been authorised. The last authorisation number received shall be entered into the transaction information that will be sent to PAYSTRAX.

9.6 Retrospective debit transaction

If the cardholder has clearly approved this during registration, the following expense items may be debited to the cardholder's payment card after departure:

- Cost of accommodations.
- Food and beverages e.g. use of a mini bar.
- Telephone costs.
- Other comparable expense items.

The merchant shall enter the words "signature on file" (SOF) into the signature box on the payment receipt. The transaction information shall be sent to PAYSTRAX as soon as possible and not later than 60 (sixty) calendar days after the cardholder's stay. The merchant shall notify the cardholder in writing, e.g., by email, of a retrospective debit transaction as soon as it is made and send a copy of the receipt to the cardholder. The notice shall specify the reason for the retrospective debit transaction. A copy of the payment receipt, along with documents showing the amount, shall be sent to the cardholder, at the latest, as soon as they are sent to PAYSTRAX.

10 DISBURSEMENT IN CASH

10.1 General

These rules apply to disbursement in cash and to the sale of gambling chips. Only financial institutions and registered currency brokers may make cash disbursements.

10.2 Procedure

A disbursement in cash can only be done with a POS device using a PIN number or a signature and with a direct connection to PAYSTRAX. An issuer authorisation shall be sought for each and every payment card transaction.

For further details see user instructions on executing payment card transactions supported with either a PIN number or a signature, as applicable.

The following procedure shall also be followed for each and every payment card transaction:

- The merchant shall confirm that the cardholder is who he says he is by requesting him to present valid official identification papers with a picture and possibly a signature (e.g. a passport).

The merchant shall write the following information by hand on the transaction receipt:

- The four digits printed on the front side of the payment card.

- Type of the identification documents presented.
- Serial numbers of the identification documents.
- Possible expiration date of the identification documents (it shall be noted that the identification documents may not be expired).
- The place of issue—city and/or country—of the identification documents.
- Name of the customer.
- Clerk's signature or stamp.

With payment card transactions supported by a signature, the merchant shall compare the cardholder's signature on the receipt with the signature on payment card as well as on identification documents of the person involved if they are signed. If the signatures are not matching, the transaction must not be carried out.

All of the above information shall be registered on the receipt. If this is not done, the said amount may be reversed on the merchant's account at PAYSTRAX.

If the above procedure is not satisfactorily followed, the card transaction shall be rejected. The use of paper receipts/manual payment card machines is not permitted in connection with cash disbursements and/or sale of gambling chips.

11 SPECIAL RULES—ACCESSES TO CUSTOMER PORTAL

11.1 General

The following rules apply to PAYSTRAX's Customer Portal (CP). Part of an application for a merchant framework agreement on payment service is access to CP. Since these special rules and other provisions of the terms, cf. above, may overlap, these special rules shall apply to CP. Otherwise, the provisions of the terms apply.

11.2 Access to the system

In its transactions the Merchant uses Strong Customer Authentication (SCA) to access the CP and regarding data sent to PAYSTRAX.

The merchant guarantees to keep all security information impregnable and be responsible for them not falling into inappropriate hands or otherwise becoming accessible. The merchant is responsible for all transactions where the correct SCA are used since such use is equivalent to the merchant's signature.

The merchant is obligated to notify PAYSTRAX immediately if it has reason to suppose that an inappropriate party has gotten hold of information on its SCA to CP and simultaneously be assigned a new SCA. The above notification shall be conveyed to PAYSTRAX by telephone in another secure manner.

The merchant may provide further specified employees access to CP. If the merchant utilises this authorisation, it must notify PAYSTRAX of the names and emails of these employees. A legal person bears full responsibility for all of its employees' transactions executed with its SCA. A legal person's representatives are obligated to notify PAYSTRAX immediately if one of its employees, with access to CP, quits work. The same applies if a legal person decides to rescind the access authorisation of its individual employees. If PAYSTRAX receives such a notification, it may rescind said SCA immediately and temporarily suspend the user's transactions, or until it has been assigned a new SCA.

11.3 User device connection to the PAYSTRAX Customer Portal

The merchant bears full responsibility for the procedure and equipment it chooses to use for connecting to PAYSTRAX's CP regarding its customers.

PAYSTRAX is authorised to examine the merchant's technical environment and user device connections, as well as every other point related to a user device connection with PAYSTRAX regarding transactions on CP.

The merchant supplies the hardware and software necessary to receive information found on CP. The merchant is responsible for all use of the equipment. PAYSTRAX is not responsible for damage that may be caused directly or indirectly because of defects in or breakdown of its equipment and/or software or the merchant's or from other causes that could result in transactions on CP not being able to complete or becoming something other than was intended.

11.4 Execution of transactions

The merchant cannot handle transactions in accordance with the special rules other than those registered in its name and in PAYSTRAX's custody each time. If the merchant thinks that he has gotten access to wrong data, he shall immediately notify PAYSTRAX of this. He shall also maintain the utmost confidentiality regarding the content of the data.

The merchant shall convey directions or queries to PAYSTRAX in a provable manner. Generally, directions shall be given through input in a closed directory of CP, i.e., after the merchant has provided its SCA. If directions are given in another manner, e.g., by telephone, PAYSTRAX has no duty to follow them. PAYSTRAX reserves the right, in all instances, to call for security information before the merchant's directions are enforced and to request confirmation of the directions given. If a dispute arises, the merchant bears the burden of proofing that instructions have been given.

PAYSTRAX reserves the right not to follow directions that its employees think have not been given by the merchant if they are suspicious; the transactions are unique or unusual, relative to previous transactions, or they are unusual, relative to what is customary in comparable transactions, or it could in some way violate current laws and or rules to enforce them.

11.5 Notifications

A notice will be posted on the PAYSTRAX systems and on the customer access portal in the PAYSTRAX Customer Portal. PAYSTRAX also sends notifications to the merchant by email. Email is deemed to have reached the merchant when it has the first possibility of opening the email. The merchant is responsible if its server fails to deliver email, e.g., because of computer system breakdowns.

The merchant shall notify PAYSTRAX as soon as a change is made to its address, telephone number, email address or other comparable information already provided. If PAYSTRAX does not receive a notification of a change, messages and other notifications from PAYSTRAX are deemed to be properly received by the merchant if they have been sent to an already registered and/or provided email address. In this context the merchant's domicile shall be considered a registered address unless another residence has specifically been provided in writing in an application.

These Terms and conditions for PAYSTRAX's merchant framework agreement are published on PAYSTRAX's website and on PAYSTRAX's customer access portal in the PAYSTRAX Customer Portal. Amendments to these terms are notified on PAYSTRAX's website and customer portal with at least 60 (sixty) days' notice.

11.6 Settlement and monitoring of settlement

The merchant undertakes to carefully monitor the balance of its operating account and all corrections that may be made to it. PAYSTRAX may correct all mistakes regarding the registering of transactions, their execution or settlement, including reversed transactions, without consulting the merchant. Otherwise, reference is made to Section 5.2 Settlement and monitoring of settlement.

11.7 Commissions and service fees

Commissions and service fees regarding access to CP or particular service solutions are in accordance with PAYSTRAX's current price list each time.

11.8 Consent to special rules on the PAYSTRAX Customer Portal

PAYSTRAX reserves the right to unilaterally determine the services provided in CP in connection with an operating account in accordance with this merchant framework agreement and on CP each time and either increase or reduce them. PAYSTRAX also reserves the right to momentarily interrupt access to the CP, if necessary, without notice, e.g., regarding an update, changes to a system and any kind of breakdown. PAYSTRAX reserves the right to change and/or add to these special rules without notice.

A merchant getting access to CP electronically consents at the start of business relations to the special rules and usage rules by clicking on the button "Agree to terms". This consent is the equivalent of signing transactions and consent to the special rules for the transactions the merchant executes on CP, if its SCA is used for transactions.

The parties to the agreement can at any time terminate an agreement on access to CP.

PAYSTRAX may rescind an agreement on access to CP without advance notice, if the merchant fails in any way to perform its duties in accordance with these special rules, such as by fraud, attempted fraud or violation of the special rules.

11.9 PAYSTRAX's responsibility

These special rules govern PAYSTRAX's responsibility under Section 6.1 in the terms, cf. above.

11.10 Duty of confidentiality

These special rules govern the parties' duty of confidentiality under Section 6.4 of the terms, cf. above.

11.11 Jurisdiction and resolution of disputes

In these special rules the law of Malta shall apply to relations between the customer and PAYSTRAX.

These special rules govern the resolution of disputes in accordance with Section 6.6 in the general terms, cf. above.

12 SPECIAL RULES — FOR INTERNATIONAL E-COMMERCE

12.1 General

The following terms and rules are an inseparable part of a PAYSTRAX merchant agreement and apply especially to all merchants using international E-commerce payment services. An application for a merchant framework agreement on payment service includes international E-commerce payment services. Since these special terms and rules and other provisions of the terms, cf. above, may overlap, these terms and rules shall apply to the international E-commerce payment services. What these rules do not cover is covered by other provisions of the terms. In some of the following terms, a reference is made to ISO's (Independent Sales Organisation), these references only apply to ISO's in the cases where ISO's are used, which also includes the services of other payment service providers (PSP), processors (e.g. TPP) or gateways.

12.2 International E-commerce rules

In consideration of the mutual promises and covenants contained in the Merchant Framework Agreement ("Agreement"), the parties agree as follows:

12.2.1 The Merchant agrees to participate in the card processing services program established by PAYSTRAX.

12.2.2 During the term of this Agreement, subject to the terms and conditions of this Agreement, the ISO agrees to perform certain services, on behalf of the Merchant in order to allow the Merchant to accept and process Transactions. The ISO shall provide the Merchant with the Services indicated in the Merchant Application Form, as amended from time to time by PAYSTRAX, during the term of this Agreement, subject to the terms and conditions of this Agreement.

12.2.3 PAYSTRAX agrees to provide the Merchant with the Services indicated in the Merchant Application Form, as amended from time to time by PAYSTRAX, during the term of this Agreement, subject to the terms and conditions of this Agreement.

12.2.4 In the performance of its duties hereunder, the ISO shall be an independent contractor, and not an employee or agent of PAYSTRAX.

12.2.5 Compliance with association rules: The Merchant agrees to comply with the bylaws, rules, regulations, policy statements and guidelines of the Card companies.

12.2.6 Term: This Agreement shall become effective when signed by all parties.

12.2.7 A Merchant Operating Account ("Operating Account") is established for each merchant at PAYSTRAX, through which fees, charges and credits due in accordance with this Agreement may be processed. The Merchant authorises PAYSTRAX to debit all amounts the Merchant owes PAYSTRAX or ISO hereunder from the Operating Account, at times deemed appropriate by PAYSTRAX. The Merchant waives any claims for loss or damage arising out of any charges or debits to the Operating Account.

12.2.8 Upon, or at any time after, execution of this Agreement, PAYSTRAX may establish a Merchant Reserve Account within its own account structure or at any financial/credit institution designated by PAYSTRAX ("Merchant Reserve Account"), for all future indebtedness of the Merchant to PAYSTRAX or the ISO that may arise out of or relate to the obligations of Merchant under this Agreement, including, but not limited to, Chargebacks and fees, in such amount as determined by the Card companies or PAYSTRAX from time to time may determine in its sole discretion. PAYSTRAX may fund the Merchant Reserve Account by deduction from payments due to Merchant or a charge against the Operating Account or against any of Merchant's accounts at PAYSTRAX. The Merchant Reserve Account will be maintained for such time as PAYSTRAX determines that the release of the funds to the Merchant is prudent, in the best interest of PAYSTRAX, and commercially reasonable, and that the Merchant's account with PAYSTRAX is fully resolved. Upon expiration of this period any balance remaining in the Merchant Reserve Account will be paid to the Merchant. PAYSTRAX will inform the Merchant in writing of any charges debited to the Merchant Reserve Account during this period. The calculation of the Merchant Reserve Account shall be as described in the Agreement. The Merchant may not make changes to the Merchant Reserve Account without PAYSTRAX's consent.

12.2.9 The Merchant hereby agrees that if the Merchant Reserve Account is held at a financial institution, PAYSTRAX may appoint a trustee, on its own discretion, to manage the Merchant Reserve Account with accordance to the terms specified in this agreement with regard to the Merchant Reserve Account.

12.2.10 The Merchant shall pay PAYSTRAX all fees specified in the Agreement, as amended by PAYSTRAX, from time to time. For each Transaction, PAYSTRAX will e.g. charge the Merchant as:

a. An amount equal to a specified percentage of the total cash price of each Transaction ("Merchant Discount Rate" or "Merchant Service Fee");

b. A specified amount per Transaction ("Transaction Fee");

c. A specified amount per Issuer authorisation ("Authorisation Fee").

The Merchant Discount Rate, Authorisation Fees and Transaction Fees are set forth in the Agreement. The Merchant Discount Fees are based on sales, not net sales. Different Merchant Discount Rates may apply to Qualified and Non-Qualified Transactions, as defined in the Merchant Agreement or in the price list. The Merchant agrees that PAYSTRAX will deduct Merchant Discount Fees from the Operating Account or the Merchant Reserve Account on a daily basis. The Merchant also agrees to pay PAYSTRAX the amount of any fees, charges, fines or penalties assessed against PAYSTRAX by any Card company or Issuer for the Merchant's violation of the by-laws, rules, regulations, guidelines, policy statements or threshold requirements of such parties. The Merchant shall pay PAYSTRAX for any other services provided to the Merchant by PAYSTRAX and for all other fees, including, but not limited to monthly service fees, Chargebacks and set-up fees provided for in this Agreement, as shown in the Merchant Framework Agreement.

12.2.11 All amounts that the Merchant owes PAYSTRAX may be charged to the Operating Account or the Merchant Reserve Account, recouped by adjustment to any credits due to the Merchant, or set off against any account, property or another kind of collateral PAYSTRAX holds for, or on behalf of, the Merchant.

12.2.12 As security for the performance by the Merchant of all of its obligations under this Agreement, the Merchant hereby grants to PAYSTRAX a security interest in the funds held in the Operating Account and in the Merchant Reserve Account. The Merchant will execute and deliver to PAYSTRAX such documents, in a satisfying form, as PAYSTRAX may reasonably request in order to perfect PAYSTRAX's security interest in the Operating Account and the Merchant Reserve Account, and will pay all costs and expenses of filing the same or of filing this Agreement in all public filing offices, where filing is deemed by PAYSTRAX to be necessary or desirable. PAYSTRAX is authorised to file financing statements relating to the Operating Account and the Merchant Reserve Account without the Merchant's signature where authorised by law.

12.2.13 The Merchant appoints PAYSTRAX as its attorney-in-fact to execute such documents as are necessary or desirable to accomplish perfection of any security interests. This appointment is coupled with an interest and shall be irrevocable as long as the Merchant owes any amount to PAYSTRAX or the ISO.

12.2.14 In processing Transactions, the Merchant shall use only software programs provided by the PAYSTRAX or approved by PAYSTRAX ("Software") and related equipment installed or approved by PAYSTRAX's and the following additional terms:

a. The software to be provided or installed, the quantity of such Software and the location for installation shall be specified in the Merchant Application Form. The Software shall be suitable for processing the Services;

b. The Merchant will provide, at the Merchant's expense, suitable electric power and telephone services and will pay for any alterations to the Merchant's premises required to properly locate the Merchant's computer hardware running the Software;

c. The Merchant shall permit telephone equipment installers and computer hardware installers to enter its premises to install, replace, retrofit, inspect, relocate, disconnect, remove, repair or maintain telephone lines and equipment and computer hardware;

d. The Merchant shall provide the information required by the merchant input form provided to the Merchant by PAYSTRAX and shall promptly notify PAYSTRAX of any changes in this information;

e. If the Merchant is using Software, the Merchant acknowledges receipt of a copy of the Software User's Guide. Merchant will use and operate the Software only in accordance with the Software Users' Guide, as amended from time to time by PAYSTRAX or the ISO;

f. The Merchant acknowledges that the installation of the Software and equipment is subject to: (1) the availability of suitable communication lines, equipment terminals and related equipment; and (2) the cooperation of the Merchant with the electric and communication companies. PAYSTRAX will have no liability to the Merchant if any installation is delayed or cannot be completed. PAYSTRAX will not have liability to the Merchant if any installation is delayed or cannot be completed for reasons not caused by the act or neglect of PAYSTRAX;

g. All Software shall be installed and operated in accordance with the instructions provided by PAYSTRAX.

12.2.15 The Merchant acknowledges that its use of the Software is in accordance with the terms of the license granted by PAYSTRAX or the owner of the Software. It is licensed to the Merchant and not sold. The Software and accompanying printed materials, if any, are protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The Merchant is prohibited from copying the Software and accompanying printed materials. The Merchant shall not sell, lease, encumber or otherwise dispose of the Software. The Merchant acknowledges that the proper functioning of the Software requires computer hardware suitable to operate the Software application. The ISO will not have any liability to the Merchant if the Software fails to operate because of the Merchant's inappropriate, inadequate or faulty computer hardware, because of the failure of the Merchant, its employees and agents to operate the Software properly in accordance with the instructions provided by the ISO or because of the neglect or misuse of the Software by the Merchant, its employees or agents. If the Software fails to operate for any other reason not attributable to the Merchant, the liability of the ISO shall be limited to the repair or replacement of the Software. PAYSTRAX shall have no liability to the Merchant for any Software.

12.2.16 Data Connection: In the event the Merchant requires the installation of a dedicated data connection for electronic transmissions to the ISO, the Merchant shall make arrangements for such installation and the maintenance thereof with PAYSTRAX. PAYSTRAX shall coordinate the installation and maintenance of the dedicated data connection. The Merchant shall pay PAYSTRAX for all costs related to the installation and maintenance of the dedicated data connection.

12.2.17 Documenting Transactions. The Merchant shall submit the following information to PAYSTRAX in connection with Transaction processing:

a. The DBA ("Doing Business As") name of the Merchant, name of the Merchant and the Merchant's address;

b. The Merchant's customer service telephone number whether the Transaction is a MO/TO or Internet Transaction;

c. The Merchant's Internet address and e-commerce indicator;

d. The Merchant Number assigned to the Merchant by PAYSTRAX;

e. The Card account number, validation date and/or expiration date of the Card, if one appears on the Card;

f. The address and telephone number of the Cardholder and Visa CVV2 or MasterCard CVC2 code if the Transaction is a MO/TO or Internet Transaction;

g. The Name, address and telephone number of Cardholder; and

h. Such additional information as may from time to time be required by PAYSTRAX and/or the relevant Issuer.

The Merchant shall not submit a Transaction to PAYSTRAX (electronically or otherwise) until the Merchant has performed its obligations to the Cardholder in connection with the Transaction or obtained Cardholder's consent for a Pre-Authorised Recurring Order Transaction. The Merchant shall not transmit any Transaction to PAYSTRAX that the Merchant knows or should have known to be fraudulent or not authorised by the Cardholder. The Merchant is responsible for its employees' actions. The Merchant may transmit a Transaction that effects a prepayment of services or full prepayment of custom-ordered merchandise, manufactured to a Cardholder's specifications, if the Merchant advises the Cardholder of the immediate billing at the time of the Transaction and within time limits established by the Card companies.

12.2.18 Issuer authorisation for Full Recourse Transactions. The Merchant shall obtain Issuer authorisation of Transactions as follows:

a. All Full Recourse Transactions are at the Merchant's risk. As to each Full Recourse Transaction, the Merchant warrants to PAYSTRAX that the person whose name is submitted to PAYSTRAX as Cardholder made the purchase. Upon breach of this warranty, PAYSTRAX may charge back the Transaction to the Merchant. If PAYSTRAX charges back the Transaction to the Merchant: (i) the Merchant shall pay PAYSTRAX the amount of the Transaction, any Chargeback

fee in the Agreement, plus any Card company fine or assessment; and (ii) PAYSTRAX may charge all such amounts to the Operating Account or Merchant Reserve Account without prior notice to the Merchant;

b. All Full Recourse Transactions must be electronically authorised via Software application and, in addition to the information required in Section 12.2.17 of this Agreement, each such request for Authorisation also shall include: (i) an Authorisation code, if required; (ii) the Cardholder's address and Address Verification results; and (iii) in lieu of the Cardholder's signature, a notation of (A) mail order (MO), (B) telephone order (TO), (C) e-commerce order (EO), or (D) pre-authorised order (PO) on the signature line;

c. If the Merchant accepts a Pre-Authorised Recurring Order Transaction, the Cardholder shall execute and deliver to the Merchant a written request for this pre-authorisation. This written request shall be maintained by the Merchant and made available upon request to PAYSTRAX. All annual billings must be reaffirmed at least once each year. The Merchant shall not deliver goods or perform services covered by a pre-authorisation order after receiving notification from the Cardholder that the pre-authorisation is canceled or from PAYSTRAX that the Card covering the pre-authorisation is not to be honored;

d. The Merchant shall verify Cardholder's address with the Card company network, where available. For MO/TO sales, the Merchant shall transmit a ticket/invoice number and shall perform address verification in order to qualify for the Qualified Merchant Discount Rate;

e. The merchant shall always use Strong Customer Authentication (SCA). In cases where the merchant does not use SCA, the merchant bears full liability of the transaction, if it is challenged by the cardholder, the card schemes or PAYSTRAX. It is important that the merchant has relevant documents to confirm the validity of the payment transaction.

12.2.19 Prohibition of Furnishing Account Information: The Merchant shall not, without the Cardholder's consent, sell, purchase, provide or exchange Card account number information in the form of Transaction documents, mailing lists, tapes, journal rolls or other media obtained by reason of a Card to any third party.

12.2.20 Reconciliation of Transactions:

a. Electronically Transmitted Transactions: Transactions will be settled in accordance with the settlement terms of the Agreement. PAYSTRAX shall deliver payment to the Merchant as soon thereafter as practicable by a credit to the Operating Account equal to the reconciled summary Transaction total of all of the Merchant's total summary Transactions since the previous credit. This credit will be reduced, if necessary, by: (i) the sum of all Cardholder charges denied, refused or charged back; (ii) all refunds processed on account of Cardholders during said time period; (iii) the fees and charges, including Chargebacks, the Merchant owes PAYSTRAX or the ISO hereunder; (iv) all taxes, penalties, fines, charges and other items incurred by PAYSTRAX that are reimbursable pursuant to this Agreement; and (v) all rates, fees and charges described in the Agreement.

b. Reconciliation of Transactions: The Merchant shall reconcile each settled Transaction within 15 (fifteen) days after the date on which such Transaction is submitted to PAYSTRAX for payment and shall notify PAYSTRAX and the ISO immediately of any discrepancies or errors the Merchant notes as a result of such reconciliation. Neither PAYSTRAX nor the ISO shall have any responsibility or liability for Transaction-related errors or omissions that are brought to their attention more than 30 (thirty) days after the date on which the Transaction to which such error or omission relates is first presented to PAYSTRAX for settlement.

c. Provisional Credit: Any credits to the Operating Account are provisional only and subject to revocation by PAYSTRAX until such time that the Transaction is final and no longer subject to Chargeback by the Issuer, Cardholder or Associations. PAYSTRAX may withhold payment for a Transaction to Merchant, for any reason, for a period of time not to exceed seven Business Days from the processing date of a Transaction.

12.2.21 Chargebacks. The acceptance by PAYSTRAX of any Transaction processed in accordance with the terms of this Agreement shall be without recourse to the Merchant, except for: (i) Full Recourse Transactions; (ii) as otherwise indicated in this Agreement; and (iii) as follows:

a. No specific prior Issuer authorisation for the Transaction was obtained from the Authorisation Center, the approval number does not appear in the electronic transmittal that is maintained by PAYSTRAX, or the Transaction was submitted to PAYSTRAX or the ISO 30 (thirty) days or more after the date on which the goods and/or services to which the Transaction relates were purchased or leased by the relevant Cardholder;

b. The Transaction was based on a pre-authorisation form and the Card on which the Issuer authorisation was based has been canceled and the Merchant was so notified prior to the Transaction;

c. The Card giving rise to the Transaction was canceled and prior to, or at the time of, the Transaction, the Merchant received notice of the cancellation through the electronic terminal, in writing or otherwise;

d. The Card expired prior to the date of the Transaction or the date of Transaction was prior to the validation date;

e. The information required in Sections 12.2.17 and 12.2.18(b) above was not submitted to PAYSTRAX;

f. PAYSTRAX or the Issuer has received a complaint from or on behalf of a Cardholder stating that there is an unresolved dispute or defense of a charge (whether or not valid) between the Merchant and the Cardholder;

g. The Cardholder makes a written complaint to PAYSTRAX or the Issuer that the Cardholder did not make or authorise the Transaction;

h. A setoff or counterclaim of any kind exists in favor of any Cardholder against the Merchant that may be asserted in defense of an action to enforce payment against the Cardholder in a Transaction;

i. The Transaction was made at or by a Merchant other than the Merchant named in this Agreement;

j. The Transaction otherwise violates the terms of this Agreement or any other Association or Issuer bylaw, rule, regulation, policy or guideline;

k. A Transaction is charged back by an Issuer;

l. Any representation or warranty made by the Merchant in connection with the Transaction is false or inaccurate in any respect.

In any such case, PAYSTRAX shall not be obligated to accept a Transaction for credit to the Operating Account. If PAYSTRAX has credited the Operating Account or Merchant Reserve Account for such a Transaction, PAYSTRAX may return the Transaction to the Merchant, and the Merchant shall pay PAYSTRAX the amount of the Transaction. The Merchant agrees that PAYSTRAX, without prior notice to the Merchant, may (i) charge the amount of the Transaction to the Operating Account or Merchant Reserve Account; (ii) recoup the amount of the Transaction by adjustment of the credits due to the Merchant; or (iii) set off the amount of the Transaction against any account or property PAYSTRAX holds for or on behalf of the Merchant. If the Merchant disagrees with PAYSTRAX's decision to charge back a Transaction, the Merchant must so notify PAYSTRAX in writing within 10 (ten) days of the Chargeback and provide documentation that the dispute has been resolved to Cardholder's satisfaction or proof that a credit has been issued.

Without limiting the generality of any other provision of this Agreement, if PAYSTRAX or the ISO, take legal actions against the Merchant for any Chargebacks or any amounts due to PAYSTRAX or the ISO hereunder, the Merchant shall pay the costs and attorneys' fees incurred by PAYSTRAX and/or the ISO, whether suit is commenced or not.

12.2.22 Merchant Statement. At least once per month, PAYSTRAX, or the ISO under PAYSTRAX's direction, shall provide the Merchant with a Merchant Statement. All information appearing in the Merchant Statement shall be deemed accurate and affirmed by the Merchant unless the Merchant objects by written notice specifying the particular item in dispute within 30 (thirty) days of the date stated in the Merchant Statement.

12.2.23 Retention of Original Sales Information: The Merchant shall retain the information required by Sections 12.2.17 and 12.2.18(b) for seven years from the date of the Transaction or another term required by the merchants local legislation. At the request of PAYSTRAX, the Merchant shall provide such information to PAYSTRAX or the ISO, as directed by PAYSTRAX, within 5 (five) days of receipt of a request from PAYSTRAX. Failure to meet such time frame or non-delivery of any item or delivery of an illegible copy of an item requested by an Issuer shall constitute a waiver by the Merchant of any claims and may result in an irrevocable Chargeback for the full amount of the Transaction.

12.2.24 Customer Complaints. The Merchant shall respond promptly to inquiries from Cardholders and shall resolve any disputes amicably. If unresolved disputes occur with a frequency unacceptable to PAYSTRAX, PAYSTRAX may terminate this Agreement. PAYSTRAX reserves the right to charge the Merchant reasonable fees and reimbursement on account of excessive Cardholder inquiries, refunds or Chargebacks. The Merchant agrees to maintain the following information in writing and/or on file with respect to each claim or defense asserted by a Cardholder for which the Merchant has received notice:

a. The Cardholder's name;

b. The Card account number;

c. The date and time the Cardholder asserted the claim or defense;

d. The nature of the claim or defense; and

e. The action that the Merchant took in an attempt to resolve the dispute.

Upon request, the Merchant shall furnish PAYSTRAX with this information in writing within 10 (ten) days.

12.2.25 The Merchant shall treat all information received in connection with this Agreement as confidential. The Merchant shall prevent the disclosure of this information except if required so by this Agreement or by law, and not before PAYSTRAX and the ISO are notified of the disclosure.

12.2.26 Card companies' and Issuers' Requirements. The Merchant shall comply with all bylaws, rules, regulations, policies and guidelines of the Card companies and any Issuer whose Cards are used to process Transactions in accordance with this Agreement. The Merchant will display prominently at its place of business Card emblems and other promotional material and literature provided by PAYSTRAX directly or through the ISO. Subject to the prior written consent of PAYSTRAX and upon such conditions as authorised by PAYSTRAX, the Merchant may use Card service marks or design marks in its own advertisement and promotional materials.

12.2.27 Compliance with Applicable Law. The Merchant represents and warrants that it has obtained all necessary regulatory approvals, certificates and licenses to sell any product or provide any service it intends to offer. The Merchant shall comply with all present and future laws and regulations.

12.2.28 Taxes. Each party shall pay all taxes imposed on it and of all payments made hereunder taxes shall be withhold and deducted in strict accordance with applicable law, including withholding taxes at source unless receiving Party presents the paying Party a valid exemption from such withholding. Furthermore, the ISO and/or the Merchant agree to indemnify and hold PAYSTRAX and/or the ISO harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Merchant and/or the ISO. If PAYSTRAX is required to pay any taxes, interests, fines or penalties owed by the Merchant and/or the ISO, said amount shall become immediately due and payable to PAYSTRAX or if the ISO is required to pay any taxes, interests, fines or penalties owed by the Merchant, said amount shall become immediately due and payable to ISO. If excise, sale or use taxes are imposed on any payment due or paid to the Merchant and/or the ISO, the ISO shall be responsible for the collection and payment thereof. PAYSTRAX shall be entitled to recover any of said taxes paid by it on behalf of the Merchant and/or the ISO from the Merchant and/or the ISO immediately after payment.

12.2.29 Limitation of Liability. In addition to all other limitations on the liability of PAYSTRAX and the ISO contained in this Agreement, neither PAYSTRAX nor the ISO shall be liable to the Merchant or the Merchant's customers or any other person for any of the following:

a. Any loss or liability resulting from the denial of credit to any person or the Merchant's retention of any Card or any attempt to do so;

b. Any loss caused by a Transaction downgrade resulting from defective or faulty Software regardless of if owned by PAYSTRAX, the ISO or the Merchant;

c. The unavailability of Services caused by the termination of contracts with computer hardware vendors, processors or installers, whether terminated by PAYSTRAX, the ISO or any other person for any reason; or

d. Interruption or termination of any Services caused by any reason except for failure of ISO to repair or replace Software or to use due care in selecting computer hardware installers; and in such cases, any liability shall be solely that of the ISO and the liability of the ISO shall be limited to a waiver of terminal or software fees due under this Agreement.

NEITHER PAYSTRAX NOR THE ISO SHALL BE LIABLE FOR ANY LOST PROFITS, PUNITIVE, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES TO THE MERCHANT OR TO ANY THIRD PARTY IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE SERVICES TO BE PERFORMED BY PAYSTRAX OR THE ISO PURSUANT TO THIS AGREEMENT.

THE MERCHANT ACKNOWLEDGES THAT PAYSTRAX HAS PROVIDED NO WARRANTIES, EITHER EXPRESSED OR IMPLIED, WRITTEN OR ORAL, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF THE MERCHANT ABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SOFTWARE INSTALLED OR PROVIDED BY THE ISO AND THAT PAYSTRAX HAS NO LIABILITY WITH RESPECT TO ANY SOFTWARE. PAYSTRAX MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICES IT PROVIDES HEREUNDER. SHOULD THERE BE ERRORS, OMISSIONS, INTERRUPTIONS OR DELAYS RESULTING FROM PAYSTRAX'S OR THE ISO'S PERFORMANCE OR FAILURE TO PERFORM OF ANY KIND, PAYSTRAX'S AND THE ISO'S LIABILITY SHALL BE LIMITED TO CORRECTING SUCH ERRORS IF COMMERCIALLY REASONABLE OR SUPPLYING SUCH OMISSIONS IN THE WORK PRODUCT IN WHICH THEY HAVE OCCURRED.

12.2.30 Limitation on Damages. In no case shall the Merchant be entitled to recover damages from the ISO or PAYSTRAX that exceed the fees retained by PAYSTRAX and the ISO pursuant to this Agreement during the 1 (one) month period immediately prior to the event giving rise to the claim for damages.

12.2.31 Indemnification. The Merchant agrees to indemnify and hold PAYSTRAX and the ISO harmless from any and all losses, claims, damages, liabilities and expenses, including attorneys' fees and costs (whether or not an attorney is an employee of PAYSTRAX or PAYSTRAX's affiliates, the ISO or affiliates of the ISO) arising out of any of the following:

a. The Merchant's failure to comply with this Agreement;

b. Any act or omission of the Merchant;

c. The Merchant's failure to comply with the Software User's Guide;

d. The Merchant's failure to comply with any bylaw, rule, regulation, guideline or policy of any Association or Issuer;

e. The Merchant's failure to comply with any applicable law, rule or regulation;

f. Fees and fines levied against PAYSTRAX or the ISO as the result of the Merchant exceeding one or more Association thresholds or standards. If any such fee or fine is imposed on PAYSTRAX or the ISO as a result of the activities of more than one merchant, such fee or fine will be assessed to the merchant proportionately, as determined by PAYSTRAX.

g. Any dispute concerning the quality, condition or delivery of any merchandise or the quality of performance of any service;

h. The fraud or dishonesty of the Merchant or the Merchant's employees, licensees, successors, agents and/or assigns;

i. The Merchant's selection of an Internet service provider or other telecommunication services provider;

j. The theft of or damage or destruction to any Software; or

k. Full Recourse Transactions, unauthorised Transactions and prohibited Transactions.

12.2.32 Credit Investigation and PAYSTRAX Auditing. PAYSTRAX may audit, from time to time, the Merchant's compliance with the terms of this Agreement. The Merchant shall provide all information requested by PAYSTRAX to complete PAYSTRAX's audit. The Merchant authorises parties contacted by PAYSTRAX to release the credit information requested by PAYSTRAX, and the Merchant agrees to provide PAYSTRAX a separate authorisation for release of credit information, if requested. The Merchant shall deliver to PAYSTRAX such information as PAYSTRAX may reasonably request from time to time, including without limitation, financial statements and information pertaining to the Merchant's financial condition. Such information shall be true, complete and accurate. Upon request by PAYSTRAX or the ISO, the Merchant shall provide to PAYSTRAX and the ISO its balance sheet and income statements not less frequently than every 3 (three) Calendar months during the term of this Agreement

12.2.33 Termination of Agreement by PAYSTRAX and ISO. PAYSTRAX may terminate this Agreement upon 30 (thirty) days' prior written notice to the other parties. In addition, PAYSTRAX and the ISO jointly may terminate this Agreement without notice to the Merchant under any of the below listed circumstances. Any such notice of termination by PAYSTRAX is effective upon mailing. Any information concerning the Merchant obtained by PAYSTRAX is unsatisfactory to PAYSTRAX in PAYSTRAX's sole discretion;

a. Any act of fraud or dishonesty is committed by the Merchant, its employees and/or agents, or the ISO or PAYSTRAX believes in good faith that the Merchant, its employees and/or agents have committed, are committing or are planning to commit any acts of fraud or misrepresentation;

b. Chargebacks are excessive in the opinion of PAYSTRAX;

c. Breach of this Agreement by the Merchant;

d. Any representation or warranty made by the Merchant in this Agreement is not true and correct;

e. The Merchant files a petition under any bankruptcy or insolvency law;

f. The Merchant fails to maintain sufficient funds in the Operating Account to cover the amounts due to PAYSTRAX hereunder;

g. The Merchant's percentage of error Transactions or retrieval requests is excessive in the opinion of PAYSTRAX;

h. Any insurance policy, bank guarantees, or other type of collateral obtained by PAYSTRAX, the ISO or the Merchant relating to Transactions and/or Chargebacks is cancelled or terminated for any reason;

i. The Merchant fails to provide financial statements suitable to PAYSTRAX on request;

j. The ISO does not or cannot perform its duties under this Agreement and PAYSTRAX determines that it is not feasible to provide to the Merchant the Services contemplated by this Agreement. PAYSTRAX is not obligated to provide replacement of Services if the ISO does not or cannot perform; or

k. The card companies Visa Europe, Visa Inc, MasterCard Worldwide, Alipay, WeChat Pay or any other currently service card company or payment method order the closing of the merchant agreement.

PAYSTRAX may selectively terminate one or more of the Merchant's approved locations (webpages) without terminating this entire Agreement. In the event of termination, all obligations of the Merchant incurred or existing under this Agreement prior to termination shall survive the termination. The Merchant's obligations with respect to any Transaction shall be deemed incurred and existing on the transaction date of such Transaction.

12.2.34 Termination of Agreement by the Merchant. The Merchant may terminate this Agreement upon at least 30 (thirty) days prior written notice to the other parties if PAYSTRAX amends the Agreement pursuant to Section 12.2.37 to increase the rates, fees or charges the Merchant pays hereunder, except for changes originating from a Card company.

12.2.35 Setoff. In addition to any other legal or equitable remedy available to it in accordance with this Agreement or by law, PAYSTRAX and/or the ISO may set off any amounts due to PAYSTRAX and/or the ISO under this Agreement against any property of the Merchant in the possession or control of PAYSTRAX or the ISO.

12.2.36 Exclusivity. The Merchant shall submit all Transactions made during the term hereof solely to PAYSTRAX for processing. At PAYSTRAX's discretion, PAYSTRAX shall permit the Merchant to process with PAYSTRAX on a non-exclusive basis, provided that the Merchant provide to PAYSTRAX, prior to the execution of this Agreement and at any time during the term of the Agreement upon request by PAYSTRAX, processing statements indicating the total amount and volume of Transactions processed with other banks (detailing settlements, refunds and chargebacks).

12.2.37 Amendments to this Agreement. From time-to-time PAYSTRAX may amend this Agreement as follows:

a. Amendment to Cards and/or Services. PAYSTRAX may amend or delete Cards or Services listed in the Merchant Application Form by notifying the Merchant in writing of any amendment. All provisions of this Agreement shall apply to Cards or Services added to this Agreement. PAYSTRAX shall notify the Merchant of the fees to be for processing the additional Cards and Services. Acceptance by the Merchant of a new approved Card as payment for a Transaction or use of a new Service after PAYSTRAX has sent the Merchant notice of an amendment shall constitute the Merchant's agreement to the amendment and the fees or charges related to these additions.

b. Amendment to Fees and Charges. From time to time, PAYSTRAX may change all rates, fees and charges set forth in the Agreement. PAYSTRAX will provide written notice to the Merchant of all amendments. PAYSTRAX may change the rates, fees and charges without prior written notice for due cause, such as the Merchant's sales volume or average Transaction amount not meeting the Merchant's projections as contained in the Merchant's application for card processing services. If notice is required, PAYSTRAX will give written notice on the Merchant Statement or in a separate letter. All new rates, fees and charges will become effective for the month immediately following the month in which the notice appeared on the Merchant Statement or in the separate letter, unless the Merchant terminates this Agreement in accordance with Section 12.2.34.

c. Amendments to all other Provisions. PAYSTRAX may amend this Agreement in any manner other than as described in Section 12.2.37(a) or 12.2.37(b) above simply by providing written notice of such amendment to the Merchant, and such amendment shall become effective on the latter of: (i) the date on which such written notice is received by the Merchant; or (ii) a date specified by PAYSTRAX in such written notice.

12.2.38 Assignment. This Agreement may not be assigned by the Merchant without the prior written consent of PAYSTRAX. PAYSTRAX may assign this Agreement without limitation. Assignment of this Agreement by PAYSTRAX shall relieve PAYSTRAX of any further obligations under this Agreement.

12.2.39 Financial Accommodations. PAYSTRAX, the ISO and the Merchant intend this Agreement to be construed as a contract to extend financial accommodations for the benefit of the Merchant.

12.2.40 Waiver. To the extent that the Merchant becomes a debtor under any law regarding liquidation and/or bankruptcy, and such event does not result in the termination of this Agreement, the Merchant hereby unconditionally and absolutely waives any right or ability that the Merchant may otherwise have had to oppose, defend against or otherwise challenge any motion filed by PAYSTRAX for relief from any automatic stay granted by law, to enforce any of PAYSTRAX's rights or claims under this Agreement.

12.2.41 In their dealings with one another, each party agrees to act reasonably and in good faith and to fully cooperate with each other in order to facilitate and accomplish the transactions contemplated hereby.

12.2.42 This Terms, together with the Agreement and other Schedules attached hereto, supersedes any other agreement, whether written or oral, that may have been made or entered into by any party (or by any officer or officers of any party) relating to the matters covered herein and constitutes the entire agreement of the parties hereto. Notwithstanding, an agreement between PAYSTRAX and the ISO or between PAYSTRAX and the Merchant that explicitly provides otherwise shall prevail.

12.2.43 Severability. If any provisions of this Agreement shall be held, or deemed to be, or shall in fact be, inoperative or unenforceable as applied in any particular situation, such circumstance shall not have the effect of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or sections herein contained shall not affect the remaining portions of this Agreement or any part hereof.

12.2.44 Notices. Except for notices provided by PAYSTRAX to the Merchant in accordance to Section 4.8.1. or on the Merchant Statement or in a separate letter, all notices, requests, demands or other instruments which may or are required to be given by any party hereunder shall be in writing and each shall be deemed to have been properly given when sent by email to the address provided in the Merchant Framework Agreement.

Any party may change the address to which subsequent notices are to be sent by notice to the others given as aforesaid.

12.2.45 This Agreement shall be governed by and shall be construed in accordance with the laws of Malta, without regard to its conflicts of law provisions and any dispute among the parties shall be brought solely and exclusively before the competent courts in Valletta.

The above shall not derogate from PAYSTRAX's right to file third party notice or to take any other legal means in the framework of proceedings between PAYSTRAX and any third party with regard to this Agreement, in any court such proceedings shall be pending.

12.2.46 Captions in this Agreement are for convenience of reference only and are not to be considered as defining or limiting in any way the scope or intent of the provisions of this Agreement.

12.2.47 No Waiver. Any delay, waiver or omission by PAYSTRAX to exercise any right or power arising from any breach or default of the other party in any of the terms, provisions or covenants of this Agreement shall not be construed to be a waiver of any subsequent breach or default of the same or any other terms, provisions or covenants on the part of the other party. All remedies afforded by this Agreement for a breach hereof shall be cumulative.

13 SPECIAL RULES — FOR CHARGEBACK AVOIDANCE SYSTEMS OF ETHOCA/MASTERCARD AND VERIFI/VISA

The following terms apply for the services of Ethoca/Mastercard and Verifi/Visa through the Paystrax.

13.1 General terms

13.1.1. For Alerts that are provided to the Merchant, the Merchant will provide timely, full and accurate Outcome Information back. The Merchant agrees that Paystrax, Mastercard and Visa and its Affiliates may use Outcome Information in connection with the Services and in accordance with the terms of this Agreement, including for the provision of loss-risk evaluation and loss avoidance activities and for other business purposes, such as billing, account management, data analysis, benchmarking, technical support, product development and improvement, fraud prevention and monitoring, development of anti-fraud services, processing and resolving chargebacks or other disputes, expansion of its participating merchant base, auditing, reporting, compliance with law, and without limiting the foregoing, for the following additional purposes:

i. For the benefit of the Cardholder supplying the Data to support the Services;
ii. As may be appropriate to Paystrax's, Mastercard's or Visa's staff, accountants, auditors, or counsel;
iii. As may be required or requested by any judicial process or governmental agency having or claiming to have jurisdiction over Paystrax, Mastercard or Visa;
iv. For accounting, auditing, billing, reconciliation, and collection activities;
v. For the purpose of processing and/or resolving chargebacks or other disputes;
vi. For the purpose of protecting against or preventing actual or potential fraud, unauthorized transactions, claims, or other liability, including to third parties providing these services;
vii. For the purpose of managing risk exposures, franchise quality, and compliance with Paystrax Terms, Mastercard Rules and Visa Rules;
viii. For the purpose of providing products or services to customers or other third parties, except that any Data provided in such product or services will only be provided to a customer of Merchant and will consist solely of the Data provided by the customer to Paystrax, Mastercard or Visa;
ix. For preparing internal reports for use by Paystrax's, Mastercard or Visa's staff, management, and consultants for the purposes of operating, evaluating, and managing its business;
x. For preparing and furnishing compilations, analyses, and other reports of aggregated information, and anonymizing Data, provided that such compilations, analyses, or other reports do not identify any (x) customer other than the customer for which Paystrax, Mastercard or Visa prepare the compilation, analysis, or other report, or (y) Cardholder whose transactions were involved in the preparation of any such compilation,

analysis, or other report;

xi. For the purposes of complying with applicable legal requirements.

13.1.2. The Merchant represents and warrants that it has provided Paystrax, Mastercard and Visa with the full legal right and permission to request Alerts on behalf of its merchants.

13.1.3. The Merchant confirms to abide by the Terms of Use as updated on the Paystrax, Mastercard and Visa portal or webpage from time-to-time.

13.1.4. The Merchant grants Paystrax, Mastercard and Visa the right to audit the Merchant segment allocations of the Merchants related to the merchant risk profile as represented by Paystrax.

13.1.5. The Merchant acknowledges that it may receive the numbers of active credit cards in connection with certain services, notably in respect of Non-Fraud Dispute Transaction based Alerts. In connection thereto, the Merchant acknowledges that it is responsible for ensuring the appropriate security safeguards are in place to protect the security of the Data, that it is responsible for any breach of Data provided to it by Paystrax, Mastercard or Visa and that it will indemnify Paystrax, Mastercard or Visa from any claims relating to such a data breach. If so requested, the Merchant agrees to provide evidence of its security safeguards, including compliance with Payment Card Industry Data Security Standards (PCIDSS). Such evidence will be a prerequisite for the receipt by the Merchant of live full payment card number. The Merchant is also responsible for ensuring that, where relevant, the Merchants comply with PCIDSS.

13.1.6. The Merchant acknowledges that Paystrax, Mastercard and Visa may receive data, including without limitation payment scheme data, and permits issuers and, if applicable, payment schemes to send Alerts for all MIDs (Merchant ID numbers), hard descriptors and soft descriptors in respect of its Merchants.

13.1.7. The Merchant will respond to (i.e., suspend the applicable account, stop the applicable transaction, refund the applicable transaction, etc.) and provide Outcome Information for all Alerts received by it from Paystrax, Mastercard or Visa. For greater certainty and without limiting the foregoing, the Merchant will respond to the Alert even if similar or the same information is provided to it by another Party. Such obligation pertains to all Alerts Data from Participating Issuers which are added during the term of this Agreement.

13.1.8. The Merchant agrees to the fees for Ethoca and Verifi alert cases as negotiated in the Paystrax Merchant Framework Agreement. Alert case fees will be refunded for alert cases which are refunded by the Merchant within 24 hours of receipt by the Merchant and for which the underlying transaction still results in a chargeback.