

## Operational Terms and Conditions

The following terms are supplemental to the Credorax Merchant Services Agreement entered into between the Merchant (as defined therein) and Credorax (as defined therein). Capitalized terms not defined herein shall have the meaning ascribed to them in the Credorax Merchant Services Agreement. Merchant acknowledges and agrees that the provisions hereof are required for Credorax to comply with applicable regulation and license requirements and shall strictly adhere to the terms hereof throughout the term of the Agreement.

### 1. Definitions

The following capitalized terms shall bear the meaning ascribed thereto:

"Acquirer Service Fee" means the fees that Credorax charges for its services, as included in the Fee Schedule.

"Adjustments" means any Refunds, returns, adjustments, Fees, Penalties, surcharges, expenses (including but not limited to legal expenses), Interchange fees and similar fees and assessments, and other payments or amounts due from Merchant or for which Merchant is liable under the Agreement or otherwise with respect to the Credorax Services or Transactions, and shall include, for the avoidance of doubt, any amounts due as a result of a Chargeback or Refund.

"Agreement" means Credorax Merchant Services Agreement signed by the Parties to the Agreement in its entirety, including all schedules and annexes thereto, the Operational Terms and Conditions, the Data Processing Addendum, the Card Scheme Rules and any relevant and applicable guidelines, procedures, rules or conditions issued by Credorax and provided to Merchant, as the same may be amended from time to time.

"Authorization" means an affirmative response, by a card issuer to a request to effect a Transaction, that a Transaction is within the cardholder's available credit limit and that the cardholder has not yet reported the Card lost or stolen.

"Business Day" means a day other than a Saturday or Sunday or a public holiday in Malta.

"Card" means any valid payment card issued under any Card Scheme.

"Card Schemes" means Amex, MasterCard, Visa and/or any other similar schemes, in relation to which Credorax is registered as a member or otherwise authorized to process Transactions.

"Card Scheme Marks" means the names, logos, service marks, trademarks, trade names, taglines or any other proprietary designations belonging to any Card Scheme.

"Card Scheme Rules" means all current and future by-laws, rules, regulations, interpretations and other guidelines promulgated by any Card Scheme from time to time.

"Chargeback" means a disputed Transaction for which the card issuer seeks reimbursement to the cardholder in circumstances stipulated by the Card Scheme Rules.

"Confidential Information" means (i) any and all trade secrets; (ii) any commercial, marketing, technical or other information relating to the business activities of the Parties; and (iii) any other information of whatever nature made available to a Party by another Party which would reasonably be understood to be confidential.

"Credorax Exchange Rate" means the applicable conversion rate according to Reuters or ECB, while adding a percentage markup.

"Default Event" means an event where: (i) Merchant, its directors or ultimate beneficial owners is/are in breach of any of the terms of the Agreement, applicable laws, or Card Scheme Rules; (ii) Merchant or its business is subject to insolvency proceedings or is in any other way unable to pay its debts and/or is closed for business; (iii) the Transactions submitted include a percentage of fraudulent or unauthorized Transactions which, in the sole (but reasonable) opinion of Credorax, exceeds the percentage acceptable for Merchant's business, or which causes a violation of the Card Scheme Rules; (iv) Merchant fails to comply with any request for information or documentation from Credorax from time to time, including matters related to customer due diligence and anti-money laundering; (v) Credorax discovers that any information provided is false or misleading; (vi) Merchant

engages in misconduct with respect to its business or affairs; (vii) changes to the business activities, practices or bank settlement details have occurred of which Credorax was not informed and/or Credorax has not approved; (viii) the Merchant incurs Excessive Chargeback levels and/or fails to comply with Credorax's Chargeback

thresholds as defined in Credorax's internal performance monitoring program; (ix) a guarantor withdraws any guarantee in relation to the Agreement; (x) Merchant engages in the sale of products/goods and/or methods of selling which Credorax has not approved; (xi) Merchant account being, in the reasonable opinion of Credorax, substantially inactive or low-processing for a period of at least two (2) months; (xii) Merchants' turnover does not exceed the 'Minimum Annual Turnover' as may be stipulated by Credorax, in any twelve (12) months period; ('Minimum Annual Turnover'); (xiii) Merchant processes any Transactions via its Merchant Account ID for websites not approved by Credorax; (xiv) any security provided by the Merchant to Credorax fails or ceases in any respect to have full force and effect for any reason; (xv) any litigation, arbitration, administrative or other investigation including by the Card Schemes; (xvi) proceeding or dispute is commenced against the Merchant which is reasonably likely to be adversely determined and if adversely determined is reasonably likely to result in a claim for damages which may have a material adverse effect on the operations of the Merchant; (xvii) any other event or series of events (including, any adverse change in Merchant's business, assets or financial condition) or any acts or omissions by Merchant, its directors or ultimate beneficial owners which in the sole (but reasonable) opinion of Credorax, may affect Merchant's ability or willingness to comply with all or any of its obligations under the Agreement, which negatively impacts the integrity, reputation or brand of Credorax, or the Card Schemes or which may lead to Credorax's membership with the Card Schemes to be withdrawn; or (xviii) any breach of the Data Protection rules as laid down in Data Protection Addendum available at <http://www.credorax.com/legal/gdpr>.

"Excessive Chargebacks" means a certain level of Chargebacks for which the percentage or the aggregate value exceeds the thresholds for a specific time period as stipulated by the Card Schemes at that time.

"Declined Authorization" means authorization of a transaction that was not executed successfully, marked as response code "0", as per API documentation <https://epower.credorax.com/>. A fee will be charged on every Declined Transaction.

"Fees" means the fees or other payments described in Schedule 1 of the Agreement.

"Force Majeure" means unforeseeable circumstances where the performance of Credorax's obligations under the Agreement is not reasonable or practical. Such circumstances include natural calamities, accidents, fires, public disorders, walkouts, revolutions, hostilities, legislative acts, government orders and directives of the authorities, which directly or indirectly prohibit the types of business stipulated herein, as well as any other circumstances beyond Credorax's reasonable control.

"Interchange" means the fee charged for each Transaction by the issuing bank.

"Interchange++" means the Interchange fee charged for each Transaction plus other possible fees charged by the applicable Card Scheme, plus Merchant Discount Rate for each sales Transaction processed.

"Losses" means any and all liabilities, losses, damages, costs, charges, claims, demands, proceedings, actions, settlements, expenses (including legal expenses calculated on a full indemnity basis) and fines and/or penalties (including those levied by a Card Scheme or regulatory body).

"Marketplace" means an entity that brings together Cardholders and Merchants on an electronic commerce website or mobile application and processes Transactions and receives Settlement on behalf of those Merchants.

"Merchant Discount Rate" means a percentage of fee payable by Merchant for the transactions processed under the Merchant Agreement for the Acquirer processing. Merchant Discount Rate is part of the Interchange ++.

"Minimum Annual Turnover" means the minimum annual turnover as agreed by the Parties from time to time.

"Minimum Volume Fee" shall be charged on a monthly basis based on the processing of the previous month as a percentage as indicated in Schedule 1.

"Penalties" means any fine or amount or other additional payment as imposed by the Card Schemes on Credorax as a result of a breach of Card Scheme Rules by the Merchant or caused by the Merchant, including without limitation any such fines or amounts the quantum of which is dependent on or affected by factors external to the Merchant.

"Purchase" means a transaction in which the cardholder initiates payment for the transfer of funds from cardholder account to Merchant. A Purchase fee will be charged on every Transaction that is cleared.

"Refund" means a transaction initiated by Merchant to effect a credit or refund to a cardholder's account linked to a prior sales Transaction, such as upon the return in full or in part of products or the cancellation of a service purchased, or if the Merchant agrees to a price adjustment on a purchase made with a Card.

"Reserve" means an amount withheld and retained from the Merchant by Credorax (based on a reasonable assessment of the potential Adjustments, exposure and other liabilities and on the basis of the information provided by the Merchant regarding its anticipated use of the Credorax Services at the time of onboarding), as a security against any sums due (including Chargebacks) to Credorax by the Merchant under the Agreement. The Reserve may take the form either of a fixed sum or a percentage of the settlement funds (Rolling Reserve) as may be set by Credorax from time to time and may be funded by one or more of the following means: (i) an extended settlement period of settlement funds to Merchant; (ii) one or more deductions or offsets to any settlement funds otherwise due to Merchant, before any deductions or payments are made from the amounts processed by the Merchant; and/or (iii) transfer of a monetary value to Credorax by or on behalf of Merchant.

"Retrieval Request" fee shall be charged on a request for information initiated by a cardholder.

"Representment" fee shall be charged in the event Credorax handles and disputes (including pre-arbitration) a Chargeback to the Card Scheme on behalf of Merchant. In the event that Merchant exceeds the thresholds (for MC >1.5% respectively for VISA >2%) for at least two (2) consecutive months, Credorax shall have the right to adjust the Chargeback fees. The percentages of the tiers refer to the "Chargebacks count/Transactions count" ratio in a calendar month. In the event that Merchant becomes a Chargeback-Monitored Merchant or an Excessive Chargeback Merchant (as defined under the Card Scheme Rules), additional Adjustments may be levied by the Card Schemes.

"SCA" means Strong Customer Authentication, as defined and required by the 2nd Payment Service Directive (PSD2).

"Services" means (i) the submission of Transactions received by Credorax to obtain authorization and funds for settlement for subsequent transfer, (ii) the submission of data to effect a refund, (iii) the handling of Chargeback disputes on behalf of Merchant, (iv) the provision of relevant reporting statements and/or (v) any ancillary services required to facilitate the processing and settlement of Transactions, Chargebacks, refunds and/or winnings, as agreed between Parties from time to time.

"Settlement Currency" means currency in which payment is made to the Merchant.

"Operational Terms and Conditions" or "OTC" means the terms and conditions set out in the document titled as such, as the same may be amended from time to time by Credorax, at its sole discretion. The latest version of the Operational Terms and Conditions is published at <http://www.credorax.com/legal/otc>.

"Transaction" means any Purchase, return or Refund by a Card, for payment of goods and/or services provided to cardholders by the Merchant, regardless of whether the Transaction is approved or declined. The term 'Transaction' shall include credits, error and Adjustments.

"Transaction Currency" means the currency in which the transaction is initiated.

"CFT Fee" means fee charged for a CFT Transaction. CFT Fee applicable in cases of Interchange ++ pricing will be charged in addition to Interchange fee, plus any other possible fees charged for each CFT Transaction.

"CFT (Credit Fund Transfer) Transaction" means a Transaction initiated by the Merchant transfers fund to a Card. Such transfers may be used as payouts made by insurance or gambling Merchants to cardholders. The transfer of funds results in credit to a Card.

"3D Authentication Fee" means fee charged by Card Schemes for every 3D secure authentication attempt.

## 2. Compliance with Laws

2.1 Merchant undertakes that it is and shall remain compliant with all laws, regulations and Card

Scheme Rules, as may be amended from time to time.

- 2.2 Inter alia, Merchant confirms to Credorax that the Merchant's location is and for the duration of the Agreement shall remain within Credorax's licensed area of use. The Merchant agrees to accept, from Merchant's location, Cards as payment for its goods and/or services supplied within the normal range of its activity.
- 2.3 Merchant confirms to Credorax that it is aware of the SCA requirements and undertakes to implement an SCA compliant solution, or, alternatively, process only Transactions that qualify for the SCA exemption, in accordance with the PSD2. To avoid any doubt, it is Merchant's responsibility to ensure that it is compliant with the SCA requirements.
- 2.4 Merchant shall ensure at all times that it meets all the requirements as set under the Card Scheme Rules with respect to (i) its location; (ii) SCA requirements; and any other current or future requirement of the Card Schemes.
- 2.5 Any Penalties imposed on Credorax due to Merchant non-compliance with the above sub-clauses shall be levied to the Merchant.
- 2.6 In order for Credorax to provide Merchant with Credorax Services, Merchant shall establish and maintain with Credorax one or more merchant account IDs ("MID") to facilitate Transactions.
- 2.7 Credorax may amend any provisions and other applicable conditions of the Agreement, including - but not limited to - the processing limits, the Fees, any Transaction capping, the settlement frequency, the funding delay and/or the Reserve by giving notice in writing to the Merchant. These amendments shall be without prejudice to the Merchant's right to terminate the Agreement, in accordance with the Termination Clause of the Agreement.
- 2.8 Credorax may modify the Credorax Services from time to time in its' reasonable discretion and upon reasonable written notice to the Merchant provided that such modifications shall not diminish the functionality of the Credorax Services.

### **3. Due Diligence and Information Rights**

- 3.1 Merchant will execute and deliver to Credorax all such instruments Credorax may from time to time reasonably deem necessary to verify Merchant's compliance with this clause. Any Penalties imposed on Credorax due to a breach of the Merchant in connection with a breach of this sub-clause shall be levied in full to the Merchant.
- 3.2 The Merchant shall follow any instructions given by the relevant Card Scheme or included as part of the Card Scheme Rules and/or the Operational Terms and Conditions in relation to the proper use of the Card Scheme Marks. The Merchant shall not use the Card Scheme Marks in a way that is or may be detrimental to the business or brand of the relevant Card Scheme and shall immediately stop displaying, distributing or otherwise making use of any or all the Card Scheme Marks upon request of any Card Scheme and/or Credorax on behalf of such Card Scheme.
- 3.3 Credorax shall at all times have the right to request any documentation or information, which may also be in the form of personal data, from the Merchant for the purposes of verifying and complying, among others, with AML regulations: (i) the identity of the Merchant, its shareholders and directors; (ii) Merchant's (proposed) business activities; (iii) Credorax's ability and willingness to provide the Credorax Services; (iv) Merchant's ongoing compliance with the Agreement, the Card Scheme Rules and/or any applicable laws; (v) the risk profile of the Merchant, including – but not limited to – Merchant's financial position; (vi) whether any information provided by the Merchant to Credorax, or any information relating to the Merchant and obtained by Credorax, is correct and true; (vii) Merchant's compliance with any applicable laws, the Card Scheme Rules and/or any instructions of the Card Schemes or any relevant competent authority.
- 3.4 The Merchant shall provide any documentation or information requested by Credorax within ten (10) Business Days (or any other time frame as agreed by Credorax) from the date of any such request. Failure to provide information requested by Credorax pursuant this clause will constitute a Default Event for the purposes of the Agreement.
- 3.5 The Merchant acknowledges that it shall be subject to periodic ongoing monitoring which shall include but is not limited to - the periodic review of the Merchant's physical site and its website (if so, costs will be quoted). Further, Merchant acknowledges and agrees that the Card Schemes have the right to audit Merchant's business to confirm compliance with the Card Scheme Rules. The Merchant shall grant Credorax all reasonable access to the Merchant's physical site as Credorax may require for the purposes of the Agreement.
- 3.6 Where Merchant is requested to make any change to its website(s) or other requirement in light of ongoing monitoring and compliance with the Card Scheme Rules, Merchant shall make any such change within five (5) Business Days (or any other time frame as agreed by Credorax) from the date of such request.
- 3.7 Should Merchant fail to comply with any request made by Credorax within the specified time frames under this clause, Credorax shall have the right to suspend and/or terminate the Agreement in accordance with the Termination clause of the Agreement.

### **4. Processing and Settlement**

- 4.1. Merchant agrees that it will comply with the terms of the Agreement and acknowledges that all Transactions (i) are only originating from websites approved by Credorax and (ii) will be submitted in accordance with the Operational Terms and Conditions and any other specifications or instructions set by Credorax in order for Credorax to carry out the Credorax Services. Merchant agrees that Credorax shall not be obliged to provide the Credorax Services when the relevant data is not delivered accurately and in the format specified by Credorax.
- 4.2. Provision of the Credorax Services to Merchant may be subject to certain conditions, such as – but not limited to – operation models (ie. recurring, subscriptions etc), Transaction caps or thresholds, limits on Transaction amounts, secure Transaction processing, volume caps, currency limitations, country blocks, MCC code restrictions, amendments to the funding delay or frequency of settlement and a (increase of the) Reserve and/or guarantee, which may be amended from time to time if reasonably required by Credorax.

- 4.3. Merchant acknowledges and agrees that it shall be liable for all Transactions processed under its merchant

account ID and that it shall be liable for all Chargebacks, Refunds and Penalties with respect to Transactions processed under the Agreement. This liability is not subject to any limitation of liability that may be expressed elsewhere in the Agreement and survives termination or expiration of the Agreement. Under no circumstances will Merchant submit Transactions for any activity, product or entity not explicitly authorized by Credorax for Merchant.

- 4.4. Subject to the terms of the Agreement, and provision of acquiring Services to Merchant, Merchant shall pay the Fees stipulated in Schedule 1 in either way:
- I. Payment by direct deduction of the Fees from the settlement funds amount due to Merchant ("Net Settlement"), as follows: Credorax will transfer the settlement funds to the Merchant less Chargebacks, Refunds, Penalties, Adjustments and/or Fees in accordance with the terms of the Agreement; or
  - II. Payment of the Fees and Fee related Adjustments subject to an issued invoice, as follows: Credorax shall transfer Merchant the full amount of settlement funds due for processed Transactions ("Gross Settlement") and shall issue to Merchant an invoice for all applicable Fees and Fee related Adjustments. Merchant may pay the invoiced Fees to Credorax by wire transfer, or by Credorax deducting the Fees, Penalties and Adjustment from Merchant's next settlement payment, as may be agreed by the Parties. Notwithstanding the aforesaid, it is agreed by the Parties that should Credorax find itself at imminent risk exposure it may deduct without delay any Fees, Penalties and Adjustments from the full amount of the settlement funds at its own discretion. Without derogating from the above mentioned, Chargebacks, Refunds, Penalties and non-fee related Adjustments will be considered as "Net Settlement", and will be deducted immediately from the settlement funds.
- 4.5. Merchant acknowledges and agrees that Credorax is entitled to charge Merchant an additional fee in accordance with the Maltese laws and regulations, in any case the Merchant does not make timely payments. Unless otherwise agreed by the Parties in writing, Credorax shall have no obligation to transfer settlement funds under the Agreement where Credorax has not received such settlement funds from the Card Schemes. Settlement may be done to Merchant or as agreed between Parties. Merchant further agrees that settlement shall constitute full and final settlement of any claim that Merchant may have against Credorax with respect thereto and that by settling, Credorax is fulfilling its obligations to transfer settlement funds to Merchant in accordance with the Agreement and Credorax shall have no further liability in this respect to Merchant.
- 4.6. The Merchant further acknowledges that Credorax cannot sell, pledge or utilise for own purposes the receivables from Card Schemes, resulting from the respective Transaction processed, and therefore has to pass-through these receivables without material delay to the Merchant once collected. In addition, the Merchant understands and agrees that Credorax will not compensate the Merchant for late or non-performance, insolvency or bankruptcy of Credorax or Card Schemes due, to which the Merchant receives late settlement or no settlement at all for already processed Transactions, but not yet settled by Credorax/Card Schemes. In addition, in the case where the Merchant agreement has prefunding arrangements with Credorax, Credorax has the right to reclaim the funds from the Merchant if the relevant Card Scheme does not pay out Credorax.
- 4.7. Settlement shall occur in a frequency as agreed between Parties and shall be subject to certain days of funding delay as stipulated by Credorax in the Agreement as may be amended from time to time in accordance herewith. A funding service fee shall be charged if the funding delay agreed between Parties is less than three (3) Business Days.
- 4.8. The Parties agree that Title III of the Payment Services Directive as implemented in terms of Maltese law or any other relevant law, as well as any equivalent or similar requirements under any succeeding legislation, shall not apply between the Parties in so far as such disapplication is permissible under the Payment Services Directive or any succeeding legislation.
- 4.9. Conversion of Currencies
- I. Merchant hereby authorizes Credorax to convert any amounts (including, without limitation, Settlement funds, gross settlement amount, Transaction amount, any of applicable Fees, etc.) in any currency ("Transaction Currency") into an applicable currency of the account ("Settlement Currency"), in its sole discretion. To avoid any doubt, if Transaction Currency is not supported as a Settlement Currency, then the designated amounts will be converted into Euro (EUR).



- II. Conversions shall always be carried out at the rate based on prevailing rates and sources, including but without limitation, Reuters, central banks and others ("Credorax Exchange Rate"). Credorax Exchange Rate applied to any amounts shall be concluded by Credorax in its sole discretion.
- III. Merchant shall get the information relating to the applicable Credorax Exchange Rate upon a written request. Credorax shall make Credorax Exchange Rate available to Merchant via periodical reports or in any other manner indicated in any relevant and applicable guidelines, procedures, rules or conditions issued by Credorax.
- IV. Merchant acknowledges that the Credorax Exchange Rate may fluctuate and the Merchant shall in no case hold Credorax liable for any fluctuations in the Credorax Exchange Rate.
- V. Any objections relating to applicable Credorax Exchange Rate shall be raised in writing not less than ten (10) Business Days upon issuance of a periodical report to Merchant or after settlement of funds to the Merchant's bank account, the earlier to occur. In cases that no such objections were raised in a specified time frame as mentioned above, the calculations of conversions shall be considered as final and non-disputable.

4.10. All Transactions and settlement funds are subject to audit and final checking by Credorax and may be adjusted for inaccuracies and errors. Merchant acknowledges that all monies provided to Merchant are provisional and subject at any time to: (i) Chargebacks, Refunds, Penalties and Adjustments in accordance with the Card Scheme Rules; and (ii) any of its obligations to Credorax under the Agreement.

4.11. Merchant shall maintain a zero or positive merchant account balance in every currency with Credorax at all times during and after the term of the Agreement. If at any time the settlement funds are not sufficient to cover the amounts due by Merchant under the Agreement, Merchant shall transfer the full amount of funds due as instructed by Credorax within fourteen (14) calendar days of receipt of written notice. In the event Merchant does not make the balance positive within fourteen (14) calendar days, Credorax shall – without prejudice to any further claims for compensation or damages – be entitled to interest on arrears from Merchant, at the rate of 5% per annum above the published European Central Bank 1mth Euribor rate. Such interest shall accrue on a daily basis until actual payment of the overdue amount, whether before or after any related judgment.

4.12. Furthermore, Merchant authorizes Credorax to recover amounts due under the Agreement in the settlement currency as agreed between the Parties in accordance herewith if the funds are unavailable in the processing currency as indicated in the cover letter or any subsequent notice amending the same.

4.13. Merchant acknowledges that throughout the term of the Agreement and after its termination for any reason, Credorax shall be entitled to defer (for such period as it shall in its reasonable discretion consider appropriate) the date upon which settlement would be due to be paid, in order to protect its position with respect to actual or anticipated Chargebacks, Refunds, Penalties and Adjustments or any other liability of Merchant or relating to any Transactions, whether actual or anticipated. Without limiting the foregoing, in the event that Credorax is of the opinion that Merchant's financial condition deteriorates or its Transactions present increased risk exposure to Credorax, in Credorax's sole (but reasonable) opinion, then Credorax may (without prejudice to any other of its rights) defer settlement for such periods it deems appropriate to cover the increased risk exposure.

## **5. Chargebacks and Penalties**

5.1 Merchant understands and acknowledges that during the term of the Agreement and after its termination for any reason whatsoever, Merchant shall be and remain responsible for all Chargebacks, Penalties, Adjustments and all other amounts then due or which thereafter may become due resulting in any way from Transactions processed pursuant to the Agreement. Merchant will pay Credorax on demand the value of all Chargebacks, Penalties and Adjustments.

5.2 Credorax shall report to Merchant all Chargebacks, Penalties and Adjustments (including those imposed by the Card Schemes) on a periodic basis.

## **6. Reserve**

6.1 Credorax may establish a Reserve. Credorax reserves the right to, at any time, review, adjust and increase the level/amount of the Reserve. Any funds held by Credorax as Reserve shall be held in accordance with applicable laws. The Reserve may be used for any form of contractual compensation as defined in the Agreement. Furthermore, a guarantee may also be required as a security against potential liabilities arising under the Agreement.

6.2 Credorax may hold as a Reserve, funds it would otherwise be obligated to pay to the Merchant. In the event that Credorax requires that Merchant should transfer into the Reserve additional funds, Credorax may, among other remedies, terminate the Agreement or suspend providing Credorax Services pursuant to the Agreement, without prior notice.

6.3 Merchant hereby gives its irrevocable consent to Credorax to, apply funds held in a Reserve to provide security and/or any other guarantee as may be required from time to time to the Card Schemes for payment against potential Chargebacks and/or payments of any Assessments and/or Penalties to the said Card Schemes.

## **7. Representation and Warranties**

Merchant represents and warrants in favor of Credorax that, as at the date of and throughout the term of the Agreement:

7.1 the business carried on by the Merchant is a legitimate, lawful business and the Merchant is not engaged, and will not engage, in any conduct or Transactions which may be considered unlawful according to applicable law;

7.2 it will use the Credorax Services in accordance with the terms of the Agreement and Applicable Law, and shall not do any act that shall infringe the rights of any third party including the publishing or transmission of any materials contrary to applicable law;

7.3 it will not do nor omit to do anything which is disreputable or which is capable of damaging the reputation or goodwill of Credorax or a Card;

7.4 no third party agreement prevents it from using the Services as contemplated hereunder, and it is in compliance with its agreements with its credit card acquirers and payment service providers, including without limitation any credit card processing agreements establishing Merchant's account;

- 7.5 all information and documentation provided to Credorax is true, accurate and complete and properly reflects the corporate structure, business and financial condition of the Merchant;
- 7.6 it is not aware of any information which Credorax and its advisors would reasonably require and expect to be informed of for the purpose of making an informed assessment of Merchant and its ability to perform its obligations under the Agreement;
- 7.7 it shall be in possession of all licenses, permits, approvals whether regulatory or otherwise required in terms of applicable laws to carry out its business lawfully. Merchant is obtaining and using the Credorax Services for legitimate business purposes only and to facilitate lawful business Transactions between Merchant and its customers;
- 7.8 it is lawfully constituted under the laws of its country of incorporation and Merchant's business and the manner in which Merchant conducts it complies with all applicable laws, Card Scheme Rules and any related policies, procedures and instructions provided by Credorax;
- 7.9 it has and shall continue to have all the necessary assets and liquidity to perform its obligations under the Agreement as they become due;
- 7.10 there is no action, suit, or proceeding pending, or to Merchant's knowledge, threatened which if decided adversely would impair Merchant's ability to carry on its business substantially or which would adversely affect Merchant's financial condition or operations;
- 7.11 it has never been placed on the MasterCard MATCH<sup>TM</sup> or Visa VMAS systems, or, if Merchant has, Merchant has clearly and conspicuously disclosed that fact to Credorax in writing;
- 7.12 it is the lawful owner of the website(s) that are submitted for processing and has full control and authorization of the website content;
- 7.13 any and all persons executing documents on behalf of the Merchant and/or representing the Merchant are in lawfully authorized to do so.

## 8. Amendments

Credorax may propose amendments or additions to the Agreement. In case Merchant disagrees with any of the proposed amendments it may terminate the Agreement subject to ninety (90) calendar days notice.

## 9. Use of Logos and Trademarks

- 9.1 Merchant hereby permits Credorax to use Merchant's logos and/or trademarks for marketing purposes on Credorax's website and/or on marketing material of Credorax.
- 9.2 Credorax acknowledges that Merchant's logos and/or trademarks are in the sole and exclusive right, title and interest of the Merchant and Credorax's uses thereof will not acquire any right, title or interest in the logos and/or trademarks during the term of the Agreement.
- 9.3 Credorax will use and display Merchant's logos and/or trademarks only in a form and style which do not, and is not reasonably likely to, defame or otherwise injure Merchant and will not represent in any manner that it has any ownership of right, title or interest in the logos and/or trademarks. Merchant retains all rights and goodwill in its logos and/or trademarks.

## 10. Marketplaces

Merchants that are Marketplaces are subject to additional terms and conditions, as described in the Marketplace Guidelines, which are subject to updates from time to time. Credorax shall update the Marketplace of applicable changes, however it is Marketplace's responsibility to check with Credorax on an ongoing basis whether there are any changes that may impact its compliance with the Card Schemes requirements.



Marketplace  
guidelines 2.0b.pdf

### 10.1 Obligations of Marketplace:

- a. Marketplace and its Merchants are to be compliant with the Card Schemes Rules.
- b. Marketplace enters into an agreement with each Merchant before it deposits Transactions on the Merchant's behalf.
- c. Marketplace is hereby giving its irrevocable consent to Credorax to provide the Card Schemes with quarterly reports relating to the Marketplace processing volume. Such reports are requested by the Card Schemes in order to charge fees of Merchants' Transactions processed outside of the Marketplace's region.
- d. Marketplace hereby acknowledges Credorax's right to prohibit individual Merchants from participating in the Card Schemes system and to immediately stop depositing Transactions for any individual Merchant for good cause or upon Card Schemes request.

#### 10.2 Warranties and Undertakings of Marketplace:

- a. Marketplace warrants and undertakes that it is permitted to process Transactions for Merchants located in a different country to the Marketplace, and shall ensure that Transactions are legal in the country of the Marketplace and the Merchant.
- b. Marketplace warrants and undertakes that it shall be liable for all acts, omissions, Cardholder disputes, Chargebacks, Fees, Charges and Assessments, and other Cardholder customer service-related issues caused by the Marketplace's Merchants.
- c. Marketplace warrants and undertakes that it shall be responsible and financially liable for each Transaction processed on behalf of a Merchant .
- d. Marketplace warrants and undertakes that it shall not transfer or attempt to transfer, or permit the Merchant to transfer or attempt to transfer, its financial liability by asking or requiring Cardholders to waive their dispute rights.
- e. Marketplace warrants and undertakes that it shall deposit Transactions only on behalf of Merchants' of goods and services that use the Marketplace's website or application.
- f. Marketplace warrants and undertakes that it shall not knowingly contract with a Merchant whose contract to accept Transactions was terminated at the direction of the Card Schemes or a government agency.

#### 10.3 Registration Fees:

The Marketplace is required to register with the Card Schemes. Marketplace is hereby giving its irrevocable consent to Credorax to register the Marketplace if so required, and keep it so registered throughout the term of this Agreement, with the Card Schemes, in accordance with and as required by the Card Schemes' Rules in effect and as may be amended from time to time. The registration fees shall be solely borne by the Marketplace.

## **11. Operational Conditions**

### Territory:

Merchant must be located in Credorax's licensed area of use which comprises the following: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Finland, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Netherlands, United Kingdom. Unless otherwise agreed, the Merchant agrees to accept, from Merchant's location, Cards as payment for its goods and/or services supplied within the normal range of its activity and without discriminating any Cards. Merchant shall ensure that the Merchant's location shall meet the requirements as set under the Card Scheme Rules.

## **12. Transaction Types**

12.1 Merchant acknowledges that different rules may apply depending on the Transaction type.

- 12.2 Card Present (CP) Transactions: means Transactions where the Card and the Cardholder are physically present at the point of sale and the Merchant accepts the Card via the terminal either by reading the card chip or the card magnetic stripe.
- 12.3 Card Not Present (CNP) Transactions: means such Transactions where the Card and the Cardholder are not physically present at the point of sale but the Merchant receives an instruction from the Cardholder to debit his account. These include: mail orders, telephone orders, fax orders and delayed or amended charges.

12.4 Internet Transactions: means such form of CNP Transactions were the Cardholder gives his Card details to the Merchant over the internet for the purpose of processing payment.

12.5 Recurring Transactions: occurs when a Cardholder gives a Merchant the authority to charge fixed or variable amounts at specific intervals over a period of time or until further notice such as in the case of subscription payments or regular payment of premium.

### **13. Prohibited/Restricted Industries**

13.1 Merchant acknowledges that Credorax has established and maintains a list of restricted industries and of Prohibited Industries.

13.2 Restricted industries will only be accepted by Credorax if conditions set on a case by case basis are satisfied by the Merchant. Prohibited Industries will not, on the other hand, be accepted by Credorax. Credorax's restricted and prohibited industries may be viewed at: [https://credorax.com/legal/accepted\\_industry\\_policy](https://credorax.com/legal/accepted_industry_policy). Credorax retains in all cases an absolute discretion to refuse to accept a Merchant, even where the conditions of the accepted industry policy are met.

13.3 Merchant acknowledges and agrees that it shall be within Credorax's sole discretion to determine whether or not any activities conducted by the Merchant are considered to fall under Credorax's restricted list or prohibited list.

13.4 Credorax shall at all times retain the right to review and amend its restricted list and prohibited list, and any such review shall take effect on a date determined solely by Credorax.

### **14. Procedures**

Before honouring a Card, the Merchant agrees to verify that:

- 14.1 a valid authorisation must be obtained for each Transaction.
- 14.2 applicable to Card Present Transactions- the printed 4 digits above the embossed Card Number match the first 4 digits of the Card number. Quasi-Cash Merchants, such as casinos and exchange bureaus, must write down the printed 4 digits on the 'Merchant's Copy' of the POS chit.
- 14.3 applicable to Card Present Transactions- the signature on the Transaction Receipt matches the name embossed on the face of the Card, the signature of the Card and the signature on the identification presented, if applicable;
- 14.4 applicable to Card Present Transactions- the presenter of the Card is the person whose name is embossed on the face of the Card;
- 14.5 applicable to Card Present Transactions- the embossed account number on the face of the Card matches the printed number on the back of the Card and the account number of the Transaction Receipt;
- 14.6 applicable to Card Present Transactions- the Card, and in particular the signature panel, must not be visibly altered or mutilated;
- 14.7 applicable to Card Present Transactions- the Card has not expired;
- 14.8 applicable to Card Present Transactions-, that the presenter of the Card resembles the person depicted in any photograph intended for identification on the Card.

Before presenting a Card for authorisation, the Merchant agrees to verify that the Merchant will not present for payment a Transaction which has failed any one or more of the authentication checks attempted for that Transaction type. Such authentication checks include but are not limited to CVV2/CVC2 and/or 3D Secure authentication.

### **15. Payment Card Industry Data Security Standards ("PCI-DS Standards")**

- 15.1 Merchant must comply with the requirements of the PCI-DS Standards as applicable, and any modifications of such programmes that may occur from time to time.
- 15.2 Merchant shall ensure that it is fully compliant with the requirements of the PCI-DS Standards, as applicable to Merchant's business and at its own cost. Merchant is solely responsible for any Penalties, associated costs or charges arising from being non-compliant or arising from data held by it being used for fraudulent or unauthorised purposes, including any investigation of the same.
- 15.3 Merchant acknowledges that its ability to accept Card payments from its customers may be temporarily suspended during any time that Merchant is non-compliant with the requirements of the

PCI-DS Standards.

- 15.4 Merchant shall immediately notify Credorax of any suspected or confirmed breach of the PCI-DS Standards, any loss or theft of any cardholder data.
- 15.5 Merchant agrees to receive notifications from Credorax, regarding recommended third parties and/or suppliers that may provide to the Merchant any supporting services that may assist the Merchant with filling PCI self- assessment questioners, web-site screenings or any other PCI related service.
- 15.6 Merchant agrees that Credorax shall not be liable for any above-mentioned services provided to the Merchant by third parties. To avoid any doubt, any notification or recommendation of Credorax does not replace Merchant's obligation to comply with the requirements of the PCI-DS Standards.
- 15.7 Merchant acknowledge that in cases of PCI DS standards violation, Merchant may be fined by Card Schemes with significant Fines. If such Fines are applied for Merchant violations, these may be invoiced by the Card Schemes to Credorax as their contracting party (for the benefit of the Merchant). Merchant shall fully indemnify and hold Credorax harmless from any Fines applied by the Card Schemes as a result of Merchant's breach of the terms of the PCI DS Standards and/or any other Card Scheme Rules.
- 15.8 In cases, that Merchant is considered by Credorax as non-compliant with PCI DS standards, the Merchant shall be charged with PCI non-compliance Fee as stipulated below (hereunder: "**PCI Non-Compliance Fee**"). The PCI Non-compliance Fee will be automatically charged in addition to any other Fee stipulated in the Agreement, for a period during which the Merchant in non-compliant with the PCI DSS, until the earlier of the following instances will occur: (a) a written approval by Credorax will be issued that the Merchant has fulfilled PCI DSS requirements and/or is PCI compliant and/or has fulfilled any required audits or SAQs; or (b) termination of the Agreement.

PCI Non-compliance Fee	19.97 Euro/monthly
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**16. Transaction Floor Limits**

- 16.1 Each Transaction being processed and acquired by Credorax is subject to a floor limit, which the Merchant agrees to respect. These limits will be communicated by Credorax to Merchant and may be amended by Credorax, from time to time, at its sole discretion. Credorax is entitled to refuse the total value of a Transaction, which exceeds its respective limit and which was otherwise previously authorised by Credorax. In the event that Credorax accepts such a Transaction, the Merchant acknowledges that such Transaction may be charged back in total to the Merchant at a later date.
- 16.2 The Merchant agrees not to evade this limit by splitting a Transaction into two or more smaller ones.
- 16.3 Despite the foregoing, a Transaction may exceed these limits if authorisation to that effect is previously obtained through Credorax's systems.
- 16.4 The Merchant acknowledges that in the case of CNP Transactions and Internet Transactions, the floor limit is ZERO and therefore all such CNP Transactions and Internet Transactions must be previously authorised by Credorax.

**17. Authorizations**

- 17.1 Merchants must request prior authorisation from Credorax for all Transactions that exceed the floor limit as aforesaid.
- 17.2 Each such request for authorisation shall be for the total original Transaction amount, including applicable taxes.
- 17.3 Authorisation can only confirm the availability of funds and that the Card has not been reported lost or stolen. Authorisation shall not be deemed or construed to be a representation, promise or guarantee that Credorax will accept the Transaction and that the Merchant will receive payment, nor that the person making the Transaction is the Cardholder.
- 17.4 Authorisation may not be sought or obtained on behalf of any third party.
- 17.5 Authorisation may be obtained electronically in the form determined by Credorax from time to time.
- 17.6 Where goods are to be shipped or delivered or the services performed more than thirty (30) days after the original authorisation, the Merchant is required to obtain a new authorisation number before shipping or delivering the goods or performing the services.
- 17.7 A Merchant must also request authorisation for each Recurring Transaction. This authorisation may be



obtained as provided in 4 above.

## **18. Transaction Receipt**

- 18.1 Unless otherwise agreed, the Transaction Receipt shall record: the truncated card number and the expiry date of the Card; the date of the Transaction; the amount of the Transaction, including applicable taxes; the authorisation number, where applicable; the name, address and number of the outlet; the Cardholder's signature (if applicable) in case of Card Present Transactions; the words "Delayed Delivery" if it has been agreed with the Cardholder that the goods or services will not be dispatched or rendered on the date the Transaction is made. In case of such Transactions;
- 18.2 Merchant must not require the Cardholder to sign the Transaction Receipt until the final Transaction amount is entered on the Transaction Receipt;
- 18.3 The Transaction Receipt is the Cardholder's official acknowledgment of debt and no alteration may be made after signature.
- 18.4 CNP and Internet Transactions: The Merchant must ensure and/or procure that the Cardholder is made aware of any Terms and Conditions or Cancellation Policy of the Merchant regulating the Transaction prior to completing the Transaction.
- 18.5 On the Transaction Receipt, the Merchant is to write; the date upon which the goods or services are delivered or shipped or the services rendered to the Cardholder; and the words "Mail Order", "Telephone Order", "Internet Order" or similar applicable wording.
- 18.6 A copy of the Transaction Receipt shall at all times be sent to the Cardholder, whether physically or electronically, or both.
- 18.7 Merchant is to retain proof that the Cardholder or the Cardholder's agent signed a carrier delivery receipt for goods delivered to the Cardholder's address.

## **19. Document Retention Periods**

- 19.1 Transaction Receipts and other documents supporting the Transaction must be kept by Merchant for a minimum period of two (2) years from the date from when the goods are shipped or delivered or the services are performed. Such documents may include, but are not limited to the Cardholder's signed declarations, orders, applications, electronic Transaction messages, rental agreements, hotel registration forms and invoices as applicable. Within this retention period, the Merchant must provide a copy of the relevant documents to Credorax immediately upon request. If a Transaction is disputed before the expiration of the retention period, all records relevant to the Transaction must be stored until the dispute is finally resolved. Recurring Transactions:
- 19.2 Merchant must retain a copy of the written agreement entered into between the Merchant and the Cardholder for a period of two (2) years from the date of payment of the last Transaction or Recurring Transaction (as applicable). If a longer retention period is required pursuant to a specific country law or regulation, the Merchant must retain said agreement in accordance with the timeframes required by such law or regulation. If the Transaction is disputed before the expiration of the retention period, the agreement must be retained until the dispute is finally resolved.

## **20. Recurring Transactions**

- 20.1 Before submitting the first Recurring Transaction, the Merchant must (i) obtain the Cardholder's consent to charge their Card for the same or different amounts at specified or different times; and (ii) notify the Cardholder that they are able to discontinue the Recurring Transaction at any time. The method the Merchant uses to secure the Cardholder's consent must contain a disclosure that the Merchant may receive updated Card account information from the financial institution issuing the Cardholder's Card. The Merchant must retain evidence of such consent for eighteen (18) months from the date the last Recurring Transaction is submitted by the Merchant.
- 20.2 The Transaction will not be honoured if: the Cardholder withdrew his authority to charge his account with the Recurring Transaction 15 calendar days prior to settlement date; the Cardholder's account was closed before Transaction was processed; the Card issuer charged back the initial membership transaction, by mail or phone, and the Cardholder did not expressly renew; or there is any other valid reason.
- 20.3 In the event that Merchant processes Recurring Transactions for services such as insurance services, Merchant acknowledges and agrees that Credorax undertakes no responsibility on Merchant's behalf for the collection from or timely remittance of premiums or other dues by the Cardholders and Merchant agrees to indemnify and hold Credorax harmless from and against any claim, loss and/or liability to a



Cardholder (or former Cardholder) arising out of the termination of his or her service coverage including insurance servicecover.

## **21. Refunds**

- 21.1 The Merchant must disclose its refund policy to Cardholders at the time of the purchase and in compliance with applicable law and the refund policy shall not be less favourable for any Card than it is for other Cards.
- 21.2 Merchant agrees that it shall not make any cash refund to the Cardholder with respect to the return of any merchandise or services previously purchased with his Card. In such cases, the refund shall be made, by crediting the account on which the original Transaction was carried out. Refund Transactions can only be made to reverse previously processed Transactions: provided that in case of gambling Merchants, disbursements of winnings shall be allowed provided that: (i) the credit is effected to the same account number that was used to place the winning wager; and (ii) the Transaction representing the winning wager was lawfully made and properly identified.
- 21.3 Merchant must process a reversal or an adjustment if a Transaction Receipt was processed in error and this within 14 days.
- 21.4 Where the Cardholder's authorisation did not specify the exact amount of the payment Transaction when the authorisation was made and the amount of the Transaction exceeded the amount the Cardholder could reasonably have expected taking into account his or her previous spending pattern, the conditions in his or her agreement with the Merchant and other relevant circumstances of the case (but not fluctuations in the rates of exchange where applicable), then, provided the Cardholder asks for a refund within eight (8) weeks from the debit date to the Cardholder's account, Credorax will refund the Cardholder's account with the full amount of the Transaction by debiting the Merchant's Account. At Credorax's request, the Merchant shall provide factual elements related to the conditions of the Cardholder's Agreement with the Merchant.

## **22. Delayed or Amended Charges**

- 22.1 Merchants offering accommodation services, services on board a cruise liner or car rental services may process delayed or amended charges if the Cardholder has consented in writing to be liable for such delayed or amended charges.
- 22.2 Solely with respect to MasterCard, Merchant is required to obtain a separate authorisation from the Cardholder before processing the delayed or amended charge. Unless a separate authorisation is obtained, the delayed or amended charge will be subject to full recourse in case of dispute. A delayed or amended charge must be processed to the Cardholder's account within 30 calendar days of the original Transaction date. In these cases, Merchant must process a CNP Transaction and include the words 'Signature on File' on the Transaction Receipt.
- 22.3 Merchant must also send a copy of the Transaction Receipt to the Cardholder's address shown on the rental contract, hotel or cruiser liner registration, as applicable.

## **23. Gambling Merchants**

- 23.1 "Gambling Transaction" means any Transaction involving any of the activities of betting, wagering, lotteries or involving any activity designated as gambling activity by Credorax.
- 23.2 "Prohibited Countries and Activities" means the list of countries and activities which are restricted or prohibited for online gambling business, as set out at: [https://credorax.com/legal/accepted\\_industry\\_policy](https://credorax.com/legal/accepted_industry_policy), as the same may be amended from time to time at Credorax's sole discretion and without prior written notification to the Merchant and any countries where Merchant provides for unlicensed gambling services even though Merchant is required by law to obtain a licence.
- 23.3 The Merchant acknowledges and agrees that it shall not use Credorax to process Gambling Transactions in/for any of the Prohibited Countries and Activities.
- 23.4 The Merchant agrees that the list of Prohibited Countries and Activities shall not be considered as legal advice and it is the Merchant's obligation to ensure that it is aware of and fully compliant with any laws, statutes, regulations, codes, restrictions and requirements that may affect its ability to carry out its business lawfully.
- 23.5 The Merchant acknowledges that it has been made aware that the Card Schemes have established requirements, including – but not limited to – website requirements, applying specifically to merchants processing Gambling Transactions, and that it shall at all times comply with any such rules, as the same may be amended from time to time.

- 23.6 The Merchant shall ensure that it shall have appropriate controls in place to identify legitimate customers and to block suspicious activities or cards.
- 23.7 The Merchant agrees that it shall provide to Credorax any such information and documentation as Credorax may require from time to time to enable verification of the services provided by the Merchant and that Merchant is in full compliance with its obligations as set out in this Schedule and as established under all applicable laws and regulations.
- 23.8 Before accepting any cardholder for the purpose of providing Gambling Transactions to such Cardholder, the Merchant shall ensure that it shall inform the Cardholder that Internet gambling may not be lawful in some jurisdictions, including but not limited to - the United States, and shall suggest that the Cardholder check whether Internet gambling is lawful under applicable law.
- 23.9 The Merchant shall immediately inform Credorax of any suspicious activities or Transactions, whether or not such activities or Transactions are blocked, rejected or otherwise not accepted by the Merchant.
- 23.10 Each internet gambling Merchant must request that Cardholders identify the state or foreign country where they are physically located at the time of the Transaction. The Merchant must record the response and retain it, along with the Card account number, the Transaction amount, and the Transaction date. The Merchant must retain this information for a minimum of one year from the Transaction date and provide it to Credorax upon request.
- 23.11 Merchant must post a notice on each of its Web sites (in a position such that the notice will be displayed before requesting a Card account number, such as a click-through notice) stating that assertions have been made that Internet gambling may not be lawful in some jurisdictions, including the United States, and suggesting that the Cardholder check whether Internet gambling is lawful under applicable law or regulation.
- 23.12 Unless the Merchant is a registered Payment Facilitator, the Merchant agrees not to sell chips or other value that can be used, directly or indirectly, to gamble at locations other than those that the Merchant wholly owns.
- 23.13 Merchant represents and warrants that: (i) it complies and shall at all times comply with all applicable laws and regulations (including but not limited to the US Unlawful Internet Gambling Enforcement Act of 2006) and it holds all necessary regulatory permissions and licenses in the country where Merchant has its principal place of business and in the relevant territories where it accepts Gambling Transactions; and (ii) it has implemented and will maintain appropriate technical and organizational measures and established and implemented policies and procedures reasonably designed to identify and block or otherwise prevent or prohibit illegal Gambling Transactions.
- 23.14 Merchant shall indemnify, defend and hold harmless Credorax, its parents, subsidiaries, affiliates, officers, representatives, agents and employees against any and all claims, damages, losses, suits, actions, demands, proceedings, liabilities, costs, expenses or attorneys' fees (including those necessary to successfully establish the right to indemnification) threatened, asserted or filed against them, arising directly out of a breach of any clauses as set forth in this section. This liability is not limited by any limitation in liability that may be expressed elsewhere in the Agreement.
- 23.15 Without prejudice to any other ground for suspension or termination under the Agreement, Credorax reserves the right to suspend the provision of the Credorax Services, or to exercise immediate termination of the Agreement, whether in relation to all or part of the Credorax Services in the event: (i) of a material breach of this Schedule, any law, rule or directive established by any relevant national or international authority and/or of the Card Scheme Rules; (ii) that the Merchant at any time does not possess or renew any relevant license, permit or authorization allowing it to lawfully process Gambling Transactions; (iii) that the Merchant fails to notify Credorax in writing of any material change in the nature of the Merchant's business, goods and/or services or of any additional business the Merchant commences or any material business the Merchant closes down within 5 Business Days of such change; (iv) anything happens to Merchant or in relation to Merchant or arising from or incidental to Merchant's business or the conduct of the Merchant's business (including trading practices and individual activities) which Credorax considers disreputable or capable of damaging the reputation of Credorax or that of any financial institution, detrimental to Credorax's business or that of any financial institution in its financial network or that may give suspicion of any criminal activity.

## **24. Car Rental Merchants**

- 24.1 When a Cardholder wishes to use the Card to hire a vehicle from the Merchant, the Merchant must sign a Rental Agreement with the Cardholder and procure that such Cardholder acknowledges all applicable Terms and Conditions.

24.2 The Merchant shall obtain authorisation for the full estimated amount of the Transaction ("**Estimated Rental Transaction**"). The Estimated Rental Transaction shall be determined by multiplying the rate by the rental period reserved by the Cardholder. The Merchant shall not overestimate this amount and shall not include an amount for any possible damage to or theft of the vehicle. If the Merchant fails to obtain authorisation for the Estimated Rental Transaction and the Cardholder fails to pay the Transaction for any reason, Credorax shall have recourse for the full amount of the Transaction. Upon return of the vehicle, the following terms shall apply:

- a. if the final Transaction is no greater than the Estimated Rental Transaction plus 15% of such Estimated Rental Transaction, no further authorisation shall be necessary;
- b. if the final Transaction is greater than the Estimated Rental Transaction by more than 15%, the Merchant shall obtain authorisation for any additional amount of the Transaction which is greater than the Estimated Rental Transaction. If the Merchant fails to request such authorisation for the additional amount, or authorisation is declined, and the Cardholder fails to pay the Transaction for any reason, Credorax shall have recourse for the amount of the Transaction in excess of the Estimated Rental Transaction. Credorax shall have the right to periodically monitor the Merchant with the authorisation procedures set forth above.

24.3 The Merchant must wait 20 Business Days from the date of the confirmation receipt provided to the Cardholder before processing a Delayed or Amended Charge Transaction.

## 25. Accommodation Merchants

When a Cardholder wishes to use the Card to pay for lodging, the Merchant must procure that the Cardholder signs the Registration Form and acknowledges all applicable Terms and Conditions. A Card imprint must be obtained. At the time of check-in, the Merchant is required to obtain authorisation for the full estimated amount of the Transaction based upon the room rate and the number of days that the Cardholder expects to stay, plus taxes and other known ancillary amounts ("Estimated Transaction"). The Merchant shall not overestimate this amount. If the Merchant fails to obtain such authorisation, and the Cardholder fails to pay for any reason, Credorax shall have recourse for the full amount of the Transaction. Upon check-out:

- 25.1 if the final Transaction is no greater than the Estimated Transaction plus 15% of the Estimated Transaction, no further authorisation is necessary;
- 25.2 if the final Transaction is greater than the Estimated Transaction by more than 15%, the Merchant is to obtain authorisation for any additional amount of the Transaction which is greater than the Estimated Transaction. If the Merchant fails to obtain such authorisation, or authorisation is declined, and the Cardholder fails to pay for any reason, Credorax shall have recourse for the amount of the Transaction in excess of the Estimated Transaction.
- 25.3 an Accommodation Merchant is entitled to charge a Cardholder one night's lodging in the event that the Cardholder has either not registered by check-out time the day following the scheduled arrival date or has not properly cancelled a reservation in which case Credorax's prior authorisation is required. The Cardholder must be advised of this condition when making the reservation. If a Cardholder has not claimed or cancelled an accommodation reservation by the specified time, the Accommodation Merchant must hold the rooms available according to the reservation until check-out time the following day. The Accommodation Merchant may then process a Card Transaction in the form of a CNP Transaction and complete a Transaction Receipt that must contain the following: The amount of one night's lodging plus applicable tax; The Cardholder's name, card number and expiry date; The words 'No Show' on the signature line.

## 26. Timeshare Merchants

"Timeshare Transaction" means an arrangement under which a purchaser receives an interest in real estate and the right to use an accommodation or amenities, or both, for a specified period and on a recurring basis. Any Transaction meeting this definition may be considered as Timeshare and will be subjected to the International Payment System's regulations on Timeshare Transactions. For the purpose of the Merchant Agreement and these Terms and Conditions, 'International Payment System' shall mean Visa International, Europay/ MasterCard, Amex and/or any other Card Scheme as may be applicable to the Merchant from time to time. A Timeshare Merchant must provide a full credit refund for a previously processed CNP Transaction when the Cardholder cancels a Transaction within 14 calendar days of the original Transaction date.

## 27. Customer Activated Terminals ("CAT")

27.1 Credorax will accept Transactions which are activated at the CAT by a Cardholder and unattended by the Merchant, subject to the following: authorisation, including provision of the full magnetic strip datastream, must be obtained for every Transaction; the authorisation and clearing messages should be flagged with a CAT indicator.

27.2 Petrol dispensers should initiate an authorisation request for a nominal amount before any fuel is dispensed, valid for the maximum Transaction amount shown on the Application or as is otherwise notified to the Merchant.

27.3 Cashback must not be provided through a CAT.

27.4 the Merchant agrees that Credorax will have the absolute right to be reimbursed by the Merchant or Credorax can offset such amounts due to the Merchant for any and all Transactions Credorax purchased from you which are for any reason uncollectable due to fraud regardless of whether Credorax had notice of such defect at the time of the purchase. Credorax will have this right even if the Merchant has received an authorisation approval code and has complied with all other provisions of this Merchant Agreement and these Terms and Conditions.

## **28. Cash and Quasi-Cash Merchants**

The Merchant must validate the Cardholder's identity. The Merchant agrees to: obtain a valid authorisation for each Transaction; swipe the Card through the CAT, or obtain a manual imprint; ask for photo identification to validate the Cardholder's identity; if the Card bears a photograph intended for identification, verify that the Cardholder resembles the person described in this photograph; indicate the positive identification on the Transaction Receipt, including: description of identification, including any serial number; notation that the Cardholder's identity was verified by the photograph on the card, if applicable. verify that the signature on the Card matches the signature on the Transaction Receipt and the identification presented; process the PIN if applicable.

## **29. Aggregated Pricing**

*This clause applies to Merchants which have agreed to Merchant Discount Rate (MDR) pricing or IC+ pricing in the pricing section of the Merchant Agreement:*

The Merchant agrees that with reference to the obligation under Regulation (EU) 2015/751, the Merchant has elected to be charged Fees in blended form as set out in the Merchant Agreement. The Merchant understands that it may request unblended Fees and specified information on the components of such Fees applicable with respect to each category and brand of payment cards for those cards that are subject to Regulation (EU) 2015/751 and in accordance with same.

## **30. Information – EEA Only**

It is hereby acknowledged and agreed that the Merchant has elected to receive the information on individual payment Transactions required to be provided by Credorax to the Merchant under Regulation (EU) 2015/751, on an aggregated basis.

## **31. PSD2 Surcharging Rule**

Merchant is responsible to ensure that there will be no extra charges or surcharging charged to the Cardholder if the Cardholder makes use of any card or payment instrument that is already subject to the Interchange Fee Regulation, namely consumer debit cards and consumer credit cards that are used for domestic or intra Transactions.

## **32. Card Scheme Rules**

The Merchant may obtain information on the Card interchange fees as well as the relative rules and regulations from their respective websites (e.g. Visa - [www.visaeurope.com](http://www.visaeurope.com) / MasterCard - [www.mastercard.com](http://www.mastercard.com)).

## **33. Settlement**

33.1 In order to cover administrative and other costs, Credorax shall only settle funds to the Merchant where the said funds exceed the below listed amounts:

Settlement Currency Name	Settlement Currency Code	Payment Threshold
Australian Dollar	AUD	100
British Pound	GBP	100
Canadian Dollar	CAD	100
Czech Koruna	CZK	3000
Danish Krone	DKK	750
Euro	EUR	100
Hong Kong Dollar	HKD	1000
Japanese Yen	JPY	15000
New Zealand Dollar	NZD	200
Norwegian Krone	NOK	1000
Polish Zloty	PLN	500
Singapore Dollar	SGD	200
South African Rand	ZAR	1500
Swedish Krona	SEK	1000
Swiss Franc	CHF	100
Turkish Lira	TRY	300
US Dollar	USD	100

33.2 Credorax reserves the right, at its sole discretion, to amend the minimum payment thresholds with respect to any one or more of the currencies accepted by Credorax.

33.3 Settlement shall occur in a frequency as agreed between Parties or between Credorax and Provider (acting on behalf of Merchant), and shall be subject to certain days of funding delay as stipulated by Credorax. Weekends and Maltese public holidays are not settlement days and are excluded from being calculated as a funding delay day.

#### **34. Disputes with Cardholders**

34.1 The Merchant must maintain customer service information that is readily available for review by the Cardholders. The customer service information should include clear instructions on how to contact the Merchant in relation to any Transaction. The instructions must provide at a minimum, an active customer service e-mail address and/or an active customer service telephone number for the Merchant.

34.2 Card issuers may refuse to settle a Transaction undertaken and processed by a Merchant in any, but not limited to the following cases and events:

- I. the signature on the Transaction Receipt is different from that on the Card;
- II. the Transaction was not authorised by the Cardholder and/or no clear instruction was received from the Cardholder;
- III. the Transaction Receipt is altered after the cardholder has signed it;

- IV. the Transaction Receipt is for any reason incomplete;
- V. the Card has expired at the time of the Transaction;
- VI. the amount charged does not correspond to the value of the goods or services purchased or rendered;
- VII. the sale price is in excess of the authorised floor limit and no authorisation has been obtained from Credorax;
- VIII. a negative authorisation response was given or no authorisation number was given or if given, was not properly recorded or authorisation was not properly requested or obtained;
- IX. the Merchant does not follow the acceptance procedure for Chip and PIN Cards as indicated in these Operational Terms and Conditions.
- X. the Cardholder disputed the Transaction because the goods were not received or were defective, or the services were not performed or were inadequate;
- XI. the Transaction was made with a counterfeit or altered Card;
- XII. the Transaction was for any reason fraudulent, ineligible or illegal;
- XIII. the Transaction was split into two or more Transactions;
- XIV. there has been any departure from the terms of the Merchant Agreement and/or these Terms and Conditions in relation to that Transaction.

34.3 Credorax may, at its discretion, but shall not be obliged to, elect to treat any such Transaction as valid.

34.4 In case of such disputes, the Cardholder's issuing bank may request Credorax to provide a copy of the Transaction Receipt. Credorax will request this copy and any other documentation, information or explanation relevant to the Transaction from the Merchant in writing. The Merchant is obliged to provide the foregoing within the stipulated time indicated in Credorax's request, for onward transmission to the Cardholder's issuing bank, in default of which, Credorax shall have recourse for the gross Transaction amount. For the avoidance of doubt, Credorax's right of recourse to the gross Transaction amount applies to all Transactions.

34.5 Credorax will not, under any circumstances, interfere with, or accept responsibility for, any disputes arising between the Merchant and a Cardholder in respect of goods or services acquired with a Card. Credorax reserves the right to deduct from its settlement the amount under dispute if this amount would not have been paid by the Cardholder. In such cases, the Merchant is entitled to undertake all such steps as may be necessary to recover this amount, and the right to obtain payment from the Cardholder will be assigned by Credorax to the Merchant.

34.6 Credorax has the right to debit the Merchant or to otherwise recover from the Merchant by any means the amount of a Chargeback. Credorax's rights to do this are not affected by any arrangement entered into between the Merchant and the Cardholder.

34.7 CNP Transactions are subject to full recourse; the Merchant is fully liable for such Transactions.

## **35. Prohibitions**

The Merchant is prohibited from the following:

35.1 Requiring any Cardholder to pay a surcharge, whether through any increase in price or otherwise, or allowing a discount for accepting other payment methods, unless specific country laws allow the Merchant to impose a surcharge. In any event, the Merchant must: (a) include the surcharge amount in the Transaction amount, and not to collect it separately; (b) in the Europe region: clearly communicate any surcharge to the Cardholder, and the Cardholder must agree to the surcharge amount, before the Merchant initiates the Transaction.

35.2 Accepting a Card for goods and/or services which fall outside the nature of the business indicated in the Merchant Agreement and/or, in the case of a corporate Merchant, which fall outside its objects as specified in its Memorandum and Articles, statute or similar constitutional document.



- 35.3 Accepting a Card for prostitution, child pornography, or for goods or services for which the provision thereof is illegal (e.g. drug trafficking, unlawful sale of prescription drugs, unlawful sale of tobacco).
- 35.4 Accepting a Card for unregulated charities.
- 35.5 Accepting a Card for sales where the amounts charged do not correspond with the value of the goods or services purchased or rendered.
- 35.6 Accepting a Card for sales made under a trade or business name, business affiliation and/or industry which is different from that agreed with Credorax.
- 35.7 Accepting a Card for amounts which do not represent a bona fide sale of goods or services at the Merchant's outlet.
- 35.8 Accepting a Card for a Transaction which the Merchant knows or should know to be fraudulent or not authorised by the Cardholder.
- 35.9 Accepting Cardholder payments for previous Card charges.
- 35.10 Disbursing funds in the form of cash, unless specifically authorised in writing to do so.
- 35.11 Accepting any cash payments with respect to charges for goods or services that are included on a Transaction Receipt resulting from the use of a Card.
- 35.12 Processing a Transaction for collection of a dishonoured cheque.
- 35.13 Submitting Transactions that represent the refinancing or transfer to a credit card of an existing Cardholder obligation that is deemed to be uncollectible. An obligation is deemed uncollectible when it has been charged off or sold to another institution for the purpose of full or partial debt recovery and does not represent a payment for goods or services provided by the Merchant.
- 35.14 Accepting the Card or submitting Transactions for settlement on behalf of another Merchant or other third party.
- 35.15 Revoke, or in any way change/alter any instructions given to the Merchant's bank, by which Credorax was authorised in terms of the Merchant Agreement to debit any sums from the Merchant's bank account.
- 35.16 Splitting the total amount into smaller amounts, to avoid authorisation. Exceptions to this rule are: purchases in separate departments of a multiple-department store; individual airline or cruise tickets issued to each passenger if required by airline or cruise line policy; partial amount paid by the Cardholder in cash, cheque or both at the same time.
- 35.17 Delayed Delivery Transactions meaning a single Transaction where a Cardholder completes two separate Transaction Receipts. The first Transaction Receipt functions as a deposit for goods or services; the second is to pay the balance due to the Merchant.
- 35.18 Presenting for payment a Transaction which has failed any one or more of the authentication checks attempted for that Transaction type. Such authentication checks include but are not limited to Cardholder ID, Cardholder signature, PIN, CVV2/CVC2 and 3D Secure authentication. (CVV2/CVC2 = Card Verification Value printed on the back of the Card in or next to the signature panel).
- 35.19 Applicable to AMEX Cards only: The Merchant is prohibited from accepting the Card for internet adult content sites, forex, cheque cashing, real estate down payments, mortgage payments and other debt related real estate products, debt collection, door to door sales, escort services and massage parlours, investment on futures maturity/value of goods, medical marijuana dispensary, multi-level pyramid selling, donations to political parties, travel, telecommunications, gambling goods or services, damages, losses, penalties or fines of any kind, overdue amounts, or amounts covering returned or stop-payment checks, cash, to verify the customer's age or any other items of which we notify you from time to time.

### **36. Fraudulent CFT Transactions**

Merchant shall immediately report to Credorax fraudulent CFT Transactions. Examples of reported fraud may include the use of CFTs to transfer funds that were fraudulently obtained through scam activity or account take over.

### **37. POS Terminal**

The Merchant shall ensure that any utilized POS terminal complies with all applicable requirements as may be outlined by local laws, rules and regulations and by the Card Schemes. The Merchant is to ensure that the entry of a user's Personal Identification Number (PIN) on the Terminal/s is not recorded by CCTV.

**38. Honour all Cards**

A Merchant must be able to allow a Cardholder to choose which payment scheme is used to initiate a Transaction, for all payment schemes that that Merchant supports.

If a Merchant chooses to stop accepting a type of payment card within a particular brand of cards, it must give



Credorax no less than 30 days advance written notice together with the reasons thereof. A Merchant that accepts a payment card of a particular brand must also accept other payment instruments of the same brand which are subject to the same regulated interchange fee, when properly presented for payment.

A Merchant is not prevented from expressing a preference for the use of a particular payment card. A discount or other benefit may be applied at a POS location in the European Region as defined by the respective Card Scheme.

### **39. Cardholder's Choice in Europe**

Merchant must comply with the principle of Cardholder's choice for co-badged cards, established by the European Union's Interchange Fee Regulation of 2015, requiring Merchants to allow Cardholders using any payment channel the chance to override any default payment scheme selection or automatic mechanism by Merchants, and to select a payment scheme. Merchant must honor that Cardholder's choice, subject to Merchant's support of the chosen payment scheme.

The requirement for Cardholder's choice must be implemented via appropriate methods for applicable card present and card not present environments.

### **40. Card Schemes, Internal Thresholds and Associated Fines**

All fines and reporting fees imposed by the Card Schemes regulations will be borne by the Merchant.

For more information, please refer to the Fraud and Chargeback Policy:

[https://www.credorax.com/legal/fraud\\_chargebacks\\_policy](https://www.credorax.com/legal/fraud_chargebacks_policy)