

MERCHANT SERVICING AGREEMENT

The present Merchant Servicing Agreement (**the Agreement**) is concluded between Payswix, UAB, legal entity code 304604766, registered legal entity address at Spaudos str. 7, Vilnius, the Republic of Lithuania, represented by the CEO Liudvikas Kulikauskas (**the Payswix**) and the Merchant.

The Payswix and the Merchant are separately referred to as a “Party” and jointly as “the Parties”.

WHEREAS:

- A. The Payswix, using its own capabilities or by engaging third party providers, offers payment acceptance solutions to Merchants, allowing them to process and accept payments from Cardholders.
- B. Merchant is legal entity seeking for solutions to collect payments from its clients for the goods and/or services sold by the Merchant online. In particular, Merchant seeks to open an account with the Payswix and operate the account as a merchant account for settlements between the Merchant and its customers.

THEREFORE, considering and confirming the aforementioned, the Parties have agreed as follows:

1. DEFINITIONS

- 1.1. ALTERNATIVE PAYMENT METHOD or APM means a payment method other than Card: e-wallets, payments from phone accounts, PIS, (Payment Initiation Service) etc.
- 1.2. AUTHORIZATION means electronic procedure by an International Payment System for obtaining the Issuer's Authorization to proceed with a Transaction. It includes checking the Card, Transaction Data, ID of Cardholder and availability of funds on the Cardholder's account
- 1.3. BUSINESS DAY means a day on which banks are open for normal business in Lithuania.
- 1.4. CARD means a payment virtual and/or physical card branded by an International Payment System and used by a Cardholder to pay for goods and/or services of the Merchant.
- 1.5. CARDHOLDER means a private individual or legal entity who holds and uses the Card and/or APM to pay for the services and the goods of the Merchant in the Website.
- 1.6. CHARGEBACK means a claim of an Issuer or a Cardholder for return of a



- Transaction Value drawn up according to the Rules of the International Payment Systems.
- 1.7. CHARGEBACK FEE means a fee charged by Payswix from Merchant for processing a Chargeback notwithstanding validity of the Chargeback.
- 1.8. CONFIDENTIAL INFORMATION means information received in connection with, or which a Party has learned in consequence of, the Agreement and annexes to the Agreement or terms and conditions of the Payswix or relating to the commercial secret of the Parties, including know-how, value of services, information about customers, or employees, Card data, Transaction Data and information on the Cardholder. Confidential Information under this Agreement shall not include:
- (i) information that is or becomes publicly available otherwise than in breach of this Agreement;
 - (ii) information that is publicly available through no fault of a Party;
 - (iii) information that was legally received by a Party before signing the Agreement.
- 1.9. DATA CENTER means a third party providing Transaction Data processing, sending and receiving (data routing) to/from the International Payment Systems.
- 1.10. DATA PROTECTION LEGISLATION means any laws and regulations in any relevant jurisdiction relating to privacy or the use or processing of data relating to natural persons, including: (a) EU Regulation 2016/679 ("GDPR"); (b) EU Directives 95/46/EC and 2002/58/EC (as amended by 2009/136/EC) and any legislation implementing or made pursuant to such directives; and (c) any laws or regulations ratifying, implementing, adopting, supplementing or replacing the foregoing; in each case, to the extent in force, and as such are updated, amended or replaced from time to time.
- 1.11. DATA PROTECTION REGULATOR means any governmental or regulatory body or authority with responsibility under the Data Protection Legislation for monitoring, supervising, regulating or enforcing compliance by persons in a given jurisdiction with the Data Protection Legislation.
- 1.12. EXCESSIVE CHARGEBACK PROGRAM means the Mastercard Excessive Chargeback Program and the Visa Chargeback Monitoring Program (VCMP), including any successor monitoring programs.
- 1.13. FRAUD MONITORING PROGRAM means the Mastercard High Fraud Merchant Program and the Visa Fraud Monitoring Program (VFMP), including any successor programs.
- 1.14. INTERNATIONAL PAYMENT SYSTEM means international payment system including, without limitation, Visa or MasterCard.
- 1.15. INVALID TRANSACTION means an unsuccessful attempt to use the Card or



Card data by a Cardholder to pay for the Merchant's goods and/or services due to denial of Transaction in course of Authorization.

- 1.16. ISSUER means a financial institution issuing Cards under auspices of an International Payment System.
- 1.17. MERCHANT means a legal entity selling goods and/or services by means of a Website and making use of the Services of the Payswix.
- 1.18. MERCHANT ACCOUNT means the Merchant's account serviced by Payswix. It shall serve the purpose of Transaction Authorization and accumulation of proceeds from Transactions.
- 1.19. MERCHANT APPLICATION means a form which contains information on the Merchant, its Website, its bank details, types of goods and services provided, the types of Cards acceptable for payment, or other additional information. The Merchant Application shall come into effect and shall become an integral part of the Agreement from the date on which the Agreement commences in accordance with Clause 20.1.
- 1.20. MERCHANT CREDENTIALS means personalized log-in and password issued to the Merchant by the Payswix to enable the Merchant to access the Payment Gateway.
- 1.21. NON-VERIFIED CLIENT means a Cardholder who has not purchased or used the Merchant's service or product and/or Cardholder who has not submitted KYC information to the Merchant in cases where Merchant is obliged to collect Cardholder's KYC data.
- 1.22. ORIGINAL CREDIT TRANSACTION or OCT means a Transaction in which monies get settled from the Merchant Account to the Cardholder.
- 1.23. PAYMENT GATEWAY means software used to send the Transaction Data to the Payswix, including Merchant's request for Authorization of the Transaction.
- 1.24. PAYMENT INITIATION SERVICE or PIS means services provided by the PIS Provider to the Merchant that enable the Cardholders to pay for the products and/or services of the Merchant by way of payment initiation.
- 1.25. PIS PROVIDER or PISP means a third party having a license to provide PIS and relevant software to ensure providing PIS to Merchant and Cardholder.
- 1.26. PCI DSS means Payment Card Industry Data Security Standards—security requirements for Card and Transaction Data registration, archiving as well as for non-cash Transaction-related activities.
- 1.27. QUESTIONNAIRE means a form containing brief information on a Merchant.
- 1.28. REFUND means return of funds paid for products/services by Cardholder upon an initiative and instruction from the Merchant.



- 1.29. ROLLING RESERVE means a share of a Merchant's gross sales processed by the Payswix and withheld by the Payswix to cover the cost of Chargebacks, Refunds, other liability imposed upon Payswix by International Payment Systems, Issuer, any third parties due to acts/inaction of Merchant, non-fulfillment by the Merchant of its obligations under this Agreement, costs and expenses of the Payswix to be reimbursed by the Merchant.
- 1.30. RULES OF INTERNATIONAL PAYMENT SYSTEM shall mean all International Payment System applicable rules (including but not limited to the Visa Core Rules and Visa Product and Service Rules, Mastercard Rules, Security Rules and Procedures, and Transaction Processing Rules), regulations, standards, and operating guidelines.
- 1.31. STRONG CUSTOMER AUTHENTICATION or SCA means authentication as defined under Directive (EU) 2015/2366 (PSD2) and related regulatory technical standards.
- 1.32. SETTLEMENT means a sum of all Transaction Values for a given Settlement period minus Fees for the Services, penalties and damages incurred due to acts or inaction of Merchant and/or its Cardholders, as well as commissions (wire transfer fees) incurred by Payswix or by involved payment processors and payment institutions.
- 1.33. SERVICE FEE or FEE means remuneration for the Services. It is withheld by the Payswix from each Transaction Value or, if agreed between the Parties, paid by Merchant to the Payswix as per a corresponding Annex to the Agreement.
- 1.34. SOFTWARE means a software for transferring of Transaction Data, including a request for a Transaction Authorization.
- 1.35. STORED CREDENTIAL TRANSACTION means a transaction initiated using card credentials previously stored by the Merchant in accordance with Visa and Mastercard stored credential frameworks.
- 1.36. SYSTEM shall mean the Payswix's Transaction Data processing and recording system, including the Merchant Account, monitoring and management of Transactions, communication between Merchant and Payswix, etc.
- 1.37. THIRD PARTY ACQUIRER or TPA means a third party bank or other financial institution which is a member of the International Payment Systems and which provides services of processing of Transactions, Refunds and Chargebacks.
- 1.38. TRANSACTION means a) a financial operation by means of the Card and/or APM to pay to the Merchant for any products or services (including delivery costs) declared in the Merchant Questionnaire; b) a replenishment of an



- account through the System by the means of a Card and/or APM; c) an OCT if such service is available to the Merchant; d) Chargeback, Refund.
- 1.39. TRANSACTION VALUE means a) price paid by Cardholder for goods or services, including delivery costs subject to Transaction rules, debited (deducted) from the Cardholder's account; b) value of Chargeback, Refund; c) amount of replenishment of an account by means of a Card; d) amount of OCT.
- 1.40. TRANSACTION DATA means information on the Transaction and/or the Card by means of which the Transaction was conducted, as well as information on the Cardholder's authentication results (including SCA, where applicable) and additional information for fraud monitoring purposes.
- 1.41. WEBSITE means online shop of the Merchant offering products and/or services for sale.
- 1.42. Headings are given for convenience only and do not affect the interpretation of this Agreement.
- 1.43. References in the text of this Agreement to articles and Appendices are references to articles and sub-articles of, and appendices to this Agreement.

2. SCOPE OF SERVICES

- 2.1. The Payswix, through its own capabilities or through TPA, offers to the Merchant the payment acceptance solutions, allowing the Merchant to accept its Cardholders payments for the products and/or services purchased from the Merchant's Website via the Internet (hereinafter – “Services”).
- 2.2. Where the Merchant intends to use the PIS solution, the PIS shall be provided exclusively by the PISP as a separate, third-party service, governed solely by the PISP's own Terms and Conditions. Payswix is not involved in the execution or operational delivery of PIS and therefore assumes no obligations, responsibility, warranties, or liability with respect to the accuracy, performance, availability, reliability, continuity, or regulatory compliance of the PISP's provision of PIS.
- 2.3. This Agreement together with its Annexes forms a single and integral contractual document. The Merchant shall pay all fees and other amounts under this Agreement in accordance with the applicable Annex.
- 2.4. The Parties expressly agree that Services are provided only to the Merchant. The Merchant shall not demonstrate or imply that Payswix is or in any way may be liable for execution or denial of the Transaction.
- 2.5. The Payswix may set parameters for Transactions, including but not limited to countries of payment origin or destination, countries of payers



or payees, amounts of payments. Such restrictions and prohibitions will be communicated to the Merchant via an e-mail address and be mandatory since the date of receipt.

- 2.6. The Merchant is liable for acts, inaction, breaches of its Cardholders.
- 2.7. In case of discrepancies between this Merchant Servicing Agreement, its supplements and Rules of the International Payment Systems, Rules of the International Payment Systems shall prevail.

3. AUTHORIZATION

- 3.1. Authorization is required for a Transaction regardless of its amount. If a Transaction is processed by VISA Secure or Mastercard Identity Check, Cardholder Authentication Verification Value (CAVV) shall be provided in an Authorization request.
- 3.2. The Merchant shall keep to the following authorization rules:
 - (i) An authorization request shall be for a Transaction Value, including applicable taxes.
 - (ii) Authorization can only confirm availability of funds and that the Card is not reported to be lost or stolen. Authorization shall not be construed as a representation, a promise or a guarantee that either the Issuer will accept the Transaction, the Merchant will get a payment, or that a person executing the Transaction is a Cardholder.
- 3.3. Immediately after the Authorization an Authorization Status Notice (allowed/denied) is sent to the Merchant by electronic means of communication. It contains Transaction (or Invalid Transaction) ID code and Authorization status (allowed / denied).
- 3.4. Only the Transactions following from Websites approved by Payswix as per Annex 1 to the Agreement and conforming to the requirements of the International Payment Systems may have access to the Services. The Payswix may unilaterally deny rendering the Services to the Merchant if there is a reasonable suspicion that the Merchant is involved in fraud, money-laundering and other criminal activities or the Merchant breaches the International Payment System Rules.
- 3.5. It is prohibited to store authenticating data including (but not limited to) Card Verification Code 2 (CVC2) / Card Verification Value 2 (CVV2).

4. CUSTOMER SUPPORT

- 4.1. Payswix offers technical support available on business days in Lithuania from 09:00 till 17:00 UTC+2 / UTC+3.
Technical support shall be available via:
E-mail: support@payswix.com



- 4.2. In case any updates are necessary, the Merchant shall be warned on the upcoming update at least:
- (i) 24 hours before – for planned security flaws patching;
 - (ii) 48 hours before – for planned routine maintenance.
- 4.3. The Merchant shall be informed of the estimated update time beforehand.
- 4.4. The Payswix shall do its best to implement updates at the most suitable periods with the lowest traffic.
- 4.5. The Payswix may not provide technical support or it may charge the Merchant for technical support services, if a defect is caused by any factors listed hereunder:
- (i) Feed of data, software products altered, damaged, or modified by the Merchant;
 - (ii) Feed of data, software products not in supported release status; use of feed of data, software products with no current support, maintenance agreement concluded between the Merchant and a service/software provider.
 - (iii) Feed of data does not function properly due to installed hardware or the Merchant's operating environment not fully supported by the Payswix.
 - (iv) Third party software not supported by the Payswix.
 - (v) Defects or errors caused by any fault or error in equipment, programs, applications or products used in conjunction with the feed of data, provision of Services and resulting from causes beyond the Payswix's reasonable control.

5. THE MERCHANT'S OBLIGATIONS

- 5.1. To make sure that the content of its Website/-s, advertisements are accurate and comply with the applicable law and with the Rules of International Payment Systems.
- 5.2. To comply with applicable laws and regulations in course of its activities. To comply with International Payment Systems Rules regarding use of VISA and Mastercard trademarks, acceptance of cards, Risk Management, Transaction Processing.
- 5.3. To observe the rules of the Payswix, Rules of TPA (when applicable), the Rules of the International Payment Systems and the technical requirements set by the International Payment Systems, TPA (when applicable) and by the Payswix;
- 5.4. To inform its employees, officials and involved persons promptly and in an appropriate manner of the main features of the Agreement, Rules of the TPA (when applicable), the Rules of International Payment Systems and of



the Payswix.

- 5.5. To manage, store, transmit, Card data (if applicable) according to the PCI DSS requirements as requested by the Rules of the International Payment Systems from time to time. Sensitive Authentication Data (e.g. Card validation code 2 (CVC2)/ Card Validation Value (CVV2) data) cannot be stored.
- 5.6. To provide all data requested by the Payswix for a Transaction and/or Refund or Chargeback. If the Merchant fails to provide the requested data, the Payswix reserves the right to suspend the Transaction and/or Refund or Chargeback processing immediately. This obligation to provide data shall survive the termination or expiration of the Agreement.
- 5.7. To provide the following information to the Payswix in course of Transaction processing:
 - (i) Merchant's URL and e-commerce indicator;
 - (ii) The Merchant Number assigned to the Merchant by the Payswix;
 - (iii) The Cardholder's name, address and phone number (applicable only for Server to Server integrations)
 - (iv) Card number and CVC2/CVV2 (applicable for Server to Server integrations)
 - (v) Other information as from time to time may be requested by the Payswix or TPA (when applicable).
- 5.8. To implement 3D-Secure on its Website(s) to make Cardholder's authentication before to proceed authorizations of Transactions. Merchant shall comply with all Strong Customer Authentication (SCA) requirements applicable under PSD2 and related regulatory technical standards, including proper use of authentication exemptions (including but not limited to Transaction Risk Analysis, Low Value, Trusted Beneficiary, and Merchant-Initiated Transactions).
- 5.9. Merchant shall ensure that authentication indicators and exemption flags are accurately transmitted in each authorization request.
- 5.10. Where Merchant stores Card credentials or processes recurring, installment, or merchant-initiated transactions, Merchant shall comply with Visa and Mastercard Stored Credential Transaction frameworks, including but not limited to:
 - obtaining explicit Cardholder consent for credential storage;
 - properly identifying initial Cardholder-Initiated Transactions (CIT) and subsequent Merchant-Initiated Transactions (MIT);
 - transmitting appropriate stored credential indicators in authorization messages;
 - retaining evidence of Cardholder's consent.



- 5.11. To get the Payswix's approval of the Merchant's products/services and the Website before using the Services for such products/services and a Website. The Merchant may not use the Services to facilitate the payment for products or services sold on the URLs other than the one(s) approved by the Payswix.
- 5.12. To provide all information for purpose of KYC, due diligence of the Merchant and its Websites as per written requirements of the Payswix.
- 5.13. To provide documents confirming the Transaction, Refunds and give written explanations in relation to any Chargeback immediately, but not later than 1 (one) Business Day since receipt of the Payswix's request to do so. This obligation to provide information shall survive the termination or expiration of the Agreement.
- 5.14. To confirm to the Payswix immediately, but no later than within 3 (three) Business Days whether it intends to accept a Chargeback or to represent it by submitting requested documents to the Payswix. Chargeback Fee is applicable in case Merchant decides to represent Chargeback by submitting requested documents to the Payswix.
- 5.15. To use only the Software for the gateway services under the Agreement.
- 5.16. To take all reasonable steps to keep safe the Merchant Credentials (including not recording it in writing or disclosing it to third parties), to prevent the Merchant Credentials from being used by any unauthorized third party, and to notify the Payswix using the contact information specified in the Agreement as soon as possible and without undue delay on first becoming aware of the loss, theft, misappropriation or unauthorized use of the Merchant Credentials.
- 5.17. To report to the Payswix and to appropriate authorities any Transaction that it determines to be suspicious.
- 5.18. To inspect Websites from time to time in order to monitor continued compliance with applicable laws and regulations, the Rules of the International Payment system, PCI DSS standards, and the rules of the Payswix. Notify the Payswix of any non-compliance or suspected non-compliance issues, unauthorized, improperly executed or unexecuted Transactions. To provide the Payswix with the results of such an inspection following the Payswix's request.
- 5.19. To assist the Payswix in Chargeback investigations as the Payswix may request. This obligation shall survive the termination or expiration of the Agreement.
- 5.20. To give the Payswix a written notification of any changes in the information on the Merchant within 3 (three) business days since the date such changes take effect. The Merchant agrees that the Payswix may



share such information with the International Payment Systems, TPA (when applicable) and governmental or quasi-governmental entities in its absolute discretion.

- 5.21. To refund to the Payswix any fees and charges incurred by the Payswix if the Merchant decided to dispute a Chargeback claim.
- 5.22. To pay to the Payswix on demand:
- (i) All charges, costs, expenses and/or damages imposed on the Payswix by the International Payment Systems and/or TPA in connection with any breach of the Rules of the International Payment Systems and/or Rules of TPA (when applicable) by the Merchant;
 - (ii) All charges, costs, expenses, damages and losses (whether indirect or consequential) caused to the Payswix by any non-fulfilment of that Merchant's obligations or any actions or inactions of the Merchant under this Agreement or applicable laws or as a consequence of the Merchant breaching the terms of the Agreement and/or Rules of TPA (when applicable) and/or the Rules of International Payment Systems and/or applicable laws and regulations.
- 5.23. To collaborate with the Payswix and/or the International Payment Systems and/or TPA in providing all required information if the Merchant is found non-compliant with PCI DSS and/or is engaged in Cardholder/account data compromise according to the Rules of International Payment System and/or Rules of TPA (when applicable).
- 5.24. Not to deposit Transactions on behalf of another Merchant.
- 5.25. Not to use the Services where they are prohibited to offer or provide them to or from such a country. Not knowingly submit any Transaction that is illegal or that the Merchant should have known was illegal.
- 5.26. To have a third party auditor approved by the Payswix conduct a security audit of the Merchant's systems and facilities if the Payswix reasonably believes that there is a security breach or compromise. Save for when an audit (i) is required by regulatory or International Payment System requirements, (ii) is triggered by a material breach by Merchant, or (iii) determines non-compliance by Merchant with this Agreement, the Payswix shall reimburse the Merchant for its reasonable costs of providing information, access, and assistance with respect to such audit.
- 5.27. In addition to the above, the Merchant agrees to allow the Payswix, subject to thirty (30) days written notice from the Payswix, to inspect its locations to confirm that the Merchant is in compliance with the terms of this Agreement, and is maintaining the proper facilities, equipment, inventory, records, licenses and permits where necessary to conduct its business. The Payswix's representatives may, during normal working hours, inspect,



- audit, and make copies of Merchant's books, accounts, records, and files pertaining to any Transaction processed under this Agreement.
- 5.28. To keep documents confirming Transactions (receipts, if any, confirmations of supply and others) at least 8 (eight) years after execution of Transactions and submit them to the Payswix upon the Payswix's request. This obligation to keep documentation shall survive the termination or expiration of the Agreement.
- 5.29. To make sure that the Merchant's payment interface demonstrates the Payswix logo and indicate that the Payswix processes Cards for payments in a secure internet environment.
- 5.30. For the duration of the Agreement, to place in the Website the trademarks of those Cards that the Merchant accepts. The trademarks of the Cards should not be placed in such way as to produce an impression that the International Payment Systems sponsor, produce or trade in goods or services in the Website. After expiration of the Agreement for any reason, Merchant obliges to remove the trademarks of Cards from the Website.
- 5.31. Not to misrepresent itself as being a Member of International Payment System.
- 5.32. To disclose prominently and clearly and inform the Cardholder at all points of interaction: (i) the location (physical address) of the Merchant and fixed place of business through which it conducts its business; and (ii) make it easily to understand that the Merchant is responsible for the Transaction, and for customer service and dispute resolution, all in accordance with the terms applicable to the Transaction. The Merchant location must be disclosed before the Cardholder is prompted to provide Card information. Merchant name and location, as disclosed to the Cardholder, must be the same as what is provided in authorization and clearing Transaction messages.
- 5.33. To publish and keep up to date on Website main terms and conditions, refund policy, shipping policy, complaints policy, privacy policy, contact details and specifications/descriptions of the goods and/or services offered by the Merchant on the Website.
- 5.34. To return the Transaction Value to the Cardholder in full where required by the Rules of the International Payment System.
- 5.35. If the Cardholder rejects the goods or the services, purchased by Transaction, to return the Transaction Value to the Cardholder in full or in part depending on the publicity available to Cardholder rules of the Merchant about cancelled Transactions.
- 5.36. Merchant shall comply with Visa and Mastercard acceptance requirements, including the Honor All Cards rule, non-discrimination



requirements, and applicable surcharging rules in accordance with local law and scheme regulations. Merchant shall not engage in steering, discrimination, or selective acceptance practices except as expressly permitted under applicable laws and scheme rules.

5.37. The Merchant shall not be entitled to:

- (i) Accept the Cards as the means of payment and monetary funds as Transaction Value for any other goods and services except as defined in accordance with the Merchant Application;
- (ii) Levy a surcharge for payments made by Cards unless it does so in full compliance with applicable laws and regulations as amended from time to time and the Rules of the International Payment Systems, to the extent that they do not conflict with applicable laws and regulations;
- (iii) Set any minimum or maximum Transaction Value;
- (iv) Accept a Card in order to pay or refinance already existing obligations, i.e. the Merchant shall accept Cards only as payment for the goods and services declared in the Merchant Application and only in the Website that is declared in the Merchants Application;
- (v) Accept a Card if there is a cause to doubt the identity of the Cardholder or to believe that the Card is being used fraudulently or illegally, unless the Merchant has taken steps to satisfy itself of the identity of the Cardholder and that the Card is being used legitimately;
- (vi) Divide a Transaction into parts;
- (vii) Accept Cards and APMs as the means of payment for the commercial activity of third persons;
- (viii) Issue electronic money as a result of the Transaction, except when the Merchant has corresponding license/certificate/permission for emission of electronic money, issued by institution, which is entitled to issue corresponding license/certificate/permission;
- (ix) Use the Transaction Data for other purposes except lawful processing such data according to the Rules of the International Payment Systems.

6. THE PAYSWIX'S OBLIGATIONS

- 6.1. To keep Services available to the Merchant and to confirm to the Merchant the Merchant's Credentials.
- 6.2. To ensure, that all Transactions are properly authorized, cleared and settled through International Payment Systems.
- 6.3. To pay the Merchant the amount of all Transactions that the Payswix acquires from the Cardholders through it's own capabilities or through



- TPA in accordance with and within the terms provided in this Agreement and its annexes.
- 6.4. To transfer an Original Credit Transaction Value from the Merchant Account to the Cardholders in accordance with this Agreement and the applicable regulations.
- 6.5. To inform the International Payment Systems and/or law enforcement/regulator authorities of any suspected fraudulent/illegal operations by the Cardholders.
- 6.6. To inform the Merchant in case Rules of TPA are applicable to Merchant.
- 6.7. To initiate a Transaction Cancellation if the maximum Transaction Value set in Annex 1 of the Agreement is exceeded and if the Merchant fails to submit:
- (i) a copy of a lawful and valid document identifying the Cardholder or any requested information related to the Cardholder;
 - (ii) the Cardholder's written confirmation of receipt of goods or services indicating name of the goods or services, price and Cardholder's signature with its clarification. The documents shall be received by the Payswix by e-mail or through the System within 3 (three) days from receipt of the Payswix's notification.
- 6.8. Hold due diligence of the Merchant and update due diligence results whenever the Payswix deems it necessary. Due diligence information and documents include, without limitation: (i) business description and model, (ii) goods and services offered by the Merchant, (iii) applicable licenses, (iv) corporate structure, (v) credit reports, (vi) personal and business financial statements, (vii) income tax returns, (viii) ID documents.

7. IMPACT MEASURES

- 7.1. The Payswix has the right to delay transfer of any Transaction Value or processing of any Transaction where there is suspicion of the illegality of the Transaction or relating to the activity of the Merchant, or otherwise in accordance with the Rules of the International Payment Systems.
- 7.2. The Payswix has the right to immediately delay transfer of any Transaction Value for up to 180 (one hundred eighty) calendar days or when needed for a longer term, where they relate to the Transactions in which Chargebacks arose. If a Chargeback is found invalid according to the Rules of International Payment System or was withdrawn by the Issuer, Payswix shall transfer those sums to the Merchant within 5 (five) Business Days. If a Chargeback is justified, the sums specified in this Clause shall be used for redemption of liabilities towards the Cardholder and shall not be



transferred to the Merchant.

- 7.3. The Payswix has the right to withhold the Transaction Value from the Merchant Account and (or) suspend the provision of the Services under the Agreement, if the Merchant has not provided documents/information according to Clauses 5.10 to 5.11 within 1 (one) Business Days from the moment the Payswix's request is notified to the Merchant.
- 7.4. The Payswix (itself or according to the TPA requirement) has the right to suspend the acceptance of Cards the processing of any Transactions, Refunds, Settlements, transfer of Transaction Value and Original Credit Transactions, access to Payswix's Payment Gateway and (or) suspend the provision of the Services under the Agreement, with immediate effect until all the circumstances are clarified to the Payswix's satisfaction if the Payswix (or TPA) suspects:
- (i) that the Transactions relate to money laundering or financing of terrorism;
 - (ii) (or if the Merchant has notified the Payswix of suspicion) that the Merchant Credentials has been lost, stolen, misappropriated or used in an unauthorized way.

In each case the Payswix (or TPA) shall have absolute discretion regarding when to resume accepting Cards processing Transactions or Original Credit Transactions, Refunds and transferring the Transaction Value, taking into account the available information and any recommendations of the International Payment Systems or TPA requirements.

- 7.5. The Payswix (itself or according to the TPA requirement) has the right to suspend, with immediate effect, the acceptance of Cards, the use of the Merchant's Account, the processing of Transactions, Original Credit Transactions, Refunds, transfers of the Transaction Value, access to the Payswix's Payment Gateway and (or) suspend the provision of the Services under the Agreement, until all the circumstances are clarified to the Payswix's satisfaction if the Merchant and/or Website breaches:
- (i) the Agreement; and/or
 - (ii) the Rules of the International Payment Systems; and/or
 - (iii) the Rules of TPA (when applicable); and/or
 - (iv) the Merchant's Account is closed, suspended, or otherwise restricted.

The Payswix and/or TPA (if such is being used for provision of Services) shall have absolute discretion following such a suspension as to when to resume accepting Cards, Settlements, processing Transactions, Refunds and transferring the Transaction Value, taking into account the available information and any recommendations of the International Payment Systems.



- 7.6. The Payswix has the right to suspend the provision of the Services under the Agreement:
- (i) if the Rules of the International Payment Systems are subsequently amended in such a way as, in the reasonable opinion of the Payswix, to make the continued provision of the Services under the Agreement impracticable or economically unviable;
 - (ii) if the Merchant is suspected of breaking Rules of the International Payment Systems.
- 7.7. The Merchant acknowledges and agrees that it is subject to Mastercard Excessive Chargeback Program (ECP), Visa Acquirer Monitoring Program (VAMP), and other applicable Mastercard and Visa compliance and governance programs as defined in the respective card scheme rules and regulations, as amended from time to time. Merchant shall comply with all remediation plans, monitoring requirements, reporting obligations, and corrective action requirements imposed under such programs. Merchant shall be solely liable for all assessments, fines, monitoring fees, and non-compliance assessments imposed by Visa or Mastercard under such programs.
- 7.8. The Payswix or TPA shall implement action plan or should be entitled to suspend, with immediate effect, the acceptance of Cards, the processing of Transactions and the transfer of the Transaction Value if the number of Chargebacks received in one calendar month exceeds at least one of the following parameters:
- (i) on the Transactions via the Cards issued under the brand of "Visa" in relation to a particular Website reach 50 (fifty) chargebacks or 0.8% (action plan) (zero point eight percent) or 75 (seventy five) chargebacks or 1.00% (one percent) (suspension) Chargeback ratio.
 - (ii) on the Transactions via the Cards issued under the brand of "MasterCard" in relation to a particular Website reach 50 (fifty) chargebacks or 0.8% (remediation plan) (zero point eight percent) or 75 (seventy five) chargebacks or 1.00% (one percent) (suspension) Chargeback ratio.
- 7.9. The Payswix or TPA shall be entitled to request to provide action plan or suspend, with immediate effect, the acceptance of Cards and the transfer of Transaction Value if fraudulent Transactions in one calendar month exceeds at least one of the following parameters:
- (i) on the Transactions via the Cards issued under the brand "Visa" in relation to a particular Website reach 8.000 EUR (eight thousand) or equivalent in any other currency at the Payswix's rate and 0,8% (zero point eight percent) fraud ratio (action plan plan) or reach 10.000 EUR



- (ten thousand) or equivalent in any other currency at the Payswix's rate and 1.00 % (one percent) fraud ratio (suspend) at the last day of respective calendar month reported fraud.
- (ii) on the Transactions via the Cards issued under the brand of "MasterCard" in relation to a particular Website reach 8.000 EUR (eight thousand) or equivalent in any other currency at the Payswix's rate and 0,8% (zero point eight percent) fraud ratio (action plan) or reach 10.000 EUR (ten thousand) or equivalent in any other currency at the Payswix's rate and 1.00 % (one percent) fraud ratio (suspend) at the last day of respective calendar month reported fraud.
- 7.10. The Merchant undertakes to provide the Action Plan to the Payswix immediately, but not later than within 7 (seven) Business Days from the moment of reception of such inquiry from the Payswix. Action Plan shall contain detailed measures aimed at reducing the number of Chargebacks and/or fraudulent Transactions, including but not limited to: (a) a description of the identified reasons for excessive Chargebacks or fraudulent Transactions; (b) corrective and preventive steps to be taken by the Merchant; (c) deadline for implementation of such measures; and (d) the person(s) responsible within the Merchant's organization for ensuring execution of the plan. The Payswix shall have the right to review, request amendments to, and monitor the implementation of the Action Plan
- 7.11. The Payswix has the right to unilaterally revise cooperation conditions under the Agreement (and their practicability) and after such revision the Payswix has the right to change the terms of the Agreement or terminate it, if:
- (i) the Merchant has not provided the Action Plan requested by the Payswix until the time specified in Clause 7.10 of the Agreement; and/or
- (ii) the statistics of the Chargebacks and fraudulent Transactions of the Merchant does not improve during 1 (one) calendar month from the moment of receipt of the Action Plan by the Payswix.
- 7.12. Payswix may suspend, delay, reduce, or withhold (in whole or in part) any settlement payments and/or any Rolling reserve release if Payswix reasonably determines that (i) the Merchant's projected credit risk exposure - calculated as the average monthly refunds over the last six (6) months plus the average monthly chargebacks over the last six (6) months multiplied by six (6) - and/or (ii) any actual or anticipated non-compliance assessments, fees, fines, or penalties, would cause the Merchant's balance (after applying set-off, deductions, and reserves under this Agreement) to become net negative.
- 7.13. The decision to impose impact measures described in this Clause 7 can be made by Payswix itself or by instruction of TPA (if such is being used in



providing Services) or by International Payment Systems.

8. FEES. SETTLEMENTS.

- 8.1. Settlements are made as per the Agreement. Fees are set forth in Annex 1 of the Agreement.
- 8.2. All payments to the Merchant or Payswix shall be made only to the bank accounts provided in writing to the Payswix by duly authorized representatives of the Merchant and by due means of communication.
- 8.3. If a Settlement date is not a Business Day, it shall be made on the next Business Day.
- 8.4. The Payswix shall be liable only for the proper initiation of:
 - (i) bank transfers to the Merchant Account;
 - (ii) settlement of the Transaction Values, Original Credit Transactions and Refunds with the International Payment Systems.
- 8.5. If the amount received by the Payswix from the International Payment System is less than the Transaction Value for any reason, the Payswix shall settle it to the Merchant Account, minus any deductions and fees as per this Agreement, pro rata to the amounts actually received.
- 8.6. If the Settlement Amount in a given Settlement period is less than minimum sum provided in Annex 1 of this Agreement, Payswix is not obliged to settle it until the Settlement Amount reaches the minimum sum. The Settlement is transferred to the Merchant on the settlement date of the Settlement period when the minimum is reached.
- 8.7. The Payswix may change the Fees with 30 days' written notification to the Merchant if the new applicable fees are higher than the current ones set. If, upon expiration of 30-days period, the Merchant keeps using the Services, the Merchant is considered to have agreed to such a change. If the Merchant sent an objection notice within the period, and the Parties have not come to terms, the Agreement is considered terminated upon expiration of the 30-days period mentioned above.
- 8.8. If any amount is the subject of a pending Chargeback by an International Payment System, the Payswix shall withhold settlement of such an amount to the Merchant pending the final determination of the dispute. Where the Payswix has made payment of any such amount, the Payswix shall nonetheless be entitled to debit such amount or, if such amount is not available, seek reimbursement of the amount paid to the Merchant.

9. ROLLING RESERVE

- 9.1. To cover documented claims, Chargebacks, fraudulent Transactions, penalties or assessments of International Payment Systems, financial



institutions, payment processors, and Cardholders against the Merchant, as well as any expenses of the Payswix under this Agreement, Payswix may establish and maintain financial reserves, including but not limited to:

- (i) Rolling Reserve deductions from Transaction Value;
- (ii) Fixed Reserve amount;
- (iii) Delayed Settlement of part or all Transaction Value; or
- (iv) Holdbacks or other risk-mitigation measures as required under applicable Rules of International Payment Systems.

Where a Fixed Reserve is agreed, its amount and applicable conditions shall be specified in Annex No. 1.

9.2. Unless otherwise required under the Rules of International Payment Systems, where a Rolling Reserve is applied, it shall be calculated as a percentage of each transaction amount, as specified in Annex No. 1. The rolling reserve shall be subject to a retention period during which the withheld funds remain in the financial reserve to cover claims, Chargebacks, fraudulent Transactions, penalties or assessments and other Merchant's obligations. The specific length of the retention period and, where applicable, the maximum reserve amount shall be specified in Annex No. 1.

Payswix may extend the retention period until all such obligations are discharged or until expiry of the maximum dispute period under applicable Rules of International Payment Systems. This retention period shall survive termination or expiration of the Agreement.

- (i) Under the "Capped Rolling Reserve" option, the Rolling Reserve shall accumulate until the total reserve amount reaches the maximum reserve amount (the "Reserve Cap") specified in Annex No. 1 and shall thereafter be maintained at such level.
- (ii) Under the "Non-Capped Rolling Reserve" option, the Rolling Reserve shall accumulate without any maximum reserve amount cap.

9.3. The Parties agree in Annex No. 1 which Clause - 9.2. - (i) "Capped Rolling Reserve" or (ii) "Non-Capped Rolling Reserve" shall apply during validity of this Agreement.

9.4. Any balance remaining in the financial reserve after all Merchant liabilities are satisfied shall be paid promptly to the Merchant's Account.

10. LIABILITY

10.1. The Parties shall not be liable for any lost profits, loss of good will and/or opportunity, punitive, indirect, special or consequential damages to each



other or to any third party in connection with or arising out of this Agreement.

- 10.2. Any penalties under the Agreement shall be charged in addition to the amounts of damages hereunder. Payment of a contractual penalty does not release a Party from fulfillment of the Agreement.
- 10.3. No Party's liability may be excluded or limited if it is due to:
- (i) Fraud or fraudulent misrepresentation.
 - (ii) Willful misconduct.
 - (iii) Breach of confidentiality and data protection articles.
 - (iv) Any liability not to be excluded or limited by law.

11. MERCHANT'S LIABILITY

- 11.1. The Merchant shall be liable all acts, omissions, Cardholder disputes and other Service related issues caused by its Cardholders as if they were its own. Merchant shall be liable for any charges and penalties imposed by the International Payment Systems or other parties imposed due to acts or inaction of the Merchant and/or its Cardholders.
- 11.2. The Merchant is liable for a Transaction processed on behalf of its Cardholder. If (i) payments from Websites not approved by the Payswix are received and/or (ii) if Website fails to comply with the requirements given by Payswix to Merchant in writing, and (iii) if such a failure is not remedied in 5 days since the date of a written notification thereof, Payswix is entitled to demand from Merchant a penalty to indemnify for actual losses and scheme fines". Without prejudice to other remedies, Payswix may (i) cancel such a Transaction and (ii) suspend Settlements until the dispute is resolved.
- 11.3. If the Merchant has accepted payments from Non-verified Client (when applicable), the Merchant shall pay the Payswix the exact fine amount imposed by the International Payment System plus cover administrative costs – 1.000 (one thousand) Euros.
- 11.4. Merchant shall maintain sufficient transaction data to support Compelling Evidence requirements under Visa Compelling Evidence 3.0 and Mastercard dispute frameworks, including device data, delivery confirmation, IP address, and customer account history where applicable.

12. PAYSWIX'S LIABILITY

- 12.1. The Payswix shall be liable for direct damages caused by its negligence or willful misconduct.
- 12.2. There is no liability of the Payswix for any claim generated by:
- (i) the Payswix's compliance with applicable laws and regulations,



- including the International Payment Systems Rules.
- (ii) Any loss or damage to the extent that the Merchant and/or a Cardholder contributed to it by any act or omission, be it negligent or not. The Merchant's liability in that instance shall be determined as per the principles of contributing negligence.
 - (iii) A delay or a shortfall in receipt of funds from the International Payment Systems.
- 12.3. If the Payswix processes a Transaction according to a provided unique identifier, but the identifier turns out to be incorrect, the Payswix shall not be held liable to the Merchant. Such transactions are deemed to be properly processed by the Payswix. However, the Payswix will make reasonable efforts to recover the funds of such a Transaction, and the Payswix may charge the Merchant the actual costs of attempting any such recovery.
- 12.4. There is no liability of the Payswix for a delay or failure to transfer caused by or resulting from (i) late or otherwise incorrect receipt of the Transaction Values from the International Payment Systems or Issuer and/or (ii) due to any restrictions set by the International Payment Systems or the Issuer.
- 12.5. There may be currency exchange rate difference between the processed amounts and Settlement amounts due to cross-border payments regulations in different regions. Merchant acknowledges it, and the Merchant shall not raise any claims regarding it.

13. INDEMNIFICATIONS

- 13.1. BY PAYSWIX:
- (i) Payswix hereby agrees to defend, indemnify and hold harmless Merchant from and against any and all third party claims, demands, actions, losses, liabilities, costs, reasonable expenses and damages of any kind or nature, including, but not limited to, reasonable attorneys' fees, if they arise directly and solely out of: (i) a breach this Agreement; or (ii) the Payswix's fraud, negligence or willful misconduct.
- 13.2. BY MERCHANT:
- (i) The Merchant shall indemnify and hold the Payswix harmless against all losses, fines, sanctions, claims, expenses incurred by the Payswix due to:
 - (a) the Merchant's or its Cardholders' activities or omissions to act under the Agreement, including Merchant's employees, officers, assignees, affiliates, subcontractors;
 - (b) a breach of the Agreement by the Merchant; or
 - (c) the Merchant's fraud, negligence or willful misconduct; or



- (d) inaccurate or misleading MCC classification.
 - (ii) In addition, and without limitation to the above, Merchant shall immediately reimburse Payswix for any amount erroneously received.
 - (iii) Merchant will defend, indemnify and hold Payswix and its representatives harmless from and against any and third party claims, demands, actions, losses, liabilities, costs, reasonable expenses and damages of any kind or nature, including, but not limited to, reasonable attorneys' fees resulting from (i) Chargebacks, Refunds and their costs, and any other documented damages, claims, fines or penalties arising out of or in connection with the foregoing; (ii) any breach of applicable laws, rules, regulations and guidance and International Payment Systems Rules by Merchant and/or its Cardholders; (iii) all third party claims arising from the foregoing; and (iv) any inquiries, investigation or actions by any governmental body related to the Services and due to act/failure to act by Merchant and/or its Cardholder.
 - (iv) The Merchant indemnifies Payswix and its respective officers, directors, employees and agents from and against all claims, actions, losses, liabilities, damages, judgments, amounts paid in settlement, costs and expenses (including legal fees, disbursements and collection fees) resulting from or arising in connection with any Transaction, contract, understanding, promise representation, warranty or other relationship, actual, asserted or alleged, between the Merchant and a Cardholder as to purchase of the Merchant's goods and/or services.
- 13.3. The Services are provided "as is". The Merchant acknowledges that the Payswix makes no representations or warranties, express or implied, regarding the services it provides hereunder, should there be errors, omissions, interruptions or delays resulting from Payswix's performance or failure to perform of any kind.

14. REPRESENTATIONS AND WARRANTIES

- 14.1. Each Party represents and warrants that:
- (i) it has the power and authority to enter into and carry out the Agreement terms; it has all required licenses, permits, etc. issued by the authorized bodies to engage in the activities being the subject of the Agreement;
 - (ii) its performance under the Agreement will not conflict with any other obligation it may have to any other party and will not infringe the intellectual property rights of any third party;
 - (iii) it uses up-to-date privacy measures in order to protect itself and the



- platform it operates from any cyber-attacks and it will operate the platform in full compliance with applicable law and the Agreement;
- (iv) it owns/or has the unfettered right to use all the intellectual property rights it currently uses in its business;
 - (v) there is no action, suit or proceeding at law or in equity now pending or, to the best of its knowledge, threatened by or against or affecting it, which would impair its right to carry on its business as now conducted or affect its financial conditions or operations or its ability to perform the obligations required under the Agreement, and it agrees that it will notify the other Party immediately if it becomes aware of any actual or potential claims, suits, actions, allegations or charges that could affect either Party's ability to fully perform its duties or to exercise its rights under the Agreement;
 - (vi) it will comply with all applicable laws (including but not limited to any anti money laundering obligations and applicable card scheme rules) in relation to the Services provided/received.
- 14.2. The Merchant represents and warrants that:
- (i) it is financially responsible and not engaged in any activity that could cause harm to the International Payment System or its brand;
 - (ii) The Merchant does not receive funds in connection with any illegal, fraudulent, deceptive or manipulative act or practice and that the Merchant is not sending or receiving funds to or from an illegal source.
 - (iii) Merchant is operating within an allowed jurisdiction;
 - (iv) Merchant does not misrepresent its electronic outlets locations.
 - (v) All information contained in any application, questionnaire and any other document submitted by the Merchant to the Payswix is true and binding upon the Merchant, and the Payswix may rely on all such information and documents.
 - (vi) As Chargebacks may arise after the date of a defective Transaction, Merchant warrants that it will reimburse Chargebacks and any related costs, penalties and expenses after termination or expiration of the Agreement.
 - (vii) It has full knowledge of the PCI DSS and Merchant hereby undertakes to faithfully comply there with and apply best organizational and technical security measures and to prove compliance therewith in an appropriate manner to the Payswix upon request. Merchant shall only use service providers that are PCI DSS compliant. Merchant will meet all costs associated with achieving compliance. Merchant is fully responsible in the event of total or partial non-compliance with PCI DSS.



15. THIRD PARTIES

- 15.1. The Payswix could use third parties to provide the Services.
- 15.2. The Merchant acknowledges and agrees that the right to decide and select if and which third party to be used in the provision of Services belongs solely to the Payswix.

•

16. SET-OFF

- 16.1. In addition to any remedies the Payswix may have against the Merchant, the Payswix may set off any documented obligation owed by the Merchant to the Payswix under this Agreement against any sums owed by the Payswix to the Merchant.
- 16.2. The Merchant shall not pledge, charge, mortgage, assign, transfer, encumber or otherwise create security over monies in any account of the Merchant with the Payswix to the extent that the Merchant has unfulfilled obligations to the Payswix.
- 16.3. If the Rolling Reserve volume and accounts of Merchant with Payswix are insufficient to cover all the Payswix's documented claims, the Payswix may invoice the Merchant for the remainder of such claims.

17. CHARGEBACKS AND REFUNDS

- 17.1. Any Chargebacks are the responsibility of the Merchant.
- 17.2. In the event Merchant initiates a Refund, the Payswix shall collect the Fees either from the Rolling Reserve or deduct them from future settlements.

18. TRANSACTION CANCELLATION

- 18.1. The Merchant must inform the Payswix in writing by e-mail or through the Merchant's personal account in the System if the Merchant wants to cancel a Transaction and make a Refund to the Cardholder. The Payswix will comply with such a request within one (1) Business Day since its receipt.
- 18.2. If a fraudulent Transaction is detected, it is canceled together with all related Transactions upon the Payswix's initiative, the Transaction Value to be transferred to the Card. Transaction cancellation and Refund mentioned in this article encompass all Transactions related to a fraudulent Transaction executed up to one hundred and eighty (180) days prior to the fraudulent Transaction.
- 18.3. The Payswix may unilaterally cancel any Transaction, which, in its reasonable opinion is fraudulent. The Payswix will refund the Transaction Value to the Cardholder with further notice of reimbursement sent to the Merchant. Such Payswix's decision is final and may not be challenged.

19. CONFIDENTIALITY



- 19.1. Each Party may disclose (when acting in such a capacity, the Party shall be referred to herein as the “Disclosing Party”) to the other Party (when acting in such a capacity, the party shall be referred to herein as the “Recipient”) certain Confidential Information (as defined below) owned or possessed by the Disclosing Party for the purpose of this Agreement.
- 19.2. The Parties agree that “Confidential Information” shall include any information owned or possessed by the Disclosing Party, regardless of form including not only written information but also information transferred orally, visually, electronically or by any other means. If the Recipient of information from the Disclosing Party does not know whether the information is viewed by the Disclosing Party as confidential, the Recipient must presume that it is viewed as confidential by the Disclosing Party and shall treat it as Confidential Information until the Disclosing Party affirmatively states otherwise in writing or other circumstances establish that the confidentiality restrictions of this Agreement shall not be enforced for such information.
- 19.3. Each Party shall treat Confidential Information as strictly confidential and neither Party shall disclose Confidential Information without the prior written consent of the other Party, except as permitted by Clause 19.4.
- 19.4. Each Party shall be entitled to disclose Confidential Information without prior notice to the other:
- (i) if required under applicable law and regulation, including of Lithuania and/or European Union; and/or
 - (ii) if requested by any government, law enforcement, supervisory or regulatory body or by any court, tribunal or other judicial or quasi-judicial body, in each case having jurisdiction over that Party; and/or
 - (iii) in order to disclose Transaction Data and information about Refunds and Chargebacks to the Data Center and/or International Payment Systems; and/or
 - (iv) if the disclosure is to its professional advisers acting under a duty of confidentiality in relation to that Confidential Information;
 - (v) the Payswix is entitled to disclose Transaction Data and information about the Merchant to International Payment Systems in accordance with the Rules of the International Payment Systems.
- 19.5. The Parties agree that information shall not be deemed Confidential Information, and the Recipient shall have no obligation to hold in confidence such information, where such information:
- (i) is or becomes publicly known through no wrongful act of the Recipient, its employees, officers, directors or agents;
 - (ii) is or will be available to the Parties from sources other than the Party



to this Agreement on the condition that the party which is the source of information is not bound by the limitations imposed by the clauses and non-disclosure agreements with the Party to whom the Confidential Information relates, and the information was legally gained;

- (iii) has been lawfully acquired by the Recipient or its representatives from a person not under any obligation to the Disclosing Party with respect to disclosure of any Confidential Information;
- (iv) is approved for release (and only to the extent so approved) by the Disclosing Party;
- (v) was independently conceived or discovered by the Recipient or its representatives without the use of or reference to the disclosed information.

19.6. Obligations of the Parties:

- (i) to retain the Confidential Information of the Disclosing Party in strict confidence, to protect the security, integrity and confidentiality of such information and to not permit unauthorized access to or unauthorized use, disclosure, publication or dissemination of Confidential Information except in conformity with this Agreement;
- (ii) to ensure compliance with the obligations resulting from the Agreement by its employees (and persons performing duties under civil law contracts), and other parties that have access to Confidential Information. The Recipient shall take reasonable steps to ensure that its representatives adhere to the terms of this Agreement and shall be responsible for any breach of this Agreement by any of its representatives;
- (iii) the Recipient shall not, directly or indirectly, whether acting on its own behalf or as an agent, partner, consultant, affiliate or in any other capacity, in concert with or on behalf of any third party, use Confidential Information to interfere or compete in any way with the business operations, business relationships, contract rights or business opportunities of the Disclosing Party;
- (iv) either Party shall take all reasonable steps and implement and/or use sufficient organizational and technological means to ensure the Confidential Information may not be obtained by or come to knowledge of any unauthorized third person. Such means shall be considered sufficient in case they have been implemented and applied with the same care and diligence that the Recipient uses to protect its own proprietary and Confidential Information, but in no case less than reasonable care;



- (v) if there is an unauthorized disclosure or loss of any of the Confidential Information by Recipient or any of its representatives, Recipient will promptly, at its own expense, notify Disclosing Party in writing (within 24 hours since the breach became apparent) and take all actions as may be necessary or reasonably requested by Disclosing Party to minimize any damage to the Disclosing Party or a third party as a result of the disclosure or loss.

These obligations shall survive the termination or expiration of the Agreement.

20. INSUPERABLE FORCE (FORCE MAJEURE)

- 20.1. Each Party shall be exempted from liability for complete or partial non-execution of obligations, as well as for improper execution of its obligations under the Agreement if such non-execution resulted from Force Majeure that arose after signing the Agreement and that the Party could neither foresee, nor prevent by reasonable measures and that directly influences the ability of the Party to execute its obligations under the Agreement.
- 20.2. At the commencement and cessation of Force Majeure, the Party for which it became impossible to execute its obligations, shall immediately, but not later than 3 (three) Business Days, inform the other Party about it.
- 20.3. If there is no due notification stipulated in Clause 20.2, the Party at fault must pay the damages to the other Party caused by no notification or late notification.
- 20.4. The Party for which it became impossible to execute its obligations shall be entitled not to execute only those obligations that were directly influenced by Force Majeure. The obligations not affected by Force Majeure shall be subject to execution pursuant to the Agreement.
- 20.5. The Party which reasoned non-execution of its obligations under the Agreement with Force Majeure must prove the fact of presence of Force Majeure.
- 20.6. In case the circumstances of Force Majeure or their consequences last for more than 20 (twenty) calendar days, the Parties shall undertake to cooperate with the aim to determine new provisions for execution of the obligations under the Agreement. Should written agreement not be reached within the next 5 (five) calendar days, any of the Parties shall be entitled to unilaterally terminate this Agreement having informed the other Party 5 (five) calendar days beforehand.

21. TERMINATION. TERMINATION EFFECT.

- 21.1. The Agreement comes into effect on the Effective Date and remains in



force for an indefinite period.

- 21.2. Each Party may terminate the Agreement for any reason by giving 30 (thirty)-days written notice to the other Party.
- 21.3. A Party has the right to terminate the Agreement immediately without notice if:
- (i) The other Party is in material breach of the Agreement, and such breach is not remedied within 10 days since the date of a written notice thereof to the Party in breach.
 - (ii) There are reasonable suspicions that the other Party is/was involved in money laundering or other illegal Transactions.
 - (iii) the other Party becomes the subject of a voluntary or involuntary bankruptcy, liquidation, dissolution, receivership or similar action for the benefit of creditors.
- 21.4. The Payswix has the right to terminate the Agreement immediately without notice if:
- (i) the Payswix in its reasonable discretion determines that there is a risk that Merchant and/or the Merchant's products and/or services are not, or are no longer, compliant with applicable laws and regulations, including, without limitation, the International Payment System Rules (if applicable) and/or with the Payswix's compliance and risk policies.
 - (ii) the Merchant has given inaccurate information to the Payswix about its financial position and such statements influenced the Payswix's decision to enter into the Agreement, to assume a particular level of risk and/or to set the security requirements at a particular level;
 - (iii) there is a material adverse change of the Merchant's financial status, or there is a reasonable threat of such adverse change which may have an impact on the Merchant's ability to fulfil its obligations under the Agreement;
 - (iv) the Merchant is in the course of winding up or is insolvent or if it disposes of its operation or business, either in whole or in part, outside the ordinary course of business; has not informed the Payswix about the changes in the submitted information;
 - (v) a suspension under Clauses 7.4 – 7.8 lasts for more than 25 (twenty-five) Business Days;
 - (vi) the Merchant breaches the Agreement or the Rules of the International Payment Systems and does not remedy (if remediable) such breach within a grace period of time set by the Payswix;
 - (vii) the proportion and/or the number of Chargebacks arising from the Transactions exceeds considerably the limits set out in Clause 7.7 of the Agreement;



- (viii) the proportion and/or the number and/or the amount of fraudulent Transactions, conducted via the Cards, exceeds considerably the limits set out in Clause 7.8 of the Agreement;
 - (ix) the Merchant has not provided the Payswix the Action Plan within the time period specified in Clause 7.10.
 - (x) the Payswix is demanded or advised by International Payment System or any governmental or other public or regulatory authority with jurisdiction over it to cease doing business with the Merchant;
 - (xi) International Payment System demands it;
 - (xii) activity of the Merchant deemed to be fraudulent or otherwise wrongful;
 - (xiii) based on other grounds provided in applicable law.
- 21.5. International Payment System may limit or terminate the Merchant Agreement at its discretion and on the date decided by International Payment System.
- 21.6. Agreement termination does not release the Parties from an obligation to make all mutual settlements and payments under the Agreement accrued before the date of termination. All mutual settlements and payments under the Agreement, but for the Rolling Reserve, shall be made in 15 days since the Agreement termination date.
- 21.7. In the event that the Agreement is terminated by the Merchant, any charges already paid under the Agreement will not be refunded.
- 21.8. Payswix may immediately suspend or terminate this Agreement if Merchant is placed in Excessive Chargeback Program, Fraud Monitoring Program, High Fraud Merchant Program, or any equivalent Visa or Mastercard risk program.

22. GOVERNING LAW AND DISPUTE RESOLUTION

- 22.1. The governing law of this Agreement is the law of Lithuania.
- 22.2. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of Lithuania and the Rules of the International Payment Systems. In case of discrepancies between the laws of Lithuania and the Rules of the International Payment Systems, laws of Lithuania shall prevail.
- 22.3. The Parties shall settle all disputes and discrepancies arising from the Agreement and relating to execution, validity and abrogation of the Agreement in the courts of the Republic of Lithuania according to the location of the registered office of the Payswix.



23. INTELLECTUAL PROPERTY

- 23.1. The Agreement does not transfer, and is not Payswix to transfer, to the Merchant any of the intellectual property rights that Payswix owns, creates, acquires or develops during the term of this Agreement.
- 23.2. The Merchant receives a non-transferable, non-exclusive, terminable and royalty-free license to use the Payswix trademark to the extent such serves the purposes of this Agreement. The Merchant shall follow the Payswix's instructions in regard to the use of said trademarks and name and accepts that said license may be altered or revoked at any time with immediate effect.
- 23.3. Each Party will comply with the other's Party's brand rules and requirements provided to each other from time to time and which govern the use of the other's brands and marks or other relevant intellectual property.
- 23.4. As the Payswix is responsible for the Card acceptance policies and procedures of the Merchant, the Payswix may require any changes to its website or otherwise that it deems necessary or appropriate to ensure that the Merchant remains in compliance with the rules governing the use of the trademarks.

24. DATA PROTECTION

- 24.1. For the purposes of this Clause wording "Personal Data", "Data Subjects", "Controller", "Processor" and "to process" shall have the meaning set out in the GDPR.
- 24.2. In relation to the performance of its obligations under this Agreement, each Party is separately and independently responsible for complying with the provisions and obligations that apply to it as a Controller under the Data Protection Legislation and any equivalent legislation or regulations in any relevant jurisdiction. For the avoidance of doubt, Payswix shall only comply with Data Protection Legislation, directly applicable to it. This Clause is in addition to, and does not relieve, remove or replace, a party's obligations under Data Protection Legislation.
- 24.3. Each Party shall maintain records of all processing operations under its responsibility that contain at least the minimum information required by the Data Protection Legislation and shall make such information available to any Data Protection Regulator on request.
- 24.4. The Parties acknowledge and agree that they shall each be a Controller for the purposes of Data Protection Legislation. In particular the Payswix shall determine the purposes and manner of its own processing of Personal Data, including for the purposes of:
- (i) risk management including fraud monitoring, prevention, detection



- and prosecution;
 - (ii) regulatory compliance activity including anti-money laundering, financial crime compliance and identity screening;
 - (iii) the Payswix's compliance with the Rules of International Payment Systems;
 - (iv) the Payswix's compliance with any other applicable laws.
- 24.5. Where the Merchant transfers Personal Data to the Payswix, the Merchant warrants and represents to the Payswix that it has the right to transfer such Personal Data to the Payswix for the duration and purposes of this Agreement, and that it has either:
- (i) obtained all necessary consents to transfer the Personal Data to the Payswix at the appropriate time; or
 - (ii) secured another lawful basis, in accordance with applicable Data Protection Legislation, to process the Personal Data and to share such Personal Data with the Payswix for processing as envisaged by this Agreement, and provided appropriate privacy notices to the relevant Data Subjects (as required by Data Protection Legislation) to enable it to share the Personal Data with the Payswix for the purposes of providing the services envisaged by the Agreement.
- 24.6. Notwithstanding Clause 24.5, where (and only to the extent that) either Party processes any Personal Data as a Processor on behalf of the other Party in connection with this Agreement or the Services, the Processor will comply with the provisions and obligations imposed on a Processor by the GDPR, including the stipulations set out in Article 28(3)(a)-(h) of GDPR which shall form a part of, and be incorporated into this Agreement as if they were set out in full, and the reference to "documented instructions" in Article 28(3)(a) shall include the provisions of this Agreement. Such processing shall be in respect of Cardholder data and for the purposes, set out in this Agreement, and such processing shall take place for the term of this Agreement.
- 24.7. Merchant acknowledges that, in order to provide the services under this Agreement, the Payswix may be required to share Personal Data with (i) International Payment Systems; (ii) payment processors, credit reference and fraud prevention agencies; (iii) any other person if required by applicable law or regulation (including, without limitation, statutory or regulatory reporting obligations); and (iv) any other person to whom the Payswix may transfer its rights under the Agreement.
- 24.8. Obligations of the Parties:
- (i) if either Party receives any complaint, notice or communication which relates directly or indirectly to the processing of Personal Data by the



- other Party or to either Party's compliance with the Data Protection Legislation, it shall promptly notify the other Party and it shall provide the other Party with reasonable co-operation and assistance in relation to any such complaint, notice or communication;
- (ii) Upon becoming aware of a security incident, involving or impacting Personal Data (including Cardholder's data), affected Party without undue delay, but not later than within 24 (twenty-four) hours shall provide all information and cooperation as such other Party may reasonably require, including without limitation:
- (a) cooperation reasonably required by the other Party for the purposes of mitigating the effects of a security incident and/or coordinating any notifications to Data Protection Regulators, Data Subjects and other third parties as may be required by applicable Data Protection Legislation or which the Parties might otherwise consider prudent in the circumstances; and/or
- (b) updates on an ongoing basis regarding: (i) the nature and categories of the Personal Data concerned; (ii) the numbers of Personal Data records which have or may have been compromised; (iii) complaints and/or queries received in relation to the security incident from Data Subjects, Data Protection Regulators or other third parties; and/or (iv) any other developments regarding the security incident. The affected Party shall further take all such measures and actions as are necessary to remedy or mitigate the effects of the security incident.
- 24.9. Each Party is solely responsible for any breach of Data Protection Legislation. The Payswix shall not be liable for any loss, injury, claim, liability, or damage of any kind resulting from the Merchants breach of Clause 19.5 of the Agreement together with clauses of Data Protection Legislation.

25. MISCELLANEOUS

- 25.1. The Payswix may unilaterally modify and/or amend the Agreement with a written notification thereof (except Clause 8.7.). If the Merchant does not agree with such change(s) of the Agreement, the Merchant has the right to send a notification to Payswix of unilateral termination of the Agreement within 5 (five) days from the date of sending the notification of Agreement's modification and/or amendments. Termination of the Agreement shall take effect not earlier than 30 (thirty) days after receipt of the notice of termination.
- 25.2. All other services, which are not stipulated in this Agreement, but are



provided to the Merchant by the Payswix, shall be provided in accordance with the fees of the Payswix, which are provided in the Annex 1 of the Agreement.

- 25.3. The Merchant shall not be entitled to assign its rights and obligations under the Agreement without prior written consent of the Payswix.
- 25.4. For currency conversion purposes the Parties shall apply conversion rates of Payswix's bank on the conversion date.
- 25.5. The Payswix may assign its rights and obligations under this Agreement to another third party at any time, upon giving 15 (fifteen) days prior written notice to the Merchant. Activities such as acceptance of the Cards, Transactions processing, Transaction Data transmission, Software installation and servicing may be assigned by the Payswix to a third party without prior written notice to the Merchant.
- 25.6. All notifications and correspondence in connection to this Agreement shall be sent between Parties in English and in writing.
- 25.7. This The Agreement shall come into effect as soon as signed by both Parties and shall remain in force until terminated in accordance with its terms.

