

Commercial Agreement

The 'Client'

And

ISX Financial EU Plc, trading as "ISXPay"

[Authorised Electronic Money Institution, with **Central Bank of Cyprus License 115.1.3.17**]



EEA Authorised
EMI #115.1.3.17

[This offer is subject to satisfactory due diligence, and is subject to periodic review]

MERCHANT AGREEMENT (STANDARD MERCHANT TERMS (EEA))

This **Merchant Agreement** is made and entered into effective date from the date shown in the Payment Facilitation Terms, and as revised from time to time,

By and Between

- (1) **ISX Financial EU Plc** (“ISXPay” or “We”) – (Company Number HE 348009), of Makrasykas 1, KBC North Building, 2034 Strovolos, Nicosia, Cyprus (hereinafter referred to as “ISX” for identity services or “ISXPay” for electronic money issue and redemption services originating from card acquiring and payment facilitation services); and
- (2) **the Merchant, with details as shown in the Payment Facilitation Terms** attached which the Terms form an essential part of this Agreement (hereinafter referred to as “Merchant” or “You”)

Each of ISXPay and Merchant being a “Party” and collectively the “Parties”.

BACKGROUND, WHEREAS

ISXPay is an EEA Financial Institution providing Payment Services and Electronic Money issuance Services, specifically acquiring, emoney issue and redemption services, under authorisation #115.1.3.17 of the Central Bank of Cyprus.

At ISXPay’s discretion and subject to approval from a Third Party Acquirer (if required), the Acquiring services may also be offered in conjunction with the Third Party Acquirer(s) nominated on the Fee Schedule, where ISXPay acts as the contracting and collecting Payment Services Provider.

In all cases, the Merchant Agreement, being the contract specifying the terms between the Merchant and ISXPay® for card acquiring, alternative payment methods (if available) and their settlement (the “**Payment Services**”) is directly between ISX Financial EU Plc and the Merchant, with ISX Financial EU Plc providing the Merchant Account facilities to its customer (**Merchant**). The provision of emoney accounts, including issuing and redemption of emoney to hold funds, and payment accounts for bank to bank transfers, remittance and original credit transfers are offered via separate agreement(s).

Subject to satisfactory conclusion of due diligence by ISXPay, ISXPay issues electronic money (“eMoney”) under Directive 2009/11/EC, and provides payment facilitation services for entities operating in the SEPA/European Economic Area, including the following PCI DSS certified gateway functions:

- a. A means for the capture, authorisation, routing, processing and settlement of transactions from Alternative Payment Methods (APM) and various card schemes (“Cards”), including MasterCard, Discover Global Network, UnionPay International and JCB.
- b. The settlement of funds as either electronic money or to a third party payment account.

The Merchant offers services under the NACE Code and Merchant Category Code (MCC) indicated in the Fees Schedule, and shall be registered with the Card Schemes by ISXPay under the foregoing MCC.

ISXPay shall supply payment gateway, card acquiring and related payment facilitation services, including where contracted eMoney issuance direct to the Merchant’s IBAN or BBAN account, held with ISXPay. ISXPay’s payment gateway transaction processing services for card transactions originating from the websites nominated below (without exception), and payments made to the Merchant shall be routed through ISXPay and held as eMoney until redemption. Data shall be processed according to PCI DSS and shall be stored within the European Union to EC privacy directives in accordance with ISX’s ISO27001 certified practices.

The Merchant has agreed that at all times to prominently display on their website:

- i. Relevant license and/or regulatory details
- ii. Product Disclosure Statements / Regulatory Notices.
- iii. Privacy policy
- iv. Fee Structure
- v. Standard Terms and Conditions
- vi. Refund Policy
- vii. Explicit Consent to satisfy GDPR

The Merchant has additionally agreed that:

- a. it shall not direct payments from any other website or domain to ISX without prior agreement,
- b. It shall complete and submit to ISX a PCI Self-Assessment Questionnaire (SAQ-A) annually where it does not hold a PCI Attestation of Compliance.
- c. It will comply with the Card Scheme Rules for transactions processed over each respective scheme’s network, as published by Mastercard, Discover Global Network, UnionPay International and JCB Worldwide, and available from their respective websites, e.g.: <http://www.global.jcb/en/>, www.mastercard.com and <https://www.discoverglobalnetwork.com> (The “Rules” or “Card Scheme Rules”)

OPERATIVE PROVISIONS:**IT IS AGREED:**

In consideration of the mutual promises, covenants, undertakings, understandings and agreements set out below, the Parties agree as follows:

PART A: STRUCTURE AND SCOPE OF MERCHANT AGREEMENT

This Merchant Agreement (Standard Merchant Terms (EEA)) sets out the standard terms and conditions for ISXPay Payment Services covering Card acquiring.

- i. This Merchant Agreement is comprised of:
- ii. Part A (Structure and Scope of Merchant Agreement);
- iii. Part B (The Standard Merchant Terms) including its relevant annexes (set out below under Part B, *which shall prevail in case of conflict for all card transactions or flykk® instant payments from cards*);
- iv. *Payment Facilitation Terms*;
- v. *Fees Schedule for the Payment Facilitation Services*;
- vi. the Merchant Application Form signed by Merchant (Application), including AML Regulated Merchant Form and Merchant Website Compliance Checklist
- vii. the latest revision of the Card Scheme Rules, from each of Mastercard Inc, Discover Global Inc (incl Diners Club), UnionPay International and JCB International, as supplied on request or as found on their respective websites e.g. <http://mastercard.co.uk> and <http://www.jcbeurope.eu>.
- viii. GDPR Addendum (EU/EEA Merchants Only)
- ix. Merchant eMoney Payment Services (if applicable) for EMA and related eMoney Services
- x. the Merchant's PCI DSS current Attestation of Compliance (AoC) and latest Quarterly Scan, or the Merchant's completed SAQ-A.
- xi. any additional documents listed in the Merchant Agreement or Merchant Application Form (as and where applicable);

(together the **Merchant Agreement**).

If there are any inconsistencies in the documents forming the Merchant Agreement, the document listed higher in the list will prevail to the extent of such inconsistency.

For the sake of clarity, the following annexes are included as part of the Merchant Agreement, set out at the end of the Merchant Terms (Part B of the Merchant Agreement):-

Annex 1 – Glossary and Definitions

Annex 2 – Special Service Conditions

Annex 3 – Service Level Agreement

Annex 4 – Website Ownership Declaration

Condition Precedent: This Agreement becomes legally binding upon the earlier of either i) completion of integration, ii) transfer of funds to an IBAN issued by ISXPay or to a nominated EU/SEPA Institution in the Clients name, or iii) receipt of Security (if applicable).

In the event that the Condition Precedent is not met within 120 calendar days from date of execution, then this Agreement may be terminated by ISXPay.

PART B: STANDARD MERCHANT TERMS**1 VIRTUAL CONNECTIONS AND GETTING STARTED****Business preparation and installation**

- a) You will at Your own cost prepare Your business for the Services, including installation of any and all telecommunication, servers, power supply lines, and services as necessary.

1.1 Processing Software Licence

- a) ISXPay grants You a non-exclusive license to use the Processing Software in Your business for the purposes of this Agreement for the term of this Agreement.
- b) You must not reproduce, communicate, modify or reverse engineer the Software.
- c) You must not give any third-party access to the Processing Software without ISXPay's prior written consent. ISXPay consents to You giving Your service provider access to the Software.

1.2 Dashboard Access

Where You receive access to the Dashboard to enable You to view Your Transaction history and reports You agree:

- a) ISXPay retains the Intellectual Property Rights in the Dashboard;
- b) You, Your employees, agents and contractors will utilise the Dashboard only for the purposes of You receiving the merchant acquiring services under this Agreement and in accordance with:
- i. the relevant user manuals
 - ii. any acceptable use terms displayed at the point of log in to the Dashboard; and
 - iii. any instructions otherwise received from ISXPay in respect of use of the Dashboard.
- c) You are only authorized to use the account and password assigned to You, will not allow any other person to use Your access credentials, and will procure that Your employees and contractors given access will comply with this requirement.
- d) Your use of the Dashboard is subject to the license and use terms in section 1.1.
- e) You are responsible for procuring all necessary systems to utilise the Dashboard, including without limitation hardware, software and internet access.
- f) ISXPay may terminate immediately access to and use of the Dashboard for any one or more users if the users do not adhere to the obligations in this clause 1.2.

2 APPROVAL TO USE PAYMENT SERVICES**2.1 You acknowledge that:**

- a) the operation of this Agreement is conditional on ISXPay approving and maintaining such approval, of an application for ISXPay to provide the Payment Services to You; and
- b) in relation to any information provided by You to ISXPay in connection with Your application, including personal information of directors, ultimate beneficial owners, or persons of significant control :
- i. ISXPay may provide that information to Third Party Acquirer, credit reference agencies, identity verification bureaus, law enforcement, regulators, sanction and watchlist providers, and other parties as may be required for ISXPay[®] to fulfil its obligations under Anti Money Laundering Regulations ;
 - ii. We may rely on such information as being complete, accurate and not misleading or deceptive; and
 - iii. Third Party Acquirer is not obliged to verify the completeness or accuracy of the information it receives from ISXPay; and
 - iv. We may obtain from any Card Scheme or a person who is involved in any Card Scheme, any credit reporting agency or any other person, information about Your merchant history or Personal Information about You, a Related Body Corporate, Your officers, employees or agents for any purpose relating to the operation of those Card Schemes and We can use any such information to assess an application from us under clause 2.1(a);
- c) We can disclose information about Your merchant history, a data breach and relevant Personal Information in the following circumstances:
- i. to the Third Party Acquirer(s), any Card Scheme, APM, Monetary Financial Institution, national or European regulators, or to any person who is involved in any Card Scheme, information about You for any purpose related to the operation of those schemes, card fraud detection agencies (including information about termination of merchant solutions and reason(s) for termination of the merchant solutions; and
 - ii. where the law requires or permits us to do so; and
 - iii. where we have reasonable grounds to believe that either You are involved in dishonest or criminal activity, are a victim of such activity, may have information relevant to an inquiry into such activity or have experienced a data breach, to any state or federal law enforcement or regulatory agency whether or not we have been requested by that agency to provide such information; and
- d) ISXPay can disclose Your information to any related entities of ours and to any outsourced service providers engaged by us (for example, mail houses, debt collection agencies (where necessary) or data analytics providers); and
- e) the decision whether to approve Your application is at ISXPay's sole discretion and the reason for any decision which is made may not be given to You;
- f) an approval by ISXPay is specific to ISXPay providing payment services to You and does not in any way constitute a representation by ISXPay or any Third Party Acquirer that You will able to use the services of another payment service provider including any services from one or more of the Third Party Acquirers directly should You cease using ISXPay's payment services for any reason; and
- g) any information obtained by ISXPay during its assessment of an application under clause 2.1(a) is and remains confidential to ISXPay and will not be shared with You. ISXPay and Third Party Acquirer are both bound by EU Regulations and Card Scheme Rules and all correspondence and discussions between Card Schemes and ISXPay and/or Third Party Acquirer are confidential as between ISXPay and/or Third Party Acquirers and the Card Schemes.
- 2.2 You represent and warrant that:**
- a) any information You provide to ISXPay in connection with an application for ISXPay to provide the Services is complete, accurate and not misleading or deceptive; and

- b) if You have disclosed Personal Information to ISXPAY in connection with the application under clause 2.1(a), You have obtained the relevant individual's prior consent to the disclosure and otherwise complied with Your obligations under Privacy Law; and
- c) You are able to satisfy Your obligations and responsibilities under this Agreement.

2.3 You acknowledge and agree that:

- a) ISXPAY and any of the Third Party Acquirers are authorised to obtain from third parties financial and credit information relating to You in connection with our decision to approve Your application and in respect of our continuing evaluation of Your financial and credit worthiness; and
- b) any information collected by ISXPAY may be disclosed by us to any of the Third Party Acquirers, including any Data we deem necessary to process Transactions.

2.4 Where a party other than ISX Financial EU Plc acts as the Acquirer and/or APM for the entire or substantial portion of the Payment Services offered under this Agreement, the Parties agree that no Party is or will be bound by this Agreement unless and until Third Party Acquirer and/or APM has confirmed its approval for ISXPAY to provide the Payment Services to You.

3 Your OBLIGATIONS TO ISXPAY

3.1 You:

- a) must immediately notify ISXPAY of any change to Your financial position which may affect Your ability to perform Your obligations under this Agreement; and
- b) must provide ISXPAY with prior written notice of any change in Your place of business, not carry on business in a place which has not been approved by ISXPAY and must not move Your place of business without our prior written consent; and
- c) must not change Your business name or ownership of Your business without giving ISXPAY prior notice and not substantially change the type of goods and services You sell without our prior written consent; and
- d) only submit a sales transaction where You are the supplier of the goods and/or services; and
- e) not submit transactions on behalf of a third party. For the avoidance of doubt, this includes submitting transactions for goods or services sold on another Person's website; and
- f) must allow the employees, contractors or agents of ISXPAY, Third Party Acquirer (where it is acting as the Acquirer), APM or those of any Card Scheme reasonable access to Your premises during normal business hours to check Your compliance with this Agreement, the Data Security Standards or for the purposes of the relevant Card Scheme Rules; and
- g) must provide ISXPAY with all information and assistance reasonably required to perform their obligations and to deal with any queries in relation to the Payment Service; and
- h) must comply with all applicable Card Scheme Rules and Relevant Laws and contractual requirements in accepting card payments and performing Your obligations under this Agreement; and
- i) will observe and implement the fraud prevention procedures set out in the manuals, guides or directions provided to You, unless otherwise mutually agreed to by the parties.

Data Security Standards

3.2 This clause applies to You if You collect payment data directly from a cardholder or store any cardholder data. In addition to the other provisions of this agreement, You acknowledge and agree:

- a) You are and shall remain during the term of the agreement compliant with all PCI DSS rules and requirements and must protect stored cardholder data, regardless of the method used to store such data. Data storage also includes physical storage and security of cardholder data. Some examples of other data storage which must be secured include an access or excel database and hard copy files. Storage shall be kept to the minimum required for business, legal, and/or regulatory purposes; and
- b) You must not store the personal identification number (PIN), CVV/CVV2 or sensitive authentication data after authorization (even if encrypted); and
- c) You shall, during the term of this agreement comply with the Payment Card Industry Data Security Standards You must, at Your cost, successfully complete the protocols for certification to the appropriate level of PCI DSS within the time frame stipulated by ISXPAY or the Card Schemes. You acknowledge and agree that if You fail to do so:
 - i. ISXPAY may terminate the merchant services; and
 - ii. You are liable for any fine imposed upon ISXPAY or its Third Party Acquirers by the Card Schemes as a result of Your failure to comply; and
 - iii. You are liable for any fines which the Card Schemes levy in the event that You suffer a card data compromise incident, and have not complied with the PCIDSS Accreditation program; and
- d) ISXPAY is obliged to report all Data Breach events to Card Schemes, law enforcement agencies and/or European Union and EEA member state regulators. You grant irrevocable and enduring consent for ISXPAY and/or Third Party Acquirer release details of any such Data Breach to the aforementioned bodies; and
- e) if You have or suspect having suffered a Data Breach:
 - i. You must appoint a forensic auditor
 - ii. You must give the forensic auditor, full access to Your systems and databases to facilitate a forensic analysis to ascertain:
 - a. what card data has been compromised; and b. what weaknesses in the system permitted the unauthorised access to the data base; and
 - b. whether card data was created, deleted, altered, copied or manipulated in any manner; and
 - c. and You must disclose all findings related the investigation to ISXPAY, its agents and provide consent for us to share data and findings with the Third Party Acquirers and APMs
 - iii. all costs related to the forensic analysis must be paid by You; and
 - iv. to continue processing APM Transactions or Card Transactions, You must undergo a full Payment Card Industry Data Security Standard ("PCI DSS") accreditation. All costs of this accreditation exercise must be paid by You and
 - v. You must provide Us with annual Attestation of Compliance (AoC) to PCI DSS, together with quarterly scans of Your servers and website from a PCI Approved Scanning Vendor, until such time as we notify You in writing this scan is no longer required.

Your duties to Cardholders

3.3 Subject to the other provisions of this Agreement, You:

- a) must accept any valid and acceptable Card in a transaction; and
- b) must only send ISXPay a sales transaction when You have committed to provide the goods and services to the customer; and
- c) must not accept a Card in a credit card transaction for the purpose of giving a Cardholder cash; and
- d) must perform all obligations (including supplying all goods and/or services) to the cardholder in connection with the sale; and
- e) must not sell, purchase, provide or exchange any information or document relating to a Cardholder's account number, or Card number, or a transaction, to any Person other than:
 - i. ISXPay; or
 - ii. Third Party Acquirer, where it is not ISXPay; and
 - iii. the card issuer; or
 - iv. the APM
 - v. as required by law; and
 - vi. must destroy any document that is no longer required to be retained by applicable law or Card Scheme Rules, in a manner which makes the information unreadable; and
 - vii. must take reasonable steps to ensure that the information and documents mentioned in (e) are protected from misuse and loss and from unauthorised access, modification or disclosure; and
 - viii. must not make any representation in connection with any goods or services which may bind ISXPay, Third Party Acquirer, APM or any Card Scheme; and
 - ix. must not indicate or imply that we, or the Third Party Acquirers, the APMs or any Card Scheme endorse any goods or services or refer to a nominated Card in stating eligibility for goods, services, or any membership; and
 - x. must not accept a Card or a transaction which is of a type You have been previously advised is not acceptable; and
 - xi. must prominently and unequivocally inform the Cardholder of Your identity at all points of Cardholder interaction (including on any relevant web site, promotional material and invoice) so that the Cardholder can readily distinguish You from ISXPay, any supplier of goods or services to You, or any other third party; and
 - xii. must provide notice to any Cardholder with whom You enter into a transaction that You are responsible for that transaction, including for any goods or services provided, any payment transaction, related service enquiries, dispute resolution, and performance of the terms and conditions of the transaction; and
 - xiii. must not unfairly distinguish between issuers of a Card when accepting a transaction; and
 - xiv. must not refuse to complete a transaction solely because a Cardholder refuses to provide additional identification information in circumstances where we do not require You to obtain it; and
 - xv. if You collect or store Cardholder information, You must comply with any Data Security Standards notified to You; and
 - xvi. You must not transfer or attempt to transfer financial liability under this Agreement by asking or requiring a Cardholder to waive his or her dispute rights.

Indemnity

3.4 You agree to indemnify and hold each APM, Third Party Acquirer and/or ISXPay harmless from and against any fines imposed on any APM, Third Party Acquirer or ISXPay by a Card Scheme, national regulator, or European regulator because of Your conduct in relation to the merchant services, including any fines imposed as a result of an unacceptable rate of chargeback or use of any Payment Service.

4 PROCESSING REQUIREMENTS**4.1 Transaction procedures**

4.1.1. You must follow all procedures and requirements relating to Card Transactions set out in this Agreement, including complying with the Operating Procedures and applicable Card Scheme Rules, as amended from time to time.

4.1.2. To process transactions correctly:

- (a) You must use a means provided by us including the API Call, Secure Payment Page or the Virtual Terminal ("Terminal") to process all transactions;
- (b) all details on the Sales Receipt must be true;
- (c) the transaction must not be subject to any dispute, set-off or counterclaim;
- (d) You must not have any suspicions or evidence that would indicate that the transaction was fraudulent or not authorised by the Cardholder;
- (e) You must not manually key a transaction should a Card not process correctly through Your Terminal;
- (f) You must implement industry standard fraud management tools.

4.2 Transaction records

You must:

- a) immediately provide ISXPay with Your records, all information and assistance that ISXPay may reasonably require, relating to any Transactions;
- b) keep in a secure manner all Transaction records for at least two (2) years from the date of delivery of the goods or services; and
- c) give ISXPay a clear and legible copy of any voucher or other Transaction record that ISXPay asks for (otherwise the Transaction may be charged back to You); and
- d) stop accepting Cards as and when notified to You by ISXPay.

4.3 Recurring Transactions

4.3.1 A Recurring Transaction is a Transaction where You are authorized to make regular drawings on a Card at predetermined intervals (not to exceed one year between Transactions) with the Cardholder's written authority.

4.3.2 You may only process a transaction as a recurring transaction if:

- i. You have obtained cardholder permission (either electronically or in hardcopy) to periodically charge for a recurring service, including;
 - a) The amount of the recurring transaction;
 - b) Whether the amount is fixed or variable;
 - c) The date of the recurring transaction;
 - d) Whether the date is fixed or variable
 - e) the method of communication for all cardholder correspondence;
 - f) You retain this permission for the duration of the recurring services, and during two (2) years after the last transaction and make it available to us on request; and
 - g) You provide a simple and accessible online cancellation procedure, if the cardholder request for the goods or services was initially accepted online
- ii. Notwithstanding anything to the contrary, You may obtain and hold cardholder authorisation for all recurring Transactions and ensure that the relevant card is within current validity at all times.

4.3.3 You may only store the following Cardholder information for the purposes of conducting recurring Transactions, and the storage must be done in full compliance with PCI DSS:

- i. PANs;
- ii. Cardholder name;
- iii. Card expiry date; and
- iv. extended service code for smart cards where applicable.

4.3.4 The Merchant must notify the Cardholder at least seven (7) business days prior to the recurring transaction payment being taken in any of the following situations:

- i. More than six (6) months have elapsed since the last payment
- ii. A trial period, introductory offer or promotional activity has expired;
- iii. There are changes to the recurring transaction agreement, including but not limited to:
- iv. A change in the amount of the recurring transaction and / or
- v. A change to the date of the recurring transaction

4.4 Initiating Recurring Transactions

4.4.1. If, upon initiation of a recurring transaction, no payment is required, You must:

- a) Submit an account verification message (AVM) (i.e. a transaction of €0) for the issuer to approve; and
- b) If a non-approval response to an AVM is returned to You, no subsequent recurring transaction should be submitted under the RT agreement. In this case, You must address the matter with the Cardholder

4.4.2. Once the Cardholder has provided their consent to the recurring transaction by confirming the transaction in accordance with 4.3 above, You must provide confirmation of the recurring transaction agreement to the Cardholder within two business days.

4.4.3. You must clearly state the method of communication and subsequently collect the appropriate contact details from the Cardholder that will provide the means for future communication.

4.4.4. Where a Single Euro Payment Area (SEPA) eMandate is used, You shall make arrangements with ISXPAY to access at additional cost, the ISXPAY e-mandate service.

4.5 Chargebacks

4.5.1. If a Transaction is an Invalid Transaction as denoted in this clause 4.5 or otherwise constitutes a valid Chargeback in accordance with this Agreement and relevant Card Scheme Rules, SEPA Rules, or APM terms and conditions, ISXPAY may in its discretion (as the context dictates and without a request or demand from a Cardholder):

- i. refuse to accept the Transaction; or
- ii. if the Transaction has been processed, at any time within two (2) years of the date of the Transaction, charge that Transaction back to the Merchant by debiting the Settlement Account or Fee Account or otherwise exercising any right under this Agreement.

4.5.2. ISXPAY may also refuse to accept or Chargeback any Transaction where:

- i. the Cardholder claims the Transaction is invalid or disputes liability for any reason;
- ii. You process a cancelled recurring Transaction;
- iii. the Cardholder asserts a claim for set off or counterclaim.

INVALID OR UNACCEPTABLE TRANSACTIONS

A) Transaction is an "Invalid Transaction" and may be subject to Chargeback if:

- i. the transaction is illegal as per applicable laws; or
- ii. if applicable, the signature on the voucher, Transaction Receipt or authority is forged or unauthorised; or
- iii. the transaction is before or after any validity period indicated on the relevant Card; or
- iv. You have been told not to accept the Card; or

- v. the transaction is not authorised by the Cardholder; or
- vi. the particulars on the copy of the voucher or Transaction Receipt given to the Cardholder are not identical with the particulars on any other copy; or
- vii. the price charged for the goods or services is inflated to include an undisclosed surcharge for card payments; or
- viii. another person has provided or is to provide the goods or services the subject of the transaction to a Cardholder; or
- ix. You did not actually supply the goods or services in full, or goods were not as described, were counterfeit goods, unfit for sale or unmerchandiseable, or were not supplied in a timely manner, to a genuine Cardholder as required by the terms of the transaction, or have indicated Your intention not to do so; or
- x. the transaction did not relate to the actual sale of goods or services to a genuine Cardholder; or
- xi. the transaction is offered, recorded or billed in a currency we have not authorised You to accept; or
- xii. this Agreement was terminated before the date of the transaction; or
- xiii. You have not complied with Your obligations in clause 3.3; or
- xiv. if applicable and provided that You are allowed to key enter transactions, the details are keyed into the Terminal and You did not legibly record on a Transaction Receipt the information required by clause 6; or
- xv. it is a credit transaction in which:
- xvi. the amount of the transaction or transactions on the same occasion is more than any applicable limit notified to You; or
- xvii. You collected or refinanced an existing debt including, without limitation, the collection of a dishonoured cheque or payment for previous card charges; or
- xviii. You provide a person, End User or Cardholder with cash; or
- xix. it occurs during a period in which Your rights under this Agreement were suspended under or after this Agreement was terminated; or
- xx. You cannot give a Transaction Receipt as required by clause 6 provided for herein; or
- xxi. the Sales Receipt is incomplete or was not presented to us within the relevant timeframe; or
- xxii. the Transaction is subject to dispute, set-off or counterclaim; or
- xxiii. it was processed to Your own Card or bank account; or
- xxiv. Authorisation for the Transaction was declined for any reason; or
- xxv. You use a manual sales voucher in circumstances where Your electronic terminal is operational; or
- xxvi. it is not processed in accordance with the Operating Procedures or any other term of this Agreement; or
- xxvii. You issue a credit which does not have a previous offsetting sale; or
- xxviii. relates to or are in connection with, the sale of goods or services that are in contravention of the laws of Cyprus or the European Union,
- xxix. are prohibited in the card holder's country or are prohibited in the country where the goods are to be shipped are otherwise prohibited by ISXPay; or
- xxx. for any other reason, the Cardholder is entitled under the Card Scheme Rules to a chargeback of the transaction.
- xxxi. Transaction for a sale or refund is not acceptable if:
 - a) the Cardholder disputes liability for the transaction for any reason or makes a claim for set-off or a counterclaim; or
 - b) it is of a class which ISXPay decide, in their discretion, is not acceptable.

B) You acknowledge and agree that ISXPay may:

- a) refuse to accept a transaction if it is invalid or unacceptable, or may charge it back to You if it has already been processed, even if the authorisation has been obtained from the Card issuer; and
- b) reverse a sales transaction as a chargeback, and debit Your account for the amount of the chargeback, for any of the reasons in clauses 4.5.2 A) and B) and any other reason we notify You of from time to time; and
- c) without limiting the above, delay, block, freeze or refuse to accept any transaction where ISXPay has reasonable grounds to believe that the transaction breaches Cypriot law or European Union sanctions or the laws or sanctions of any other country.

C) If ISXPay receives a payment from a Cardholder relating to an Invalid Transaction that has been subject to a Chargeback, ISXPay will debit the Settlement Account with an amount equal to that payment, less any amount ISXPay is entitled to withhold or set off under the Agreement.

D) Where ISXPay agrees to assist You in a dispute with a cardholder, You will within five (5) days of request from ISXPay, provide evidence that the relevant Card Scheme Rules have been satisfied and You will provide all compelling evidence needed to represent the dispute.

5 ANTI MONEY LAUNDERING

We advise that Transactions may be delayed, blocked, frozen or refused where we have reasonable grounds they have breached Cypriot or EU law or EU sanctions. You acknowledge and agree that we will not be liable for any loss suffered by You as a consequence of such action.

CARD ACCEPTANCE REQUIREMENTS

5.1 You must:

- i. use reasonable care to detect unauthorised use of a Card; and
- ii. notify ISXPay if You become aware of or suspect fraud on the part of a Cardholder; and
- iii. establish a fair policy for dealing with refunds and disputes about transactions and include information about that policy on Transaction Receipts as required by ISXPay; and
- iv. only submit a transaction as a refund to a Cardholder if it is a genuine refund of a previous sale transaction. The refund must be processed to the same account or card that was used in the original sales transaction and be for the original sale amount; and should only be made for APM Transactions, debit and credit Card Transactions.
Refund on prepaid cards are not permitted; and
- v. give refunds for transactions by means of credit and not in cash or cheque; and
- vi. not process a refund transaction as a way of transferring funds between Your accounts; and

- vii. ensure that, except for MCC6051, 6211,7995, or any other MCC nominated in writing by ISXPAY, refunds do not exceed forty five percent (45%) of Your to- date monthly transaction value.
- viii. if a transaction for a sale does not cover the full amount of the sale in the situation in which the Card is used to make a deposit or pay an instalment You may accept the Card in payment of all or part of the outstanding balance; and
 - ix. in any other circumstance You must obtain the balance due at the time the sale is completed in cash; and
 - x. not state or set a minimum or maximum amount for a Card Transaction without our prior written consent; and
 - xi. not ask a Cardholder to reveal their PIN or any other secret identifier; and
 - xii. contact ISXPAY for instructions if the identification of a Cardholder or the validity of the Card is uncertain; and
 - xiii. not knowingly submit for processing any transaction that is illegal or that You should have known is illegal.

5.2 For remote transactions, You must:

- a. take reasonable steps to verify the identity of the Person You are dealing with, in order to confirm that they are the genuine Cardholder; and
- b. record reasonable identification details of the Person You are dealing with, as well as the expiry dates of the Card.
- c. At Your cost implement such card and transaction verification techniques as required to decrease Transaction risk, in particular where Your activities or merchant category code is classified as high risk by ISXPAY.
- d. The refund mechanism shall not be used to originate credit transfers for any purpose, including paYOUt of winnings or earnings against wagers, trades, bets, or similar activities.

6 TRANSACTION RECEIPT

- 6.1** Unless we have agreed that we will provide the transaction receipt to the cardholder, You must give the Cardholder a copy of the Transaction Receipt for each transaction, but You must not charge a fee for doing so.
- 6.2** If You are notified that You must prepare the Transaction Receipt, You must ensure the information contained in the Transaction Receipt:
- a) is identical with the information on any other copy; and
 - b) legibly includes the information notified to You.
- 6.3** You must provide ISXPAY with the Transaction Receipt and any other required evidence of the transaction within seven (7) days if You are asked by ISXPAY to provide it.
- 6.4** If You wish to change Your Internet or email address, or telephone number appearing on the Transaction Receipt, You must notify ISXPAY in writing at least fifteen (15) Banking Days prior to the change taking effect.

7 WEBSITE REQUIREMENTS

- 7.1** Unless You are otherwise notified in writing, You must, before You accept any electronic commerce transaction over the Internet, establish and maintain at Your own expense a web site that complies with the requirements of clauses 7.2 and 7.3.
- 7.2** The set-up of web site:
- a) must be approved by ISXPAY and comply with all regulations, policies, systems, software and certification procedures specified by ISXPAY from time to time;
 - b) You are solely responsible for purchasing, leasing, maintaining, repairing and replacing Your own equipment, and You indemnify ISXPAY against any losses, liabilities, damages and expenses arising out of the use of Your web site;
 - c) You must upgrade Your web site (including any software) in the event of an industry or payment card industry data security standards revision, general industry security standard changes including, but not limited to changes to SSL, TLS, AES, x509, or similar, or where otherwise reasonably notified by ISXPAY
- 7.3** The website must clearly display the following information:
- a) Your business name (and Merchant Number and regulatory authorisations, as applicable); and
 - b) the address of Your approved place of business; and
 - c) Your business contact details, including telephone numbers and an email address; and
 - d) a complete description of the goods and services available for purchase on Your web site with the price advertised in Euros or, if we have agreed that You can process transactions in another currency, that currency; and
 - e) details of Your return and refund policy, including how a transaction can be cancelled by a Cardholder; and
 - f) details of Your delivery times for goods and services. Delivery times are to be appropriate for the type of business carried on by You. If the delivery is to be delayed, the Cardholder must be notified of the delay and an option provided to them to obtain a refund; and
 - g) details of any European export restrictions (if applicable); and
 - h) details of Your privacy policy and how You intend to deal with, or share, Personal Information obtained from and about the Cardholder including by use of cookies; and
 - i) a description of the measures You have to maintain the security of:
 - i. Cardholders' account data; and
 - ii. any other information which, by notice, we or any Third Party Acquirer, APM or the Card Schemes require You to display from time to time; and
 - j) any other information required for the purpose of complying with Card Scheme Rules, such as but not restricted to an age verification tick box if required, a customer agreement tick box on the check out page.
- 7.4** You must provide us reasonable access to view, monitor and audit the pages of Your website.
- 7.5** Your website payments page must be protected by Secure Sockets Layer or any other form of security method approved in writing by us.

8 SURCHARGING (In Jurisdictions where permitted by law)

8.1 In jurisdictions where it is permitted for a merchant to charge fees for processing a transaction. If You charge a fee for Transactions, You must:

- a) ensure the fee is valid under regulation and Card Scheme Rules;
- b) include any fee in the Transaction and not process it as a separate Transaction

Amount of surcharge

- 8.2 Where You elect to charge a cardholder a surcharge in respect of a transaction, You must not impose a surcharge in excess of the reasonable cost of card acceptance.
- 8.3 Upon request by us or any card schemes, You must produce supporting information to substantiate Your costs of card acceptance. Where the card scheme dictates the format of the required substantiation, e.g. through use of a "reasonable cost of acceptance calculator", You must provide details of Your costs in the required format.
- 8.4 Where required by a card scheme, You must submit, at Your cost, to an audit of Your costs of card acceptance by an independent auditor approved by the card scheme requiring the audit. The audit must be completed and results reported back to the relevant card scheme within the timeframe specified by the card scheme.
- 8.5 Where, following an investigation into Your surcharging and cost of card acceptance, we or a card scheme determine that the amount that You are surcharging exceeds the reasonable costs of card acceptance, we may by 30 days' notice to You require You to reduce Your surcharge level to an amount that does not exceed the reasonable costs of card acceptance, or, where required by law, remove it entirely.
- 8.6 Without limiting any other rights that we may have under this agreement, we may, by notice to You, terminate this agreement if, following receipt of notice under clause 5, You fail to reduce Your surcharge level to an amount that does not exceed the reasonable costs of card acceptance.
- 8.7 You acknowledge that excessive surcharging by You could expose Third Party Acquirer and/or APM and/or ISXPay to fines from card schemes or regulators. You agree to indemnify Third Party Acquirer and ISXPay against any fines imposed by card schemes in relation to Your surcharging practices.
- 8.8 You acknowledge that card issuers may from time to time change the classification of a credit card (i.e. standard or premium) and, as a result, when applying a surcharge rate to a cardholder, it cannot be guaranteed that the classification of the card (i.e. standard or premium) on which You have based the surcharge will be same as the classification on which You are charged Your merchant service fee in relation to the same transaction.

Disclosure of surcharge

- 8.9 In jurisdictions where it is legally permissible to include a Surcharge, You must clearly disclose to the cardholder before the transaction is completed any surcharge that You will charge for completing the transaction, and do it in such a way that allows the transaction to be cancelled without the cardholder incurring any cost.
- 8.10 You must display on the payment page on Your website a notice stating:
 - a) that You charge a surcharge; and
 - b) the exact amount or percentage of the surcharge.
- 8.11 You must not represent or otherwise imply that the surcharge is levied by a card scheme or by us or any other financial institution.

9 SETTLEMENT OF CARD TRANSACTIONS

- a) ISXPay will only acquire and settle Transactions for Card and APM types specified in Your Merchant Agreement.
- b) You must establish Payment Accounts and eMoney accounts with us to support settlement in one or more currencies (Settlement Account), to/from which ISXPay can initiate credits and debits in connection with this Agreement. You agree to execute and provide ISXPay with a complete and valid direct debit authority or eMandate against the Settlement Account, and further agree not to withdraw that authority, even after termination of the Merchant Agreement, unless notified in writing by ISXPay that the authority is no longer required.
- c) The Card Schemes, and/or APM and/or Third Party Acquirer when it is acting as the Acquirer for whole or part of the Payment Services, will provide settlement to ISXPay on each Settlement Cycle business day for the gross amount of all funds received from the card schemes in respect of transactions processed under this agreement, less any chargebacks or refunds.
- d) ISXPay is responsible for disbursing to You. ISXPay will disburse to You in accordance with Your funding, reserve and payment arrangements, taking into consideration any settlement amounts received from the Card Schemes and/or APM and/or Third Party Acquirer in respect of transactions processed under this agreement.
- e) Where we offer multicurrency solutions, if any currency is in negative balance at time of Settlement, we will convert funds from Your primary currency, followed by other currencies, at our discretion (if primary currency is insufficient to cover balance), subject to the FX Fee structure in the Merchant Agreement.
- f) You agree to direct any queries regarding settlement to ISXPay.
- g) After presentation of a Sales Receipt pursuant to the Operating Procedures, ISXPay will in accordance with its standard Settlement Cycle process in effect from time to time pay into Your Settlement Account the value of all valid sales and cash out Transactions less any Refunds, Chargebacks, or other debits or monies paid into any Reserve Account. Where reasonably practicable, ISXPay shall endeavour to initiate a credit into Your Settlement Account on the next Business Days corresponding to one week after the day the Transactions are processed, unless agreed otherwise in writing Saturday and Sunday's transactions shall be settled with Monday's transactions
- h) ISXPay will not be liable for any delays in receipt of funds or errors in debit and credit entries caused by third parties such as a Card Scheme, Your financial institution or any failure in the Eurosystem payment system, internet or telephone lines.
- i) For each week that You process a Transaction, ISXPay will send You a summary statement of Transactions processed using Your merchant services that week, as specified in Your Merchant Agreement.
- j) If You believe any adjustments should be made with respect to Your Settlement Account(s), You must notify ISXPay within 45 days after any debit or credit is or should have been effected.
- k) You warrant that all information provided by You is true and accurate and acknowledge that ISXPay will rely on that information, including Sales Receipts.

10 INFORMATION, PRIVACY, CONFIDENTIALITY**Cardholder information**

- a) You acknowledge that Cardholder information derived from a Transaction (including the names, addresses and Card account numbers of Cardholders) is confidential and constitutes personal data defined in the GDPR.
- b) You will comply with all applicable GDPR and the Payment Card Industry security requirements and keep such information safe and secure. This obligation survives termination of this Agreement.
- c) You acknowledge that You do not own any information relating to and derived from Transactions (Transaction Data). During the term of this Agreement, You may only use, store, copy and disclose Transaction Data as necessary for the purposes of assisting us and the relevant Card Scheme to complete the Transaction, supporting any loyalty program associated with the Card or Services, providing fraud control services or for purposes specifically required by law. If You use any third party to handle Transaction Data, You must ensure those third parties handle that Transaction Data in compliance with laws and this provision of this Agreement, and that such parties are approved by ISXPAY in advance.
- d) You further acknowledge and agree that Transaction Data is controlled by ISXPAY as the *Data Controller*, and agree to procure in Your Terms of Services with customers for this ownership.

10.1 Your information

- a) ISXPAY will collect and use information about You during the course of Your relationship with ISXPAY. You must let ISXPAY know when the information You have provided has changed.
- b) Financial and other information.
- c) Upon request, You will provide us with quarterly financial statements and/or annual audited financial statements, prepared in accordance with generally accepted accounting principles.
- d) ISXPAY shall be entitled to request from You such further information as it may consider necessary to meet any anti money laundering and counter financing of terrorism obligations and where legally obliged to do so, we may disclose such information to law enforcement and other government agencies.

10.2 Confidential information

You agree to keep all ISXPAY Confidential Information, including the terms of this Agreement, confidential.

- 10.2.1. Subject to the provisions of this clause 10.2 each Party agrees not to disclose any Confidential Information obtained by it (Receiving Party) from the disclosing Party (Disclosing Party) to any third party without the prior written consent of the Disclosing Party. The Disclosing Party agrees that the Receiving Party may:
 - a) disclose Confidential Information to its Personnel and its professional advisers (which will include lawyers, accountants and auditors) who need to know or receive such Confidential Information for the proper performance of their duties, provided that the Receiving Party complies with this Clause 10.2;
 - b) disclose such Confidential Information if required by applicable Laws or court order, provided that the Receiving Party, where legally permissible, has promptly notified the Disclosing Party in writing of such requirement and allowed the Disclosing Party a reasonable time to oppose such requirement or apply for legal protection; and
 - c) use Confidential Information for the exercise of its rights and the performance of its obligations under this Agreement.
- 10.2.2. Neither Party may use any Confidential Information received or obtained from the other Party to devise another competitive solution to compete in any tender or business opportunity without obtaining the prior written consent of the Disclosing Party. The Receiving Party must keep all documents and materials representing or containing Confidential Information of the Disclosing Party separate from all other documents and materials. Each Party agrees that it will prevent unauthorised disclosure or use of any Confidential Information by its Personnel and immediately advise the other Party in writing of the full extent and nature of any unauthorised disclosure, misuse or misappropriation of the Confidential Information.
- 10.2.3. Confidential Information will be subject to the obligations of confidence in this clause 10.2 irrespective of whether communicated orally or in writing by the Disclosing Party or its representatives or obtained through observations made by the Personnel of the Receiving Party at the premises of the Disclosing Party.
- 10.2.4. Each Party, when acting as the Receiving Party, must protect the Confidential Information of the Disclosing Party to the same extent and by the same means that the Receiving Party uses to protect the confidentiality of its own confidential or proprietary information, and in any event using no less than a reasonable degree of care, to prevent the unauthorised use, dissemination, or publication of the Confidential Information. This obligation of confidentiality will continue until the earlier of:
 - a) the return or destruction of such Confidential Information by the Receiving Party in accordance with clause 10.2 or
 - b) the Confidential Information becoming public knowledge other than by breach by the Receiving Party of the obligations of confidentiality contained within this Agreement.
- 10.2.5. The restrictions on the use and disclosure of Confidential Information under Clause 10.2 will not apply to Confidential Information that:
 - a) the Receiving Party can prove is received lawfully from a third party without similar restriction of confidentiality;
 - b) is or becomes publicly available other than by reason of unauthorised disclosure hereunder or any obligations of confidence owed by the Receiving Party to the Disclosing Party;
 - c) is independently developed by the Receiving Party without the use of the other Party's Confidential Information;
 - d) is approved for release by written authorisation of the Disclosing Party to the Receiving Party; or
 - e) the Receiving Party (to the extent permitted by Law) is compelled to disclose pursuant to Law, any court order, or by any act of government or other competent or regulatory authority provided that the Receiving Party must advise the Disclosing Party of such request in time for the Disclosing Party to apply for legal protection or seek an appropriate remedy to prevent such disclosure or waive compliance with the provisions of this Agreement, and the Receiving Party must take any and all such steps as the Disclosing Party may reasonably require for such purpose.
- 10.2.6. The Merchant acknowledges that ISXPAY may use any information relating to the Merchant which is provided by the Merchant to ISXPAY for the purpose of providing the ISXPAY Services, including updating and maintaining ISXPAY's record of service providers subscribing to the ISXPAY Services. ISXPAY will be entitled to disclose the Merchant's information to the regulators, professional advisers, third party service providers and any Personnel acting on behalf of ISXPAY. This Clause 10.2 is subject always to ISXPAY's compliance with all applicable Laws and the terms of this Clause 10.2.
- 10.2.7. The Receiving Party must, before any permitted disclosures are made:
 - a) give prior written instructions concerning the restrictions on use and disclosure contained in this Agreement to its Personnel and its professional advisors to whom any Confidential Information of the Disclosing Party is to be disclosed or who may in any way obtain access to any such Confidential Information; and

- b) ensure that such Personnel and professional advisors are subject to confidentiality obligations at least as binding upon those persons as the Receiving Party is subject to under terms of this clause 10.2.
- 10.2.8. The Receiving Party will be responsible for procuring the compliance of its Personnel and professional advisors with the terms of this clause 10.2 and will be responsible for any breach by its Personnel or professional advisors of this clause 10.2.
- 10.2.9. Unless otherwise agreed in writing between the Parties, in the event of termination or expiry of this Agreement, the Receiving Party will at the Disclosing Party's option:
- destroy the relevant Confidential Information and all copies thereof by shredding or incineration of all documents and other materials in its possession, custody or control and/or irretrievably delete the same if stored on electronic or magnetic media and certify to the Disclosing Party that this has been done;
 - return such Confidential Information and any copy thereof if so requested by the Disclosing Party; or
 - keep such Confidential Information as may be required by applicable Laws in which case provisions of this clause 10.2 will continue to apply in relation to such Confidential Information indefinitely until returned in accordance with clause 10.2.
- 10.2.10. The Parties acknowledge that:
- the Confidential Information is at all times the property of the Disclosing Party;
 - a breach of this clause 10.2 would be harmful to the business interests of Disclosing Party;
 - monetary damages alone would not be a sufficient remedy for a breach of this clause 10.2; and
 - in addition to any other remedy which may be available in Law or equity, the Disclosing Party is entitled to interim, interlocutory and permanent injunctions or any of them to prevent breach of this clause 10.2 and to compel specific performance of it.

10.3. Statutory Disclosures, Publicity and News Release

- 10.3.1. Any news release, public announcement, advertisement or publicity proposed to be released by either Party relating to or in connection with the ISXPay Services or the subject matter of this Agreement will be subject to the prior express written approval of the other Party.
- 10.3.2. The Parties may release a joint media release within ten days of execution of this Agreement and a second release within ten days of the System Live Date for the Merchant.
- 10.3.3. In the event that a joint media release is postponed for any reason beyond the period set out in this clause, a Party may release to a securities or stock exchange on which that party is listed a notification or statutory disclosure under the exchange's continuous disclosure requirements that includes in outline form the following:
- that an agreement has been executed with the Merchant; and
 - the services to be provided by ISXPay;
 - the term of the agreement; and
 - publicly available details related to the Merchant and its services; and
 - any statement the other Party may request to be included, but only if such a statement is provided promptly for inclusion.

10.4. Records

- You must retain in Your possession (while complying with all security requirements) Your books of account and records, including all Transaction information, vouchers and tally rolls and other information as required under this Agreement for at least twenty-four (24) months following each Transaction unless any applicable laws require a longer retention period.
- You must retain all financial information in relation to Your business, including but not limited to annual balance sheets and cash flow projections.
- You must keep reasonable records about Your compliance with this Agreement, including staff training and compliance with PCI DSS.
- You must provide us with access to the records referred to above in a timely manner following a request by us.

11. USE OF CARD SCHEME LOGOS AND TRADE MARKS

11.1. You acknowledge and agree that:

- the card scheme logos, names and holograms ("the Marks") are owned solely and exclusively by the relevant card scheme or ISXPay; and
- You will not contest the ownership of the Marks for any reason; and
- the card schemes may at any time, immediately and without notice, prohibit You from using any of the Marks for any reason; and
- You may only use advertising and promotional material for the cards or which show a card scheme mark in the manner ISXPay approves, unless You have received authorization from the card schemes through other means.

11.2. The Merchant Agreement does not grant You any rights to ISXPay's trademarks or service marks. ISXPay may periodically make available certain ISXPay logos, trademarks or other identifiers for Your use. If ISXPay does so, You will use them subject to and in accordance with ISXPay's then current trademark usage guidelines.

12. FEES

Fees

- You must pay ISXPay the fees for the Services as set out in Your Merchant Agreement (be it Payment Facilitation, eMoney or otherwise), as well as any additional fees or pricing set out in this Agreement, any Variation Notice or any of Your Purchase Orders based upon our quotations (together the Fees);
- ISXPay will deduct chargebacks, refunds and fees from Settlement Amount, and invoice You in arrears for any optional Services provided. You must pay each invoice within fourteen (14) days of the date of the invoice;
- Where requested by ISXPay to do so, You must keep an emoney (Fees Account) (which may or may not be the same as Your Settlement Account) with ISXPay, from which ISXPay may collect Fees.
- You agree to reimburse ISXPay for the amount of any charges it incurs as a result of any debit to the Fees Account being rejected.

- e) You agree that any third party fees incurred in bank to bank transfer as part of any settlement, payment or paYOUt process to You will be borne by You and that ISXPAY may deduct such fees from the Fees Account or from prior to settlement amounts prior to payment to You in ISXPAY's sole discretion. ISXPAY may also recover any such fees from any Security.
- f) Third party services that are not Payment Services, will be charged at cost plus ten percent (10%), unless agreed otherwise.

12.1. Fee adjustment

The Fees for Services may be adjusted by ISXPAY upon thirty (30) days' notice:

- i. if the actual volume or average Transaction size are not as expected or otherwise represented by You in Your Application over a period of at least sixty (60) days;
- ii. if You significantly alter Your method of doing business;
- iii. to account for any Additional Services or the provision for enhanced or modified Terminals; or
- iv. to reflect any increases in associated costs by Card Schemes, government or regulatory bodies (such as in the case of interchange, assessments, taxes and other fees), or to pass through increases charged by third parties for on-line communications and similar items.
- v. ISXPAY may also increase the Fees for any other reason by notifying You in writing 60 days prior to the effective date of any such change, in which case Your rights to Terminate without penalty may apply.
- vi. ISXPAY may charge additional fees for responding to specific requests from You for assistance such as providing extra statements, investigations of account activity requested by You, fees associated with dishonoured payments and fulfilling privacy requests. These additional fees may be charged on a time and materials basis or based on the cost of fulfilling such requests averaged across all merchants and represent additional work required to manage Your account with ISXPAY in respect of these requests, which are not part of the Services provided under this Agreement.

12.2. Referrals

You acknowledge that ISXPAY may pay amounts to other third parties for referring You to ISXPAY.

12.3. VAT

- 12.3.1. Unless otherwise expressly stated, all consideration to be provided under this Agreement is expressed exclusive of Ad Valorem or Value Added Taxes (VAT). Where any charges are expressed to be inclusive of VAT and the applicable VAT rate changes, the charges will automatically be adjusted accordingly.
- 12.3.2. If VAT is payable by either of us on any supply made under this Agreement, You will, upon receiving a tax invoice from either of us, pay to the relevant person an amount equal to the VAT payable on the supply.
- 12.3.3. This amount will be paid in addition to, and at the same time, as the consideration for the supply is to be provided.
- 12.3.4. You agree that either of us, as a recipient of supplies under this Agreement, such as but not limited to in the case of Refunds and other adjustments, may from time to time issue Recipient Created Tax Invoices and submit those invoices to the other. Those invoices will detail the VAT applicable to the supply.

13. MERCHANT TRANSACTION LIABILITY & INDEMNITY

- a) You must indemnify and keep ISXPAY indemnified against and must pay us on demand against all claims, actions, liability, suits, losses, defaults, expense, costs (including legal costs and disbursements) and damages we may incur or suffer arising out of or in connection with:
 - i. a Transaction between You and any Cardholder;
 - ii. all Chargebacks including any foreign exchange difference between the value of an original Transaction and the amount of the Chargeback for a Transaction.
 - iii. any Invalid Transaction;
 - iv. You or any of Your Employees processing a Transaction with wrong Transaction information;
 - v. any error, negligence, willful misconduct or fraud by You or Your Employees;
 - vi. any dispute over goods or services between You and a Cardholder;
 - vii. any warranty or representation whatsoever in relation to any goods or services supplied by You;
 - viii. Your failure to comply with any of Your obligations under this Agreement;
 - ix. any enforcement expenses under the Agreement, including any amount reasonably incurred by the use of our staff and facilities, in the event of a breach of the Agreement;
 - x. fines, fees or penalties (including but not limited to Card Scheme fines) that we are required to pay as a direct or indirect result of Your failure to observe any of the procedures, requirements or obligations under this Agreement.
- b) For the purposes of this clause 13, Liability means any debt or monetary liability or any other claim which can be reduced to or expressed as a monetary liability, irrespective of whether the debt or monetary liability is future, present, actual or contingent.
- c) Should You fail to pay any debt which You owe us we may commence enforcement action and report Your default to a credit reporting agency, which may affect Your credit rating and Your ability to obtain commercial finance in the future.

13.1. Debits and set off

- 13.1.1. ISXPAY may marshal and exercise its rights under any security it holds from You or in relation to Your indebtedness in respect of Your liability under this Agreement. ISXPAY may:
 - a. debit Your Settlement Account;
 - b. debit a Reserve Account established under clause 13.3;
 - c. deduct and set off from settlement funds due to You; or
 - d. invoice You separately for any of the following amounts:
 - i. funds credited to Your account in error;
 - ii. reversals including for negative balances at Settlement, for Card, SEPA transactions and APM's
 - iii. Invalid Transactions (including Chargebacks and our related losses);
 - iv. Fees

- v. fees and fines imposed by any Card Schemes resulting from exchanges or Your Chargebacks or Your acts or omissions;
- vi. government charges; and
- vii. any other amounts then due from You to Us, whether or not arising out of or related to this Agreement.

13.1.2. ISXPAY may also charge interest on amounts outstanding where there were insufficient funds in Your account to satisfy the above amounts.

13.1.3. Despite any other provision of this Agreement, ISXPAY may at any time without notice to You set off any Liability owed by ISXPAY and/or Third Party Acquirer (as the case may be), to You on any account against any Liability owed by You to ISXPAY or Third Party Acquirer acting as the Acquirer (as the case may be) under or in connection with this agreement. For the purpose of this clause, "Liability" means any debt or monetary liability, irrespective of whether the debt or monetary liability is future or present, actual or contingent.

13.2. Security

- a) ISXPAY may from time to time request, or request a change to the level of, security from You or a guarantor to secure performance of Your obligations under this Agreement. You agree to do all things necessary to put in place enforceable security (**the Security**) as requested by ISXPAY.
- b) The Security at the commencement of the Merchant Agreement will be as set out in the Application.
- c) You agree that ISXPAY may use money held in the Reserve Account established pursuant to clause 13.2 to establish or increase the level of the Security, and You will do anything necessary or required to ensure the Security thus created is enforceable.
- d) **Return of Security:** Subject to any set off by ISXPAY under this Agreement, 50% of the Security shall be returned within three (3) months, with the balance returned after six (6) months, from Termination Date, provided that fraud and chargeback ratios are within card scheme stipulated levels during the intervening periods. Where the foregoing ratios exceed card scheme levels, the Security portion shall roll over for a further six (6) month period subject to review at the anniversary date.

13.3. Rolling Reserve account

- a) You authorise ISXPAY to establish an ISXPAY account or an account in its name with a Monetary Financial Institution on the terms set out in this clause 13.3 (Reserve Account).
- b) ISXPAY may, in its absolute discretion, require by notice to You, that the whole or a portion of the value of any Transactions payable to You be deposited into the Reserve Account.
- c) Upon Return of Security under Clause 13.2(d), the minimum value of the Rolling Reserve shall at all times not be less than the agreed Security amount stipulated in the Merchant Agreement.
- d) The initial value of the reserve shall be calculated daily against Your daily Transaction amounts using the percentage nominated in the Application. The funds, unless otherwise notified to You in writing, shall be held and released on a rolling basis, for the period and frequency nominated in the Fee Schedule.
- e) ISXPAY may amend the calculation on seven (7) days notice to You, including varying the percentage or the period referred to in paragraph 13.3 d).
- f) You irrevocably direct ISXPAY to pay such funds into the Reserve Account upon receipt of a request from ISXPAY. ISXPAY will provide You with a record of any such funds deposited.
- g) You acknowledge that the obligation of ISXPAY under this Agreement to settle APM Transactions and/or Card Transactions will be fully discharged upon the crediting of the Transaction proceeds to either the Settlement Account or the Reserve Account and that any contribution to the Reserve Account is a separate Transaction between You and ISXPAY.
- h) Any funds paid into the Reserve Account in accordance with paragraph (d) represent a debt owing by ISXPAY to You and is not held by ISXPAY on trust for You.
- i) You authorise ISXPAY to set-off all or part of the monies held in the Reserve Account against any obligations You have to ISXPAY under this Agreement including, without limitation, any obligation under clause 13.1 and notwithstanding that this Agreement may have terminated.
- j) Monies held the Reserve Account will not accrue interest in favour of the merchant.
- k) ISXPAY may, in its absolute discretion, repay to You all or part of any money held in the Reserve Account. Such repayment is not a waiver of ISXPAY's right to require further deposits by You into the Reserve Account.
- l) Within the greater of eighteen (18) months following termination of this Agreement or such longer period of time as is consistent with our liability for Transactions in accordance with the Card Scheme Rules, ISXPAY will repay to You any monies remaining in the Reserve Account, following deduction of all chargebacks, fines, fees, refunds and adjustments.

14. TERM AND TERMINATION

14.1. Term

- a) This Agreement continues for the Initial Term of two (2) years, (unless terminated earlier in accordance with this Agreement).
- b) After the Initial Term, this Agreement will continue for additional periods of twelve (12) months unless You or we give at least sixty (60) days' written notice of intent to terminate this Agreement, unless agreed otherwise in the Merchant Agreement.

14.1.1. ISXPAY may suspend or terminate this Agreement or suspend then terminate this Agreement or any part of it at any time and with immediate effect without the involvement of a court and without any compensation being due, if:

- a) You are in breach of Your obligations under or arising out of this Agreement; or
- b) In ISXPAY's reasonable opinion, the processing of Your transactions exposes ISXPAY, APM or Third Party Acquirer to an unacceptable level of risk; or
- c) You are or have engaged in conduct which exposes ISXPAY or Third Party Acquirer or APM to potential fines or penalties imposed under Relevant Law, regulation or Card Scheme Rules; or
- d) Your business or the Terminal (or connection thereto) is or has been targeted by a person engaged in fraudulent or dishonest activity whether with or without Your knowledge; or
- e) You or any service provider (other than ISXPAY or Third Party Acquirer) that You use in connection with Your merchant services has suffered a data breach
- f) A direction is made by a card scheme or under Relevant Law that the Payment Service be suspended or terminated; or

- g) You have experienced an adverse change in financial circumstances; or
 - h) We have concerns about Your solvency or if You come insolvent or are subject to any form of insolvency administration or a resolution is passed or an order is made for winding up; or
 - i) Your daily transaction volumes or amounts substantially decline, whether abruptly or over time; or
 - j) You have a significant adverse credit event recorded against You, or
 - k) You are or have involved in any activity that may, in the opinion of any of regulator, ISXPay, Third Party Acquirer, APM or Card Scheme's, create harm or loss to the goodwill of the Payment Services or Card schemes system.
- 14.1.2. This Agreement will terminate upon notice from ISXPay if:
- a) ISXPay's relevant registration as a principal member, member service provider, or payment facilitator with any card scheme is cancelled;
 - b) ISXPay's agreement with Third Party Acquirer for the provision of merchant services is terminated for any reason; or
 - c) any other agreement that You have with ISXPay in respect of ISXPay's payment processing services is terminated for any reason.
- 14.1.3. You authorise ISXPay to disclose to any Card Scheme advice of termination of this Agreement and the reasons for the termination. You acknowledge that the information concerning termination of this Agreement then becomes available to any member of the Card Schemes. This information, available to any member of the Card Schemes, may be used in assessing subsequent applications for merchant facilities.
- 14.1.4. This clause 14 survives termination of this Agreement.

14.2. Termination by ISXPay

We may also terminate this Agreement at any time and for any reason, including but not limited to the following:

- a) we are notified that You or Your directors or Ultimate Beneficial Owners or any person that is able to exercise control of the financial or operational affairs of the Merchant appear in MasterCard's Member Alert to Control High Risk (MATCH) list, JCB, or Diners Club/Discover alert list or any domestic or international sanctions list;
- b) Your independent certified accountants refuse to deliver an unqualified opinion with respect to Your annual financial statements and Your consolidated subsidiaries;
- c) You purport to assign this Agreement or there is a Change in Control in You or Your corporate parent
- d) You have Chargeback or refund rate, amounts or percentage which are in breach of Card Scheme Rules, levels notified to You, or otherwise in our opinion excessive.

14.3. Termination by You

- a) You may terminate this Agreement on thirty (30) days' written notice if:
 - i) we commit a material breach of this Agreement;
 - ii) we notify You of an increase in the Fees for Services or modification in the terms of this Agreement, which materially increases Your obligations or diminishes Your rights, and You provide notice of termination within 30 days of the date of such notice.
 - b) You acknowledge and agree that You will be deemed to have terminated this Agreement if You have not processed any inbound sales Transactions in at least 90 days.
 - c) You acknowledge and agree that Your continued use of our Services after the expiration of 30 days of notification of a change in 14.3 a)ii will be deemed acceptance of the increased fees for Services or modification of the terms, throughout the remaining term of this Agreement
- You agree that if We terminate under 14.1.1 or 14.2., or if You terminate this Agreement before the end of the term other than under clause 14.3.a), You will pay the Early Termination Fee per year or part year remaining of the term for each of Your MIDs. You and we agree that this amount is a genuine pre- estimate of the loss which we will suffer as a result of You terminating this Agreement early and does no more than compensate us for the loss, including cost of offboarding, we will suffer as a result of the early termination. The Early Termination Fee shall be fixed at €2,500.

14.4. Termination by Card Schemes

You acknowledge that the Card Schemes may, under Card Scheme Rules, reserve the right to direct amendment or termination of this Agreement.

14.5. Consequences of termination or expiry

If this Agreement ends:

- a) all amounts payable under this Agreement become immediately due and payable in full on demand;
- b) You must not process any Transactions through us, and we have no further obligations to accept Transactions from You after the termination date;
- c) any rights and obligations of either of us which arose before the termination date will continue, including:
- d) Your obligations to pay or reimburse us for any obligations associated with Transactions You have submitted to us; and
- e) Your responsibility for all Chargebacks, Fees, Refunds and adjustments resulting from Transactions processed under this Agreement and all other amounts then due or which thereafter may become due under this Agreement.
- f) We continue to hold and release the Reserve per 13.3 l) and other Security 13.2 within three (3) months, in accordance with this Agreement.

15. WARRANTIES AND LIABILITY

Warranties and representations

- a) You represent and warrant that:
 - i) by entering into this Agreement You are not currently and will not be in breach of any Relevant Law or any obligation owed to any Person; and
 - ii) where applicable, You are duly authorised to enter into this Agreement and the obligations under this Agreement are valid, binding and enforceable in accordance with its terms; and
 - iii) if You are an incorporated body, You validly exist under the laws of Your place of incorporation and have the power and authority to carry on Your business as that business is now being conducted and using any name under which that business is being conducted;

and

- iv. if You, a Related Body Corporate or any officer, employee or agent of You or a Related Body Corporate has at any time been listed on a database of terminated merchants maintained by any Card Scheme or have otherwise had merchant services terminated by another acquiring bank, You have disclosed that fact to ISXPay.
- b) The representations and warranties set out in a) above will be deemed to be repeated each day after the date You enter into this Agreement.
- c) Neither ISXPay make any warranties in respect of any of the services provided under this agreement. To the maximum extent permitted by law, any and all implied warranties and guarantees regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise of any Services are excluded. In respect of any warranty or guarantee which is unable to be excluded under any relevant law, our liability in respect of a breach of that warranty or guarantee is limited to the re-supply of the goods or services or the payment of the cost of having the goods or services supplied again.

15.1. Limitations on liability

- a) To the maximum extent permitted by applicable law we are not liable to You or to any person for any act or omission of ours that results in any direct or indirect loss (including loss of profits), damage, injury or inconvenience You suffer because of any service failure, including any unavailability of the service, any delays or any errors. Under no circumstances will we be liable to You for any lost sales, revenue or profit or loss of custom due to any service failure which results in You being unable to promptly accept payments from Your customers.
- b) It is Your responsibility to ensure that You have other means available to accept payments if there is any malfunction of the Service or any system.
- c) To the extent ISXPay is liable under this Agreement, You acknowledge and agree that ISXPay's cumulative liability for all losses or damages You may suffer arising out of or related to this Agreement will not exceed:
 - i. €50,000; or
 - ii. the amount of Fees received by ISXPay pursuant to the Agreement for Services performed in the immediately preceding 12 months, whichever is the lesser.

16. FURTHER OBLIGATIONS

Assignment and subcontracting

- a) We may upon notice to You:
 - i. engage one or more of our Affiliates, to provide the Services, including the provision of POS Terminals and other equipment and local support function in relation to this Agreement;
 - ii. we may assign, novate or transfer this Agreement and our rights and obligations hereunder and/or may appoint an agent or subcontractor to perform our duties hereunder, in whole or in part, to any other third party without notice to You.
- b) You may not assign or charge Your rights under this Agreement without our prior written consent.

16.1. Compliance with laws, regulations and Rules

- 16.1.1. In performing its obligations under this Agreement, each party agrees to comply with all laws, regulations and Rules applicable to it, including the Card Scheme Rules, and the Payment Services Directive.
- 16.1.2. For Merchant's whose MCC's are in the High Risk category set by any of the Card Schemes (e.g. MCC6012, 6051, 6211, 7995), You shall provide, no less frequently than every twelve (12) months, a written opinion from (but not limited to) independent, reputable, and qualified legal counsel or accreditation by a recognized third party that the Merchant's activity complies fully with all laws and prevailing requirements applicable to the Card Schemes. In the event that the Compliance Condition is not met in an annually basis, then this Agreement may be terminated with fourteen (14) calendar days' notice.

16.2. Force majeure

Except in respect of Your obligations under the Operating Procedures, no party shall be liable for any default or delay in the performance of its obligations under this Agreement if and to the extent such default or delay is caused, directly or indirectly, by:

- i. fire, flood, elements of nature or other acts of God;
- ii. any outbreak or escalation of hostilities, war, riots or civil disorders in any country;
- iii. any act or omission of the other party or any government authority;
- iv. any labour disputes (whether or not Employees' demands are reasonable or within the party's power to satisfy); or
- v. except in respect of Your obligations under clause 3, the non performance by a third party for any similar cause beyond the reasonable control of such party, including without limitation, failures or fluctuations in telecommunications or other equipment or delay or failure of a Card Scheme to pay settlement amounts.

17. GOVERNING LAW

- 17.1.1. This agreement is governed by the laws of the Republic of Cyprus. Each party submits to the jurisdiction of the courts of that Republic of Cyprus and any courts of appeal from them.
- 17.1.2. The Merchant Agreement may nominate a different jurisdiction under which each party shall submit to the relevant laws, jurisdictions and courts.

17.2. Severability

- 17.2.1. The parties intend every provision of this Agreement to be severable. If any part of this Agreement is not enforceable, it is severed and the remaining provisions remain valid and enforceable.

17.3. Waiver

- 17.3.1. If ISXPay does not enforce a right for breach of this Agreement, this does not mean that we have waived our rights for that or any other breach.

17.4. Entire agreement

- a) This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any previous agreements and understandings.

- b) All meetings, documents, communications (including customer and system messages) and specifications must be in the English language.

17.5. No partnership

Nothing in this Agreement constitutes You and ISXPay as partners, joint venture parties or principal and agent, unless otherwise stated. You are not authorised to make any warranty or representation on behalf of ISXPay.

18. DISPUTE RESOLUTION

- a) Nothing in this clause 18 prevents a Party seeking urgent injunctive or similar interim relief from a court.
- b) The Parties must use best endeavours to resolve in good faith any dispute arising out of or in connection with this Agreement (**Dispute**). Each Party must follow the procedures in this clause before starting court proceedings (except for urgent injunctive or declaratory relief). Despite the existence of a Dispute, the Parties must continue to perform their other obligations under this Agreement that are not affected by the Dispute.
- c) Any Party (**Initiating Party**) claiming that a Dispute has arisen must give the other Party (**Recipient Party**) a notice setting out brief details of the Dispute (**Dispute Notice**).
- d) Within 10 Business Days of service of a Dispute Notice, the Recipient Party must give the Initiating Party a notice setting out brief details of the Recipient Party’s position on the Dispute (**Reply Notice**).
- e) If a Dispute Notice and Reply Notice are given, the Parties must make representatives with authority to settle the Dispute available for the purpose of meeting in an effort to resolve the Dispute. At least one meeting of the authorised representatives must take place within 15 Business Days of service of a Reply Notice.
- f) If:
 - i. the Dispute is not resolved in accordance with clause 18 within 20 Business Days after the Reply Notice is given; or
 - ii. the Recipient Party does not give a Reply Notice within 10 Business Days of service of a Dispute Notice, or makes its authorised representatives available for a meeting within 15 Business Days of service of a Dispute Notice, then either Party may, by written notice refer the Dispute to mediation under clause 18.g).
- g) If the Dispute remains unresolved in accordance with clause 18.f), then the Parties must refer the Dispute to mediation, to be conducted by the Centre for Effective Dispute Resolution (**CEDR**) mediation in accordance with the CEDR Model Mediation Procedure. The mediator will be nominated by CEDR. To initiate the mediation, either Party may give a notice in writing (**Mediation Notice**) to the other Party to the dispute requesting mediation. A copy of the Mediation Notice must be sent to CEDR. Unless otherwise agreed, the mediation will start not later than 10 Business Days after the date of the Mediation Notice.
- h) If the Dispute is not settled within 30 Business Days after the appointment of the mediator under clause 18.g), then the Parties agree that the Dispute will be finally settled by binding arbitration under clause 18.i).
- i) Any unresolved Dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, must be referred to and finally resolved by binding arbitration, to be conducted in London, United Kingdom in accordance with the Arbitration Rules of the Chartered Institute of Arbitrators (**CI Arb Arbitration Rules**) for the time being in force, which rules are deemed to be incorporated by reference in this clause. The arbitral tribunal will consist of one arbitrator, to be mutually agreed from a list prepared by the President of the CI Arb UK or, failing agreement between the Parties, appointed by the President. The language of the arbitration will be English.

19. GENERAL

19.1. Notices

You acknowledge that ISXPay may deliver notices to You in any of the ways listed in clause 19.1(b).

- (a) A notice must be in writing and is taken to be received:
 - i if delivered personally, at the time of delivery;
 - ii if sent by pre-paid post, on the third day after the posting;
 - iii when the party sending the notice is the ISXPay, if sent by email, at the time when the email enters Your information system.
- (b) The address or email address to be used for notices is the last address or email address advised by a party. You must inform ISXPay immediately of any change of Your address, facsimile number or email address.

19.2. Consents

A party may conditionally or unconditionally give or withhold any consent to be given under this Agreement and is not obliged to give its reasons for doing so.

19.3. Amendment

We may vary any provision of this Agreement at any time by giving You notice in the time and form set out below:

Form of Change	Notice period	Method of notification
New Fee (unless otherwise provided for in this table)	30 days in advance	In writing either by mail or electronically
Government, Card scheme or Equipment Charge	Where possible at least 7 days in advance, or otherwise as soon as reasonably practicable after the change	In writing either by mail or electronically,
Any other change or variation.	At least 7 days in advance	In writing either by mail or electronically,

- a. Except to the extent set out in clause 19.3(b) any variation to this Agreement is effective only upon the written agreement of the Parties executed by a duly authorised representative of each Party.
- b. ISXPAY may, from time to time, update, vary or amend these Standard Terms. Any updates, variations or amendments to these Standard Terms will be effective upon posting to the ISXPAY Website. ISXPAY will use its reasonable endeavours to notify the Merchant of the making of any updates, variations or amendments, such as by email or by posting a notification on the ISXPAY Service dashboard. At any time within 30 days of the date of such an update, variation or amendment, the Merchant may (as its sole and exclusive remedy) terminate this Agreement with immediate effect by giving written notice to ISXPAY.

19.4. Execution by Counterparts

This Agreement, including the Service Terms, may be executed in two or more counterparts, each of which together will be deemed an original, but all of which together will constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery originating from the URL domain of the originating Party of a ".pdf" format data file, such signature will create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

19.5. Further assurances

Each Party must promptly execute all documents and do everything necessary or desirable to give full effect to the arrangements contained in this Agreement.

ANNEX 1 - GLOSSARY & DEFINITIONS

In addition to the terms defined throughout these Standard Merchant Terms, the following terms mean as follows:

2FA means two-factor authentication consisting of at least 'something the user knows' such as an End User selected passcode and any independent second factor authentication technology as agreed between the Parties. The second factor may include a mobile phone SMS-based one-time password or passcode, hard token code generators, soft token code generators, email or other means, provided that they are linked to the Payment Instrument and a mobile phone during the term of the SCA Service.

3DSecure means the additional security layer than can be enabled for Internet transactions. The technical name "3DSecure" is also known under various commercial names, such as "MasterCard SecureCode", "ProtectBuy" and "J/Secure".

Acquirer means: any appropriately licensed or authorised bank or financial institution that processes credit or debit card payments on behalf of the Merchant. The **Acquirer** allows the Merchants to accept credit card payments from the card-issuing banks within an association.

Ad Valorem Taxes means any Tax payable on the sale or supply of goods, services or other things and includes goods and services tax, value added tax, sales tax, consumption tax or any similar impost

Affiliates means any entity directly or indirectly controlled by ISXPay Corporation; for the purposes of this definition, "control" means:

- i the beneficial ownership of more than 50% of the issued shares of the party; or
- ii the capacity to determine the outcome of decisions about the party's financial and operating policies.

Alternative Payment Method (APM) means any Payment Services method excluding Card Transaction by an Acquirer but including SEPA credit transfers and debit transfers, Target2, SWIFT transfer.

APM Transaction: any Payment Service transaction that is not a Card Transaction.

Anti Money Laundering Regulation (AML Regulation): means any such law and regulation related to antimoney laundering, counter funding of terrorism, proceeds of crime, or similar, prevailing in any member state of the European Union or the European Economic Area, including **Directive (EU) 2015/849** and its successors.

Authorization Code: code that indicates that the Card issuer allows the Card to be accepted, under the condition that the Merchant simultaneously performs all Card acceptance verifications. This code merely implies that the Card issuer does not oppose against the use of the Card at that very moment, that the Usage Limit is not exceeded, and that the Card has not expired. Obtaining an Authorization Code does not necessarily imply that the person who offers the Card is also the lawful owner, that the Card was not counterfeited, or (*in case of Card Not Present transactions*) that the name and/or the address of the Cardholder is correct. Also, obtaining an Authorization Code does not imply any payment guarantee, or any certainty for not getting involved in any dispute (*charge back*) about the transaction.

API Call means a software method to allow a PCI DSS certified Merchant systems to communicate with ISXPay servers via the Processing Software.

Attestation of Compliance means the document produced by a PCI qualified security auditor, that certifies that the Merchant is PCI DSS compliant

Authorisation: The confirmation by the card Issuer that the card number exists and that enough funds are available to allow the Transaction to go ahead.

Authentication: has the same meaning as the Payment Services Directive EC 2015/2366.

Bank: means an institution authorised under relevant law to offer credit card issuing services. Banks include Monetary Financial Institutions, Credit Institutions, Deposit taking institutions, banks, eMoney Institutions and in some cases Payment Institutions, as defined under the Payment Services Directive and its successor the Payment Services Directive 2.

Business or Banking Day: means a day on which banks are open for general banking business in Nicosia Cyprus except for Saturdays, Sundays, Bank Holidays and National Public Holidays in Cyprus.

Card: means a card that has been designated by the issuer as a MasterCard, Diners, Discover, UnionPay International, JCB or other European Central Bank regulated scheme card, including virtual cards, or a card issued by any other card scheme which You have agreed to accept and we have agreed to process.

Cardholder: means the Person in whose name the Card has been issued. In the case of SEPA, SWIFT, Target2 or APM Transactions, this shall mean the account holder from whose IBAN, eMoney or bank account the Payment Service originates from, or terminates to.

Card Not Present: means a situation where the Card is not physically present at the moment the transaction is done, so that the Card is not physically read by the Payment Device. Such situations typically consist of procedures where orders are accepted at a distance (online, by post, telephone or fax) and orders of a repetitive character nature (e.g., periodical payments in a subscription).

Cardholder: the person offering a Card to the Merchant for use with a certain transaction. As described in clauses 3-5, the Merchant is required to verify whether the Card Holder is indeed the rightful owner (i.e., the person authorised to use such card) of the Card.

Card Schemes: means, unless otherwise agreed by the parties, JCB, Diners, Discover, UnionPay International and MasterCard.

Card Scheme Rules: means the rules and regulations which regulate participants in the Card Schemes.

Card Transaction: means any Payment Service conducted using a Card

Cash Related Transactions: A Transaction between You and a Cardholder where You sell items that are intended to be converted directly into cash, such as in the case of money orders, travellers cheques and foreign currency.

Certificate: means the digital code reflecting a relation between electronic data and an identity. It contains a collection of electronic data comprising a public key, information regarding the public key holder's identity, as well as validity information, which were electronically signed by a Certification Authority.

Certification Authority (CA) means entity that issues and manages Certificates.

Change in Control: means any of the following:

- a) the Merchant agrees to acquire or dispose of, or acquires or disposes of, a substantial asset or assets;
- b) a person (alone, through or together with their associates) acquires a relevant interest in 50% or more of the issued securities in the Merchant;
- c) the Merchant is or agrees to be controlled by a person who did not or was not entitled to control the Merchant on the date of commencement of this Agreement; or
- d) a person who has not appointed or is not entitled to appoint a majority of directors to the board of directors of the Merchant on the date of commencement of this Agreement does, or becomes entitled to, appoint a majority of directors to the board of directors of the Merchant.

For the purposes of the above definition:

- a) "agrees" means an agreement which is written or oral, express or implied, conditional or unconditional and includes an obligation for a party to use its "best" or "reasonable" endeavours;
- b) "control" has the meaning imparted to it by *The Companies Act, Cyprus*.

Chargeback: is the reversal of a sales transaction, including from a Card Transaction or APM Transaction.

Charge Card: A card issued by a Charge Card Company.

Charge Card Company: Any Charge Card Companies agreed by the Parties.

Charges means a fee payable by the Merchant (in the currency specified in the relevant Merchant Agreement) to ISXPAY for the provision of the ISXPAY Services as set out in that Merchant Agreement. During any Further Term, the Charges may be indexed to reflect inflation and reasonable cost increases, provided that at least 30 days written notice is made to the Merchant by ISXPAY.

Commencement Date means, in relation to an ISXPAY Service, the date specified as the commencement date for those ISXPAY Services in the relevant Merchant Agreement, but shall be no later than the **Service Live Date**.

Credit Receipt: A document evidencing the return of merchandise by a Cardholder to a Merchant, or other Refund made by the Merchant to the Cardholder.

CVV2-CVC2 code means three-digit code indicated on the back of the Card, and submitted to the Processing Software.

Data means:

- i any payment related data and metadata;
- ii any data that is personally identifiable as belonging to any End User;
- iii de-personalised End User data or metadata;
- iv ISXPAY Service metadata;
- v aggregated statistical data; and
- vi any other data received, generated or transmitted by the ISXPAY Service.

Data Breach means any occurrence which results in the unauthorised access by a third party to confidential data relating to APM Transactions or Card Transactions stored by Your business or any entity engaged by You to provide storage or transmission services in respect of that data.

Data Security Standards means the Payment Card Industry Data Security Standards ("PCIDSS") mandated by the Card Schemes for the protection of Cardholder details and transaction information, and any additional or replacement standards of which You are advised from time to time.

End Users means either the natural persons i) using payment services and/or ii) whose identity is verified by the ISXPAY Services.

Employees: Employees, contractors, officers, agents and secondees.

Early Termination Fee: The fee payable by the Merchant for terminating the Agreement prior to expiry of a term, which is calculated as the cost to offboard the merchant, being €2,500.

EU Funds Transfer Regulation means EC Regulation 2023/1113.

IBAN means an international payment account number identifier, which unambiguously identifies an individual payment account in a Member State, the elements of which are specified by the International Organisation for Standardisation (ISO), and is interoperable in accordance with Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro.

Indirect Loss means an indirect or consequential loss (not being a loss which arises naturally as a result of a breach of this Agreement or other event the subject of the relevant claim), subject to the being considered indirect or consequential losses within the meaning of this definition:

- i a loss of profits or revenue;
- ii a loss of anticipated savings,
- iii a loss of opportunity or business;
- iv a loss of goodwill;
- v a loss or corruption of Data; or
- vi a loss of anticipated savings; and
- vii the following will not be considered indirect or consequential losses within the meaning of this definition:
 - viii costs of remedial measures including engaging additional personnel or procuring additional equipment;
 - ix costs of procuring replacement goods or services;
 - x costs "thrown away" including transition costs; and
 - xi payments made to ISXPAY for goods or services that were not supplied in accordance with this Agreement.

Insolvency Event: Any of the following:

- a) an order is made or an application is made to a court for an order that a party be wound up;
- b) an application is made to a court for an order appointing a liquidator or provisional liquidator or a liquidator or provisional liquidator is appointed in respect of a party;
- c) a party enters into, or resolves to enter into, a scheme of arrangement, deed of Merchant arrangement or composition with, or assignment for the benefit of, all or any classes of its creditors, or it proposes a re-organisation, moratorium or other administration involving any of them;
- d) a party resolves to wind itself up, or otherwise dissolve itself, or gives notice of intention to do so, except to reconstruct or amalgamate while solvent on terms approved by the other party or is otherwise wound up or dissolved;
- e) a party is or states that it is unable to pay its debts when they fall due;
- f) a party takes any step to obtain protection or is granted protection from its creditors, under any applicable legislation or an administrator is appointed to a party; or
- g) anything analogous or having a substantially similar direct effect to any of the events specified in paragraphs (a)-(f) above happens under the law of any applicable jurisdiction.

Insolvent means where a Party :

- a) suspends payment of its debts;
- b) is unable to pay its debts as and when they become due and payable;
- c) has a receiver, manager, liquidator, administrator, or controller appointed by a third party in relation to any of its assets; or
- d) commits an act of bankruptcy, insolvency or similar default under the laws of the jurisdiction in which it is incorporated or domiciled.

Intellectual Property Rights or **IPR** means all current and future copyright, patent (whether or not as yet granted), trademarks or rights in databases, inventions or trade secrets, know-how, rights in designs, topographies, trade and business names, domain names, marks and devices (whether or not registered) and all other intellectual property rights and applications for any of those rights (where such applications can be made) capable of protection in any relevant country of the world, as asserted or claimed under relevant law by ISXPAY or its Related Body Corporates.

Issuer: Cardholder's Bank, or the Bank which has issued a Card to an individual.

ISXPAY Service means the services set out in the relevant Merchant Agreement, which may include Payment Services, payment gateway, payment processing and/or any other optional services described in the relevant Merchant Agreement or any attachment.

ISXPAY Website means ISXPAY's website located at <http://www.isx.financial/> or such other uniform resource locator that ISXPAY may notify the Merchant of from time to time.

ISXPAY and/or ISX means **ISX Financial EU Plc**, HE 348009 of 1 Makrasykas, KBC North Building, 2034, Strovolos, Nicosia, Cyprus. The Republic of Cyprus.

Know Your Customer or **KYC** means a process whereby a customer is identified to the standard required by the applicable AML Regulation via a customer due diligence program, usually with specific requirements for each jurisdiction, which may be satisfied in part or whole by the ISXPAY Service.

Know Your Customer Data or **KYC Data** means customer identification **Data** which **AML Regulation** requires an Obligated Entity to collect, validate or verify for the purpose of meeting the customer due diligence requirements of **AML Regulation**, which data shall be the property of both parties jointly and severally.

Liability means any actions, suits, demands, claims, judgments, orders, costs, expenses (including legal costs on a full indemnity basis), losses, damages, compensation, amounts paid on advice of legal advisers to compromise or settle a claim, taxes, outgoings or other payments.

Magnetic Stripe A stripe of magnetic information affixed to the back of a plastic Card.

Merchant: The party identified as "Merchant" on the Application. The words "You" and "Your" refer to Merchant.

Merchant Account means a facility issued by an Acquirer, identified by a MID, whereby the Merchant classified under an MCC may remotely accept and process payments on Payment Instruments including debit and credit card transactions and which may include the means to direct debit End User's bank accounts via APMs

Merchant Category Code (MCC) A code used by credit card companies to categorize the business activities of merchants.

MID: A merchant identification number.

Monetary Financial Institution means any of central bank, credit institution or bank regulated in the EEA or equivalent jurisdictions.

Obligated Entity means any Merchant that is obligated or regulated under any AML Regulation, AML/CFT Law, the USA Patriot Act or Bank Secrecy Act or similar Law and which must conduct customer due diligence at the commencement of a business relationship or at times otherwise required under applicable AML Regulation.

Operating Procedures: Any operating manual and information provided or otherwise made available to the Merchant by ISXPAY from time to time, including operational procedures, instructions and other directives relating to Transactions, as amended from time to time or any Charge Card Company rules or Card Scheme Rules, industry regulations and any information identified as such on the ISX or ISXPAY website accessible to the Merchant.

Parties means the parties to this Agreement, as listed in the Merchant Agreement, and where SEPA/EU payment services are provided, includes ISX Financial EU Plc (Merchant HE 348009), Makrasykas 1, KBC North Building, 2034, Strovolos, Nicosia, Cyprus, as the payment service provider, which acts as a *data controller*, for the purpose of the GDPR.

Payment Instrument means any type of regulated payment account including bank accounts with direct debit access and or transfer facilities, cards including debit, credit, stored value, virtual, or services such as e-money, e-mandates or other electronic means of payment issued by a regulated financial or e-money institution which is licensed within the jurisdiction(s) in which it operates. Payment to a Merchant is usually processed through a payment gateway or payment service provider.

Payment Processing means the provision of services by ISXPAY that allow for acceptance of by the Merchant of End User APM facilities, debit or credit cards, as part of which the payment data is processed by ISXPAY and provided to one or more Acquirers during the primary provision of any ISXPAY Services.

Payment Services: The activities undertaken by ISXPay or, where Acquiring services are provided by Third Party Acquirer and/or APM, jointly, severally or collectively, to decline or authorise, process and settle all APM Transactions and Card Transactions undertaken by Cardholders at the Merchant's location(s), and all other activities necessary for ISXPay to perform the functions required by this Agreement for all Cards covered by this Agreement in accordance with the **Payment Services Directive 2**.

Payment Services Directive 2 (PSD2): means the Payment Services Directive EC 2015/2366, as amended from time to time.

Payment Service Provider means an entity authorised under the PSD2 to provide Payment Services

Payment Device means the Processing Software.

PCI or PCI Council mean the Payment Card Industry Security Standards Council as described at www.pcisecuritystandards.org.

PCI DSS means the current version of the Payment Card Industry Data Security Standard as determined by the PCI Council.

Person includes an individual, firm, body corporate, unincorporated body or association, partnership, joint venture and any government agency or authority.

Personal Data means any information about or relating to an identified or reasonably identifiable natural person, and includes any information that falls within the meaning of "personal information" or "personal data" in the GDPR, including some or more of a person's name, mobile phone number, address, date of birth, citizenship, place of birth, email addresses, identity documents (and their details), credit reference data, employment data, alternative phone numbers, Facebook, LinkedIn and Twitter accounts, instant message addresses, device and fingerprint characteristics (whether collected using internal or third party applications) and any other details as agreed from time to time.

Personal Information includes Personal Data as defined in GDPR and also refers to information or an opinion (including information or an opinion forming part of a database), whether true or not, and whether recorded in a material form or not, about an individual whose identity is apparent, or can reasonably be ascertained, from the information or opinion, which is received by You or Us from any source as a consequence of the performance of the rights and obligations under this Agreement. ISXPay is deemed to be both the data *controller* and the data *processor*, as defined in the GDPR.

PIN means the one time passcode, password, personal identification number or combinations thereof allocated by ISXPay, a card issuer, an account servicing payment service provider, an account information payment service provider or personally selected by the account holder, which code or codes to be submitted by the Cardholder to validate a transaction, when requested by ISXPay.

PIV Profile means the profile of an End User created by means of a completed authentication via use of the PIV Service and includes data collected by ISXPay or the Merchant in relation to the End User. Such data may be collected by the Merchant and passed to ISXPay or may be collected by ISXPay as part of providing the ISXPay Service. The data may include some or more of: a person's name, mobile phone number, address, date of birth, citizenship; email addresses, alternative phone numbers, Facebook, LinkedIn and Twitter accounts, instant message addresses, device and fingerprint characteristics (whether collected using internal or third party applications) and any other details as agreed from time to time.

PIV Service means the Payment Instrument Verification service that utilises the ISXPay IPR to verify that an End User has ownership of a Payment Instrument.

Processing Software means the certified software that, in addition to authorizing the transaction, also transmits the transaction to ISXPay. For online sales, this will for example consist of the web pages on which the Cardholder can submit the Card data; for sales by telephone, this will for example consist of the IVR software that is installed with the Merchant's systems, through which Cardholders can enter Card data. The Secure Payment Page provided by ISXPay substitutes for Processing Software.

Processing Software Service Provider means the 3rd party Merchant which offers the Processing Software, takes care of the technical connection with ISXPay, and is certified by the Card Scheme and competent verification bodies. If the Merchant uses ISXPay's Paydentity™ Processing Software, then ISXPay will qualify as the Processing Software Service Provider.

POS Terminal: A point of sale device placed in a merchant location which is connected to the ISXPay system via telephone lines and is designed to authorise, record and settle data by electronic means for all sales Transactions with ISXPay.

Privacy Law: means all legislation and principles relating to the collection, use, disclosure, storage and granting of access rights to Personal Information within the European Economic Area, including the General Data Protection Regulation (EU) 2016/679.

Related Body Corporate has the meaning imparted to the Related Companies as per The Companies Law, Cyprus.

Relevant Law means :

- (a) any EU, EEA or applicable member state Anti Money Laundering Regulations
- (b) the Payment Services Directive 2
- (c) The EU Funds Transfer Regulation
- (d) The General Data Protection Regulation (GDPR) Regulation (EU) 2016/679
- (e) Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 the taking up, pursuit and prudential supervision of the business of electronic money institutions.
- (f) Republic of Cyprus *Electronic Money Law* of 2012 and 2018 and *the Electronic Money Directive 241/2012* issued by the Central Bank of Cyprus
- (g) any statute, ordinance, code or other law including regulations and other instruments under them that are relevant to the obligations and rights of this Agreement; and
- (h) any code of practice, guidelines or standards issued by relevant regulators or industry bodies, including any Card Scheme Rules relevant to this Agreement.

Sales Voucher means the document or log file produced by the payment terminal or Processing Software by way of proof of the transaction, which may include a **Transaction Receipt**.

SAD means Sensitive Account Data as defined in PCI DSS.

SEPA means the 'Single Euro Payment Area' created in accordance with Regulation EC 260/2012.

Secure Payment Page means a method provided by ISXPay to allow for secure capture and transmission of payment related data from the Merchant, where the Secure Payment Page is embedded within relevant pages of a Merchant's website, or hosted by ISXPay.

Security: Any guarantee, indemnity, bill of sale, mortgage charge or other security interest or any authority to appropriate or set off deposits which ISXPay may request the Merchant to provide under clause 7.3.

Settlement Cycle means the frequency that funds are disbursed to the Merchant, and may vary between the primary currency (EUROS or EEA Member State Currency) and other currencies, per the Merchant Agreement.

Software: All software, computer programs, related documentation, technology and processes embodied in or provided in connection with the Services.

Standard Merchant Terms: The terms and conditions set out in this document, as amended from time to time.

Strong Customer Authentication has the same meaning as the Payment Services Directive EC 2015/2366.

System Live Date means the start date for provision of the ISXPay Services with End Users.

Third Party Acquirer means an entity that is authorised by the relevant national financial regulator to act as an Acquirer providing card acquiring payment services within the European Economic Area (EEA) in accordance with the Payment Services Directive 2 EC 2015/2366. Where ISXPay is not acting as the Acquirer, the Third Party Acquirer will be specified in the Merchant Agreement.

Transaction: Includes a APM Transaction and Card Transaction, sales transaction (being the supply of goods or services or both), a cash out transaction, Refund, or Cash Related Transaction in which a IBAN, bank account, Card or Card number is used and which is processed by the Merchant either manually via our dashboard or electronically via our API.

Transaction Receipt means a document used to evidence a transaction.

We, Us and Our means, ISXPay or, where APM and/or card acquiring services are provided by an APM and/or Third Party Acquirer, collectively, the APM, Third Party Acquirer and ISXPay.

You and Your means the Merchant to whom the Payment Service is provided by Us.

ANNEX 2 – ADDITIONAL SERVICE CONDITIONS**SC1 : Service Conditions International Cards (Card Not Present)****1. COMMON CONDITIONS**

The Standard Merchant Terms shall apply to these Service Conditions International Cards. For the purposes of applying the Standard Merchant Terms, the following terms shall be defined as indicated below in Clause 2:

2. ADDITIONAL DEFINITIONS

Limited Payment Guarantee: means that if a transaction was successfully executed with 3DSecure and the Merchant fully complies with this Contract, the Merchant is assured that the transaction amount will not be debited from his Internal Account due to a transaction dispute initiated by the Cardholder for the sole reason that the transaction was not authorized by the Cardholder. The Limited Payment Guarantee does not prevent, however, that the Internal Account is debited for other reasons mentioned in the Common Conditions. The Merchant therefore acknowledges the limited scope and relative nature of the guarantee that is granted, for which the conditions and limitations are further described in clause 7.2.

3. SCOPE

These Service Conditions cover all Card-based transactions which can be accepted by the Merchant for Card Not Present situations.

4. EXECUTION OF TRANSACTIONS

In practice, the obligations imposed on the Merchant in this clause 4 shall typically be met by the Processing Software Service Provider (possibly in cooperation with the Merchant).

(a) The Merchant shall ensure that the Processing Software is functioning correctly.

(b) Internet payments require that (the Processing Software of) the Merchant has a Certificate issued by a Certification Authority. At ISXPay's first request, the Merchant shall submit proof of this Certificate and its current validity. The Merchant shall be responsible for correctly performing the certification procedure and renewing the certificate on time. The Merchant shall also be responsible for the correct implementation, management and security of the Certificate.

(c) ISXPay can impose certain settings in the Processing Software. Any non-compliance in this regard shall give ISXPay the right to immediately terminate the Contract in accordance with the Termination Modalities.

(d) The Merchant shall protect the transaction data against any form of interception during its transmission and storage. Certain data, for example the data referred to in PCI/DSS, must never be stored in an unprotected manner: the name of the Cardholder, the full Card number, the expiry date, the Authorization Code, the service code, the date, and the amount of the transaction. Furthermore, storage of the full data contained on the magnetic strip, the CVC2/CVV2/CID and the PIN/PIN block after Authorization processing, is not allowed, not even in encrypted form. The Merchant shall be fully liable for all damage in this regard, including any penalties and costs imposed by the Card Scheme on ISXPay, as a consequence of the non-compliance with these obligations.

(e) The Merchant shall secure his infrastructure (including his website and Processing Software) against hacking and other types of data compromise.

5. VERIFICATIONS

5.1. The Merchant acknowledges that the risk for fraudulent transactions is significantly higher for Card Not Present situations, as compared to situations where the Cardholder and the Card are in physical proximity of the Merchant. Because of this higher risk on fraud in Card Not Present situations, the Merchant shall act even more prudently and carefully than with other transactions. The Merchant also explicitly commits to train his employees and agents on these aspects, and draw their attention to the fraud risk.

5.2. The Merchant shall use all efforts available to him to reduce the fraudulent transaction risk, e.g. by verifying whether:

- (a) there is a match between the name of the Cardholder, the name possibly mentioned in the email address, and the name mentioned in the delivery address;
- (b) in Internet sales, there is a match between the presumed geographical location of the computer address (IP address) and the delivery address;
- (c) the presumed customer undertook an unusual number of attempts for the transaction;
- (d) any remarkable questions or unusual requests were asked by the customer.
- (e) In this risk assessment, the Merchant shall take account of all relevant factors — such as the nature of the products or services, their sensitivity to fraud, as well as the transaction amount.
- (f) Several of these verifications may be fully or partially implemented as a parameter in the Processing Software. In addition, several Processing Software Service Providers and other third parties also offer fraud detection tools in order to limit the risk associated with Card Not Present situations. ISXPay strongly advises to use these possibilities.

6. ELECTRONIC PROCESSING**6.1. General provisions**

- 6.1.1. The Merchant can initiate the electronic processing of a transaction either by using the Processing Software, or by manually entering data into a payment terminal. ISXPay shall only process transactions when the Merchant sent all required information (such as the full Card number, the Card expiry date, the name and first name of the Cardholder, the amount and date of the transaction, the Authorization Code and the CVV2-CVC2 code) in a secured manner, in accordance with either applicable industry standards, or a security protocol made available by ISXPay or Third Party Acquirer.
- 6.1.2. The Merchant accepts that communicating the name and first name (and/or address) of the Cardholder not necessarily implies the verification of this data by ISXPay. If the 3DSecure technology is not used, then the Limited Payment Guarantee set forth in clause 7.2 shall not apply. The Merchant shall then bear the full financial risk for all disputes initiated by (a Cardholder through his) Card issuer, e.g. because the contents of the magnetic strip or the contents of the Card was not received, or because the transaction was accepted in physical absence of the Card.
- 6.1.3. If the Merchant engages other parties in his payment process (e.g., the Processing Software Service Provider), then these other parties cannot bind ISXPay in any way. For example, if a third party would claim to guarantee certain verifications or payments, then the Merchant accepts that this guarantee shall not bind ISXPay in any way.

6.2. Processing Software & 3DSecure

To the extent all of the following criteria are met, the Merchant shall qualify for the Limited Payment Guarantee:

- 6.2.1. The Merchant's Processing Software is compatible with the most recent security standards relating to 3DSecure that are imposed by the Card Scheme.
- 6.2.2. After installation of the 3DSecure protocol, the Merchant has received a written confirmation from ISXPay, in which the Card Scheme accepts the Merchant for 3DSecure transactions.

- 6.2.3. The Merchant remains within the limits of 3DSecure, as determined by the Card Scheme. If the maximum amounts for disputes determined for 3DSecure are exceeded, then the 3DSecure coverage offered by the Card Scheme will be suspended, possibly retro-actively and without such suspension being motivated. ISXPay shall communicate the applicable maximum amounts at the Merchant's simple request.
- 6.2.4. The Merchant has activated 3DSecure in his Processing software.
- 6.2.5. The transaction type is eligible for 3DSecure. 3DSecure can only be used for situations where the Cardholder explicitly intervenes in the transaction process in order to securely transfer the data associated with him (e.g., the temporary code generated by the Card reader, a password, a code received by SMS, etc.) to the Card issuer. This requirement prevents 3DSecure from being used for transactions by phone, fax or letter; neither can 3DSecure be used for recurring transactions (e.g., a periodically repeated payment, where the Merchant deliberately avoids the Cardholder's intervention to increase user convenience).
- 6.2.6. The Card used for the transaction is technically eligible for 3DSecure, because it is an "EMV" type that includes a chip.
- 6.2.7. According to the Card Scheme, the Card used for the transaction is eligible for 3DSecure. This depends on various factors defined by the Card Scheme, such as the Card type (consumer - corporate), the geographical origin of the Card, the Merchant's place of establishment, etc. In addition, the Merchant acknowledges that these factors change over time. At the Merchant's simple request, ISXPay will provide a list of description of the eligible Cards. It may also happen that in case of technical failures at the Card Scheme or Card issuer side (e.g., when the "Discovery server" of MasterCard, which signals the Merchant's eligibility for 3DSecure, is unavailable) the transaction does take place, but without 3DSecure.
- 6.2.8. There exist no other reasons why 3DSecure would be unavailable. In this regard, the Merchant shall carefully monitor the communications from ISXPay and his Processing Software Service Provider, as well as the logs of his Processing Software. The Limited Payment Guarantee shall not relieve the Merchant from his increased duty of care for Card Not Present situations (clause 6).

7. CREDIT VOUCHERS

- 7.1. If the Cardholder has legitimate complaints about the goods or services sold, or if the Cardholder returns the goods for a legitimate reason, then the Merchant cannot refuse to exchange them or to draw up a Credit Voucher, for the sole reason that the goods or services were paid with a Card.
- 7.2. The reimbursement shall never be realized in cash, by bank transfer, by money transfer, or by any other means outside the means allowed by the Card Scheme or by ISXPay. If the Merchant draws up a Credit Voucher in order to cancel a transaction performed with a Card, he will only be entitled to use the Credit Vouchers approved by ISXPay. The Card data, as well as date and amount, shall then be mentioned on the Credit Voucher. The Credit Voucher is to be sent to ISXPay within twelve calendar days of their issuing date. The Credit Voucher shall only be drawn up to the benefit of the Card that was used to realize the transaction. Merchants equipped with a payment terminal are entitled to cancel a transaction through the payment terminal within a period of twelve calendar days, by entering the Authorization Code, the date and time of the transaction.

8. STORING SALES VOUCHERS AND SUPPORTING DOCUMENTS

- 8.1. During a period of at least two years, the Merchant shall store the transaction proof and its subsequent follow-up, the proof of the successful delivery/service, as well as the original documents of the orders (fax, mail, etc.) and deliveries (e.g., the delivery addresses).
- 8.2. Upon ISXPay's first written request, the Merchant shall send a complete and legible copy of the relevant evidence to ISXPay within a period of fifteen calendar days. Such request implies that the Cardholder has submitted a possible dispute. In order to allow ISXPay to handle the case and take the Merchant's interests into account in doing so, the Merchant shall communicate all relevant documents regarding the sales/service (e.g., emails exchanged with the Cardholder, proof of delivery, documents communicated to the Cardholder, etc.).
- 8.3. In case of non-compliance with the above obligations, ISXPay has the right to debit the Merchant's Internal Account, in accordance with the Standard Merchant Terms.

SC2: Special Conditions Interchange ++

1. SCOPE

- 1.1. Where IC++ is offered, and the Merchant opts for the Interchange++ pricing model, for the merchant service charges of Cards of the various Card brands of MasterCard, and JCB.
- 1.2. The Interchange ++ pricing model is offered by ISXPay, in the context of the implementation of EU Regulation 2015/751 of 29 April 2015 regarding the interchange fees for card-based payment transactions.

2. PRICING MODEL

- 2.1. The Interchange ++ pricing model is a dynamic pricing model that is based on the real costs associated with the various parties involved in payment transaction processing. The merchant service fee that is used in this model, is composed of the interchange fee, the card scheme fee, and a service fee.
- a) The interchange fee is a compensation which ISXPay or ISXPay in conjunction with Third Party Acquirer acting as an Third Party Acquirer, is required to directly or indirectly pay to the Card issuer (typically a bank) for every transaction. The interchange fee amount is determined by several factors, such as the type of authentication and security (chip, contactless, 3DSecure, magnetic card strip, etc.), the brand and type of Card (corporate or consumer, debit, credit, prepaid, etc.), as well as the geographical location of the Merchant and the cardholder. For consumer cards, the aforementioned EU legislation imposes a maximum of 0.2% per transaction for transactions with debit cards, and 0.3% for transactions with credit cards. In the Interchange ++ pricing model, the interchange fee will be applied on a "pass-through" basis. Per transaction, ISXPay will therefore use the effectively applicable interchange fee to calculate the total merchant service charge.
- b) The scheme fee relates to the costs associated with the services rendered by the Card Schemes with respect to transactions — such as the costs of clearing, connectivity and marketing. The scheme fee amount is determined by various factors, such as the origin of the cardholder, the Card Scheme, the type of Card and the transaction amount. The scheme fee is also applied on a "pass-through" basis. Per transaction, ISXPay will therefore use the effectively applicable scheme fee in order to calculate the total merchant service charge.
- c) The Merchant Service Fee (MSF) or Merchant Discount Rate (MDR) is ISXPay's compensation for the services that directly relate to the effective processing of transactions — such as the processing, the payment of the merchant and the reporting. ISXPay determines the service fee on a per-merchant basis, taking into account the expected transaction volume and the average transaction amount. The service fee does not cover the costs of services that are only indirectly linked to the effected transaction processing: such costs will be indicated on the Order Form/Cover Document, and will be separately charged (e.g., the costs of disputes and charge backs; the cost of activations; the cost of rejected authorizations; the cost of anti-money-laundering and PCI/DSS obligations; etc.).
- d) The service fee also does not cover exceptional services (e.g., foreign exchange risk, non-SEPA settlements, etc. for which ISXPay shall also have the right to invoice additional charges).

3. SETTLEMENT

- (a) ISXPay, will not provide a real-time view of the different cost components associated with a transaction. Instead, a pre-calculated estimated average transaction cost (the "Estimated Commission") will be charged, for which the amount will be indicated on the Order Form/Cover Document.
- (b) At the end of every month, the amounts already paid through the Estimated Commission will be compared to the effective interchange fees, scheme fees and service fees that applied per transaction. If a difference is detected between these amounts, then the corrective amount will either be deducted from next month's transactions, or a reimbursement will be made to the Merchant through a credit note.

4. REPORTING

- (a) At the end of every month, ISXPay, shall provide the Merchant with an overview of the transactions, aggregated per Card Scheme and Card category (debit or credit). Per aggregate category, the number of transactions, the Expected Commission already paid, the total amount of interchange fees and the total amount of scheme fees will be shown.
- (b) More detailed information regarding transactions can be consulted and downloaded at any time through request to ISXPay.

SC3: Special Conditions Matrix Pricing Model**1. SCOPE**

- 1.1. If the Merchant does not opt for either the Interchange++ pricing model, then these Special Conditions shall apply to acquiring transactions.
- 1.2. The Matrix Pricing Model is offered by ISXPay in the context of the implementation of EU Regulation 2015/751 of 29 April 2015 regarding the interchange fees for card-based payment transactions.

2. COMPONENTS OF THE MATRIX PRICING MODEL

- 2.1. The merchant service charge that is charged to the Merchant is composed of the interchange fee, the card scheme fee, and a service fee.
 - a) The interchange fee is a compensation which ISXPay or ISXPay in conjunction with Third Party Acquirer, acting as an Third Party Acquirer, is required to directly or indirectly pay to the Card issuer (typically a bank) for every transaction. The interchange fee amount is determined by several factors, such as the type of authentication and security (chip, contactless, 3DSecure, magnetic card strip, etc.), the brand and type of Card (corporate or consumer, debit, credit, prepaid, etc.), as well as the geographical location of the Merchant and the cardholder.
 - b) For consumer cards issued in the EU, the aforementioned EU legislation imposes a maximum of 0.2% per transaction for transactions with debit cards, and 0.3% for transactions with credit cards.
 - c) The scheme fee relates to the costs associated with the services rendered by the Card Schemes with respect to transactions — such as the costs of clearing, connectivity and marketing. The scheme fee amount is determined by various factors, such as the origin of the cardholder, the Card Scheme, the type of Card and the transaction amount.
 - d) The Merchant Discount Rate (MDR) is ISXPay or ISXPay in conjunction with Third Party Acquirer, compensation for the services that directly relate to the effective processing of transactions — such as the processing, the payment of the merchant and the reporting.
 - e) The MDR service fee does not cover exceptional services (e.g., foreign exchange risk, non- SEPA settlements, etc. — for which ISXPay shall also have the right to invoice additional charges).

3. CALCULATION

- 3.1. The Matrix Pricing Model results in a fixed merchant service charge per transaction, for specific combinations of categories and brands of cards, comprising a basis points component applied against the transaction value and a flat fee per transaction.
 - i. For each Merchant, the fixed merchant MDR service charge is set forth on the Order Form/Cover Document. This amount will be charged to the Merchant.

The interchange fee and scheme fee is incorporated into the MDR at a pass-through basis, depending on the category of the card (debit card/ credit card / prepaid card), the card brand, as well as several other parameters indicated in the pricing table mentioned below. In light of the fact that the interchange fee and scheme fee depend on a complex interaction with various other parameters (such as the transaction amount, the card brand and card type the origin of the Card Holder, the authentication and security used, etc.), this table necessarily presents a range of amounts/percentages for the sake of simplicity.
 - ii. The MDR Matrix may therefore be represented as domestic credit cards, domestic debit cards, domestic business cards, international credit cards, international debit cards, international business cards on a per Card Scheme basis.
 - iii. This table will be regularly changed, in order to reflect evolutions in the market, new decisions of card schemes and Card Issuers, etc.
 - iv. New versions of this SC3 document will be made available by ISXPay the following web address: <http://www.isx.financial/document/>

4. REPORTING

ISXPay's dashboard allows the Merchant to obtain an overview of the transactions at all times. In this overview, the applicable merchant service charges will be indicated, as well (for informational purposes) the interchange fee, scheme fee and service fee.

ANNEX 3 – SERVICE LEVEL AGREEMENT

Service Levels (“SL”) are indicative of targeted performance only, with all reasonable endeavors being used by ISXPAY to minimize any outages and to ensure the Service Levels are being met at all times.

	Service Level	Definition
SL 1	The ISXPAY Service achieves 99.3% availability in a calendar month	ISXPAY Service Availability = ((Total Service Hours per month in minutes) – (Total unscheduled downtime in minutes)) / (Total Service Hours per month in minutes) x 100%. For the purpose of this service level, downtime is not unscheduled if it has been notified by ISXPAY to the Merchant in advance. ISXPAY may, from time to time, need to perform maintenance work in relation to the ISXPAY Services. In performing any such maintenance work, ISXPAY will use its best endeavours to avoid any interruption to the provision or availability of the ISXPAY Services, including by undertaking maintenance work outside of normal business hours in the jurisdiction in which the Merchant is domiciled or incorporated. ISXPAY will use its best endeavours to give the Merchant as much notice as possible of any timing of any maintenance work (including any interruptions to, impairments to the performance of, or other outages of, the ISXPAY Services). However, the Merchant acknowledges that ISXPAY may not be able to give substantial, or any, prior notice if maintenance work on the ISXPAY Services is required on an urgent or emergency basis. The ISXPAY Service is available on a 24x7 basis including Saturdays, Sundays and public holidays.
SL 2	Business Continuity - Recovery Time Objective to be 6 hours	The period of time within which systems, applications or functions will be recovered after a disruption has occurred.
SL 3	Following receipt from the End User, ISXPAY authentication responses are passed to Merchant’s payment gateway as follows: <ul style="list-style-type: none"> ▪ 90% within 5 seconds ▪ 100% within 25 seconds 	The response time is defined as being from the time that the ISXPAY authentication response is received by ISXPAY to the time that the ISXPAY authentication response leaves ISXPAY. ISXPAY Service completion = (Number of instances when PIV authentication is completed within 800ms or 2 second) / (Total instances of ISXPAY authentication request) x 100%

Standard Support

ISXPAY will provide second level support for the ISXPAY Services in accordance with the below support levels and severity classifications. Response times, communication frequencies and resolution times are indicative only. ISXPAY will use commercially reasonable endeavors to achieve these timeframes. Enhanced support subject to specific agreement

Support Level	Severity	Initial Response (Payment Services)	Communication Frequency	Resolution
Basic Support	1	1 Hours	Every 3 Hours	6 Hours (Payments) / 12 Hours (Identity)
	2	6 Hours	Every Business Day	4 Business Days
	3	12 Hours	Every 2 Business Days	7 Business Days

Severity Classification	Scenario
1	<p>Business operations are severely affected</p> <p>IT security incidents on ISXPAY’s system resulting from internal/external malicious security attacks, such as virus/worms/Trojans attacks. The situation has one or more of the following characteristics:</p> <ul style="list-style-type: none"> <input type="checkbox"/> direct / indirect loss of revenue <input type="checkbox"/> business or ISXPAY Service is not available / operational, including service to handle ISXPAY payment and identity authentication related requests (e.g. payment processing, task management, KYC revocation) <input type="checkbox"/> partial or complete outage of the production system <input type="checkbox"/> data integrity at risk <input type="checkbox"/> leakage/loss of confidential data <input type="checkbox"/> production ‘get’ API call and recovery operations fail <p><u>Examples:</u></p> <p>The ISXPAY authentication server is down due to an unknown/new virus attack and as a result the Merchant is unable to authenticate End Users using the ISXPAY Service.</p> <p><u>Payments not being processed to acquirer(s)</u></p> <p>Merchant or End User Data is corrupted or lost due to a database malfunctioning and as a result the Merchant is unable to use all of the ISXPAY Services.</p>
2	<p>Moderate impact to certain functions</p> <p>The situation can be circumvented so that operations may continue. There is a minimal effect on performance, but with no business impact to the End User. Problems that affect a particular process or parts of the ISXPAY Services for which there are existing alternatives to by-pass the problems.</p> <p><u>Examples:</u></p> <p>Memory leakage in certain computer programs are causing the Merchant’s services to experience either slow ness or intermittent slowness when using any of the Authentication services.</p> <p>ISXPAY’s web portal is down due to a Denial Of Service (DoS) attack on its web server and the Merchant is unable to use any of the API or web services as a result.</p>

3	<p>Situation does not impede operations Results in no business impact to the End User</p> <p><u>Example:</u> The Merchant is unable to view its latest bills because of unavailability of billing data/details. The Merchant is unable to perform certain activities on the ISXPAY web portal such as to check the payment status due to broken link or configuration error.</p> <p>Reports not available</p>
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Annex 4 – Website Ownership Declaration

Merchant Declaration

The Merchant declares that:-

- 1) it is the owner of the following websites:-

(TO BE COMPLETED)

- 2) it exercises full control and authorization of the websites' content which is restricted to persons above the age of 18 years.

The Merchant agrees that for any new URL submitted for processing under this agreement, to accept the terms of this Agreement and that it will not use ISXPAY's Purchased Payment Facilities for transactions relating to:

- i. Sales made under a different trade name or business affiliation than indicated on this Agreement or otherwise approved by ISXPAY in writing;
- ii. Any transaction that violates any law, ordinance, or regulation applicable to my business;
- iii. Sales by third parties not a party to this Agreement;
- iv. Supply Cash, traveler's checks, Cash equivalents, or other negotiable instruments

The Merchant further declares that it has not ever been involved in excessive chargebacks, fraud or card scheme or copyright content violation, nor has the Merchant ever terminated by any card scheme acquirer or asked by an acquirer to terminate an agreement within a set period of time.