ConnectPay

Agreement for Merchant Account No. _____

UAB "ConnectPay", a company duly incorporated in Lithuania with company identification number 304696889, whose registered office is at Gedimino ave. 20, Vilnius, Lithuania, LT01103 (hereinafter referred to as "**Service Provider**" or "**ConnectPay**");

And

(official business name), a company duly incorporated in (jurisdiction) with company registration number (registration number), whose registered office is: (street, city, country, ZIP), represented by (name, surname, position) (hereinafter "**Merchant**");

Hereinafter collectively referred to as the "Parties", and each individually as a "Party", have entered into this Agreement, considering mutual promises and covenants contained in this Agreement.

1. Definitions

1.1 For the purposes of this Agreement and the Annexes referred to herein, the following definitions apply unless the context explicitly requires otherwise:

"Agreement" means this Agreement;

"Annex" means an annex to this Agreement;

"Authorization" shall mean an affirmative response, by or on behalf of an Issuer to a request to effect a Transaction, that a Transaction is within the Cardholder's available account balance/credit limit and that the Cardholder has not yet reported the Card lost or stolen. All Transactions require Authorization;

"Business Day" means any day except any Saturday, any Sunday, any day which a national legal holiday in the Lithuania is;

"Card" means a credit card, charge card, debit card, prepaid card or similar payment mechanism issued by an Issuer;

"Card Association" means MasterCard and VISA;

"Cardholder" means:
(a) the person in whose name a Card has been issued; or
(b) any person who possesses and uses a Card and who purports to be the person in whose name the Card was issued or whose signature appears on the Card as an authorised user;

"Chargeback" means a dispute of a Transaction raised by the Issuer and/or Bank Card Association, subject to the Scheme Rules, that has been debited from the Service Provider;

"Chargeback Fee" means a fee for a Chargeback received by a Merchant;

"CFT" means a transfer to a Card, which is not a Refund, subject to the applicable Scheme Rules;

"CFT Fee" means a fee charged for each CFT;

"Confidential Information" means, in respect of each Party, all information relating to that Party or its operations or business which is supplied by or on behalf of that Party or generated by the receiving Party from such information, either in writing, orally or in any other form, directly or indirectly from or pursuant to discussions with the other Party or which is obtained through observations made by the receiving Party, including all analyses, compilations, studies and other documents whether prepared by or on behalf of a Party which contain or otherwise reflect or are derived from such information;

"Discloser" has the meaning as defined in clause 33.1;

"EEA" means countries listed in Annex D to this Agreement;

"EEA Transaction" means a Transaction which meets the following condition: Bank Card used to complete the said Transaction was issued in the EEA;

"Effective Date" means the date first set out in this Agreement;

"Issuer" means a licensee of a Card Association that issues one or more Cards to a Cardholder;

"MasterCard" means MasterCard International, Inc. and Europay International S.A. and related brands, and their successors or assignees;

"Merchant Account" means an account of the Merchant held with ConnectPay Gateway, to which funds from processed Transactions are credited and from which the Merchant Fees, as well as other relevant charges, are debited;

"Merchant Statement" shall mean an itemized statement of all charges and credits to the Merchant Account;

"Merchant Fees" mean any fees charged to the Merchant by ConnectPay, as specified in Annex B of this Agreement;

"Integration and Setup Fee" means a fee payable by the Merchant to start using Services;

"Merchant Settlement" has the meaning as defined in clause 12.3;

"Non-EEA Transaction" means any Transaction that does not meet the criteria listed for an EEA Transaction;

"PCI Standards" means an applicable set of standards of the PCI Security Standards Council, the extent to which these have to be followed are stipulated by the Scheme Rules;

"PCI DSS" payment cards security standards – requirements to promote the security of payment accounts data, developed by the founders of PCI Security Standards Council with the purpose to promote data protection on a global scale;

"Website" means a specific internet domain through which the Merchant presents its goods and services for sale/rent and uses Services to accept payments;

"Processing Fee" means a fee calculated jointly as an agreed percentage of each Transaction, as per Annex B. For the purposes of the calculation of the Processing Fee, the term "Transaction" does not include credits, refunds and returns;

"Recipient" has the meaning as defined in clause 33.1;

"Refund" means an action initiated by the Merchant or ConnectPay, which reverses an earlier Transaction, subject to the Scheme Rules;

"Refund Fee" means a fee charged per each Refund; "Reserve" has the meaning as defined in clause 5.1;

"Reserve Rate" has the meaning as defined in Annex C; "Retention Period" has the meaning as defined in Annex C;

"Services" means the Card acquiring services of ConnectPay, enabling the Merchant to accept card-not-present payments made via Cards. Services include processing of Transactions and crediting such funds due to the Merchant Account. The list of specific Card types supported is listed in Annex A to this Agreement;

"Settlement Period" is the periodicity, as defined in Annex B, on which Merchant Settlement is performed by Service Provider;

"Scheme Penalty" has the meaning as defined in clause 3.2;

"Scheme Rules" means the by-laws, rules, operating regulations, guidelines, policy statements and other instructions issued by the Card Associations as may be amended or varied from time to time;

"Software" has the meaning as defined in clause 7.1;

"Transaction" means the purchase or lease by a Cardholder of goods and/or services from a Merchant by use of a Card. At all times, Transactions need to be presented and executed in strict accordance to this Agreement, Scheme Rules and applicable laws the term "Transaction" also includes credits, errors, returns and adjustments;

"Transaction Documentation" has the meaning as defined in clause 8.1;

"Fixed Transaction Fee" means a fee charged per each transaction sent for Authorization, authorized by the Issuer;

"Visa" means, individually or collectively, as appropriate, Visa One, VISA U.S.A. Inc. and/or VISA INTERNATIONAL Inc. and/or Visa Europe Limited and related brands, and any of their successors or assigns;

"Settlement Fee" means a fee charged per each outgoing payment to a payment account of a Merchant, held with ConnectPay

1.2 In the event of any conflict between the terms of this Agreement and any Annex, the terms of this Agreement shall prevail.
1.3 In this Agreement where the context so admits:
    a. the word "person" shall include corporation;
    b. the singular expression shall include the plural and vice-versa;
    c. words importing the masculine gender only shall include the feminine gender also and vice-versa; and
    d. words importing the neuter gender only shall include the masculine and feminine gender also and vice-versa.

2. Provision of Services

2.1 The Merchant agrees to use the Services of ConnectPay, in accordance with this Agreement.
2.2 During the term of this Agreement, subject to the terms and conditions of this Agreement, ConnectPay may be, shall provide the Merchant with the Services (as further indicated on Annex A, as amended from time to time by the Service Provider) during the term of this Agreement, subject to the terms and conditions of this Agreement.
2.3 ConnectPay agrees to provide the Merchant with the Services indicated in Annex A, as amended from time to time by ConnectPay, during the term of this Agreement, subject to the terms and conditions of this Agreement.
2.4 ConnectPay shall perform its services as set out in this Agreement with all due skill, care and diligence.

3. Compliance

3.1 The Merchant agrees to comply with the Scheme Rules as well as all applicable laws.
3.2 The Merchant also agrees to pay the Service Provider the full amount of any fees, charges, fines or penalties assessed against the Service Provider by any Card Association or Issuer for the Merchant's violation of the Scheme Rules (hereinafter "Scheme Penalties").
3.3 Furthermore, ConnectPay reserves the right to charge the Merchant a penalty of 2500,- EUR for each of the following changes on its Website which was not approved by ConnectPay:
    a. Merchant's Internet address is not valid and/or has been changed,
    b. Merchant´s Internet address redirects to another internet address,
    c. Merchant's name and the registered address and name and the registered address of the company that the Cardholder enters into an agreement with has been deleted and/or changed in:
        i. the Contact us section,
        ii. the website's Terms and Conditions,
        iii. the client agreement (if separate from the Terms and Conditions),

      iv.   merchant changed the nature of business,

      v.   information intended to mislead the Cardholder has been added on Merchant´s Website.

Provision 3.3. applies only to the Merchant who has submitted Transactions for processing.

4. Term

4.1 This Agreement shall become effective when signed by parties and, unless terminated sooner, shall remain in effect for an indefinite term, unless terminated by a Party to this Agreement as per sections 26 and 27 of this Agreement.

4.2 All existing obligations, warranties, indemnities and agreements with respect to Transactions entered into before such termination shall remain in full force and effect, and the Merchant shall remain liable for all obligations to Cardholders and ConnectPay incurred while this Agreement was in effect.

5. Reserve Account

5.1 The Merchant agrees that ConnectPay shall be entitled to retain a percentage of the nominal value of each authorised transaction for a certain time period following the authorisation date of the given transaction, whereas both the percentage retained and the period the amount is retained for is defined in Annex C to this Agreement (hereinafter referred to as the "Reserve"). The Reserve shall not be credited to the Merchant Account during the above-mentioned period or sent otherwise to the Merchant but deposited into a separate Merchant Reserve Account.

5.2 ConnectPay is entitled, at is sole reasonable discretion, to deduct any and all future debt of the Merchant to ConnectPay that may arise out of or relate to the obligations of the Merchant under this Agreement, including, but not limited to, Merchant Fees and Scheme Penalties.

5.3 In case of termination of this Agreement for any reason, the full balance on the Merchant Reserve Account shall be held by ConnectPay for a period of 180 calendar days following the effective termination of this Agreement. ConnectPay is entitled to deduct its claims from the Merchant Reserve Account even after this Agreement is terminated. ConnectPay will inform the Merchant in writing of any charges debited to the Merchant Reserve Account during this period.

5.4 The Merchant is not entitled to receive any interest on the funds held in the Merchant Reserve Account.

5.5 The provisions of this section 6 will survive the termination of this Agreement.

6. Fees

6.1 In consideration for the services provided to the Merchant, the Service Provider is entitled to Merchant Fees, as specified in Annex B. The Merchant agrees that the Merchant Fees will be charged to the Merchant Account.

6.2 All amounts the Merchant owes Service Provider may be charged to the Merchant Account or Merchant Reserve Account, recouped by adjustment to any credits due to the Merchant, or set off against any account or property ConnectPay holds for, or on behalf of the Merchant.

7. Technical processing

7.1 ConnectPay will provide the Merchant with access to various software programs provided by ConnectPay or approved by ConnectPay (hereinafter "Software"), to facilitate transaction processing for the Merchant. For processing Transactions, the Merchant shall only use the Software. The Software shall be suitable for processing the Services.

7.2 The Merchant is required to connect to the Software, in a manner prescribed by the software integration manual – the Technology Book. ConnectPay shall either (a) interface to the Software in its current form, or (b) request a customization of the Software to allow the required connection. Either option above may require that ConnectPay certifies the interface, although certification does not guarantee the integrity or accuracy of the data transmitted and delivered. The efforts required of ConnectPay in connection with either (a) or (b) above will be performed by ConnectPay within a reasonable amount of time as determined by ConnectPay based on the subject effort. The Merchant agrees to pay for any customisation of the Software, as stipulated above.

7.3 ConnectPay is not responsible for any issues, problems and damages arising from a connection to its Software that has not been performed in strict accordance to the software integration manual.

7.4 The Merchant agrees to bear any and all of its costs relating to the connection to the Software;

7.5 If the Merchant is using the Software, the Merchant acknowledges receipt of a copy of the Software User's Guide. The Merchant will use and operate the Software only in accordance with the Software Technology Book, as amended from time to time by ConnectPay;

7.6 All Software shall be installed and operated in accordance with the instructions provided by ConnectPay.

7.7 The Merchant acknowledges that its use of the Software is in accordance with the terms of the license granted by ConnectPay. The Software is owned by ConnectPay. It is licensed to the Merchant and not sold. The Software and accompanying printed materials, if any, are protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The Merchant is prohibited from copying the Software and accompanying printed materials. The Merchant shall not sell, lease, encumber or otherwise dispose of the Software. The Merchant acknowledges that the proper functioning of the Software requires computer hardware suitable to operate the Software application. ConnectPay will not have any liability to the Merchant if the Software fails to operate because of the Merchant's inappropriate, inadequate or faulty computer hardware, because of the failure of Merchant, its employees and agents to operate the Software properly in accordance with the instructions provided by ConnectPay or because of the neglect or misuse of the Software by the Merchant, its employees or agents. If the Software fails to operate for any other reason not attributable to the Merchant, the liability of ConnectPay shall be limited to the repair or replacement of the Software.

8. Documenting Transactions

8.1 The Merchant shall submit the following information to ConnectPay in connection with Transaction processing:
   a. The DBA ("Doing Business As") name of Merchant, name of Merchant and Merchant's address;
   b. Merchant's customer service telephone number if the Transaction is a mail, telephone or Internet Transaction and website URL;
   c. Merchant's Internet address and e-commerce indicator;
   d. The Merchant Number assigned to the Merchant by ConnectPay - MID;
   e. Where applicable, The Card account number, validation date and/or expiration date of the Card, if one appears on the Card;
   f. Such additional information as may from time to time be required by the Service Provider.

8.2 The Merchant is obliged to store, for a period of 3 years following a Transaction, all the relevant information and documentation regarding the underlying purchase (hereinafter "**Transaction Documentation**"). The Transaction Documentation must include sufficient information to prove that a service and/or good has been ordered by the Cardholder and that it has been delivered/provided to the Cardholder in an agreed manner, as described.

9. Authorization for Transactions

9.1 The Merchant shall obtain Authorization of all Transactions via the Software application supplying all the relevant data as required from time to time by the ConnectPay.

9.2 If the Merchant accepts a Pre-Authorized Recurring Order Transaction, the Cardholder must consent to such Transaction, either electronically or in paper. This written request shall be maintained by the Merchant and made available upon request to ConnectPay. All annual billings must be reaffirmed at least once each year. The Merchant shall not deliver goods or perform services covered by a pre-authorization order after receiving notification from the Cardholder that the pre-authorization is cancelled or from ConnectPay that the Card covering the pre-authorization is not to be honoured;

10. Forbidden Merchant activity

10.1 The Merchant shall not do any of the following with respect to any Transaction:
   10.1.1 Obtain multiple Authorizations for amounts less than the total sale amount;
   10.1.2 Obtain Authorization for purposes of setting aside Cardholder's credit line for use in future sales;
   10.1.3 Extend credit for or defer the time of payment of the total cash price in any Transaction;
   10.1.4 Make any special charge to or extract any special agreement or security from any Cardholder in connection with any Transaction;
   10.1.5 Transmit or accept payment for any Transaction that was not originated directly between the Merchant and a Cardholder for the sale or lease of goods or the performance of services of the type indicated in the Merchant's application for card processing services initially submitted to and approved by the Service Provider;
   10.1.6 Honour or accept a Card as payment for any legal services or expenses arising out of or related to: (i) the defense of any crime other than a traffic violation; (ii) any domestic relations matter where such services or expenses are furnished to a person whose name is not embossed on

a Card; or (iii) any bankruptcy, insolvency, compromise, composition or other process affecting the Cardholder's creditors;

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

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

10.1.9 Initiate a Transaction credit without a balance in the Merchant Account equal to the credit;

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

10.1.11 Use the Software or any data received thereon for credit inquiry purposes or any other purpose not authorized by this Agreement;

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

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

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

10.1.15 Disburse funds in the form of cash;

10.1.16 Accept a Card to collect or refinance an existing debt;

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

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

10.1.19 Accept a card for sales by third parties.

10.1.20 Perform any other action that breaches the Scheme Rules.

10.2 The Merchant shall not submit a Transaction to ConnectPay for processing until the Merchant has performed its obligations to the Cardholder in connection with the Transaction. The Merchant shall not transmit any Transaction to ConnectPay that the Merchant knows or should have known to be fraudulent or not authorized by the Cardholder. The Merchant is fully responsible for its employees' actions.

10.3 Notwithstanding the above, the Merchant may transmit a Transaction that effects a prepayment of services or full prepayment of custom-ordered merchandise, manufactured to Cardholder's specifications, if the Merchant advises the Cardholder of the immediate billing at the time of the Transaction and within time limits established by the Card Associations.

11. Security of Card information

11.1 The Merchant shall not, sell, purchase, provide or exchange Card information (including but not limited to card number, CVV2 code and expiry date) in any form to any third party.

11.2 Solicitation, storage, processing and any other handling of Card information must be performed in strict compliance with the Scheme Rules, PCI Standards, and instructions given to the Merchant by the Service Provider.

11.3 In case of major security incidents, including data leakage, The Merchant, who secures, processes, transfers sensitive payment data, must cooperate with Service provider or/and legal authorities. In that case if the Merchant does not cooperate with Service provider or/and legal authorities, Service provider can terminate this Agreement as per section 26. or have a right to take alternative measures to ensure that the contractual obligation is respected.

12. Merchant Account and Merchant Settlement

12.1 Following the successful Authorization and settlement of a Transaction, ConnectPay shall as soon thereafter as is practical credit the amount due to the Merchant to its Merchant Account.

12.2 The Merchant acknowledges that the balance on the Merchant Account does not attract any interest.

12.3 ConnectPay agrees to send the full balance on the Merchant Account (less any Merchant Fees, Chargebacks, Reserves and other deductions) to a ConnectPay Payment account indicated in Annex E, with the periodicity described in Annex B (hereinafter "**Merchant Settlement**").

12.3.1 ConnectPay is entitled to delay the Merchant Settlement, partially or in full, for a period of up to 60 (sixty), calendar day in cases which would give ConnectPay ground for immediate termination of this Agreement, as per clause 26.2 of this Agreement.

12.4 ConnectPay is not in any way responsible for the remittance of funds to the Payment Account of the Merchant as described above.

13. Reconciliation of Transactions

13.1 The Merchant shall reconcile each settled Transaction into the Merchant Account within thirty (30) days after the date on which such Transaction is submitted to ConnectPay for payment, and shall notify the ConnectPay immediately of any discrepancies or errors the Merchant notes as a result of such reconciliation. ConnectPay shall not have any responsibility or liability for Transaction-related errors or omissions that are brought to its attention more than thirty (30) days after the date on which the Transaction to which such error or omission relates is first presented to ConnectPay for settlement.

14. Provisional Credit

14.1 Any credits to the Merchant Account are only provisional and subject to revocation by ConnectPay until such time that the Transaction is final and no longer subject to Chargeback by the Issuer, Cardholder or Card Associations.

14.2 The Service Provider is entitled to, without prior notice, to reverse any Transaction in case:

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

14.2.2 The Transaction violates Scheme Rules;

14.2.3 The Service Provider has received a complaint from or on behalf of a Cardholder stating that there is an unresolved dispute or defense to a charge (whether or not valid) between Merchant and Cardholder;

14.2.4 The Merchant does not present Transaction Documentation as requested by the Service Provider.

15. Adjustments and Returns

15.1 The Merchant will maintain and display visibly on its Website, a fair exchange and return policy and make adjustments with respect to goods and services sold and/or leased to its customers whenever appropriate. If goods are returned, or services are terminated or cancelled, or any price is adjusted, the Merchant will prepare and transmit a credit or return Transaction, for the amount of the adjustment as a deduction from the total amount of Transactions transmitted that day. If the amount of credit or return Transactions exceeds the amount of sales Transactions, the Merchant shall pay ConnectPay the excess.

15.2 The Merchant shall make no cash refunds on Transactions and shall handle all credit adjustments as provided in this section.

15.3 The Merchant shall follow Card Association reservation/no-show policies. The Merchant shall notify Cardholders in writing of this policy on all advance reservations. The Merchant shall also notify Cardholders at the time of the reservation, of the exact number of days required for reservation deposit refunds.

16. Chargebacks

16.1 Each and every Transaction that has been processed may be subject to a Chargeback, in Accordance with the Scheme Rules.

16.2 In case of a Chargeback, the Service Provider shall deduct the full amount of the Chargeback from the Merchant Account and the Merchant will be notified of such Chargeback by the Service Provider. Such event allows the Service Provider to charge the Merchant a Chargeback Fee.

16.3 Should the Merchant wish to dispute a Chargeback, it has to notify the Service Provider, as instructed, and supply it with any and all required documentation supporting its claim, in accordance to Scheme Rules. Following the submission of such documents, the Service Provider will raise the dispute with the Card Association which will make a final decision regarding the Chargeback.

16.3.1 Should the Card Association decide that the amount of the Chargeback should be returned to the Service Provider, the Service Provider shall, without undue delay, credit the Chargeback amount back to the Merchant Account. The Service Provider's entitlement to the Chargeback Fee is not affected.

17. Merchant Statement

17.1 At least once per month, ConnectPay shall provide the Merchant with a Merchant Statement. All information appearing on the Merchant Statement shall be deemed accurate and affirmed by the

Merchant unless the Merchant objects by written notice, specifying the particular item in dispute within 30 days of the date of the Merchant Statement.

18. Customer Complaints

18.1 The Merchant shall respond promptly to inquiries from Cardholders and shall resolve any disputes amicably. If unresolved disputes occur with a frequency deemed unacceptable to ConnectPay, ConnectPay may terminate this Agreement. ConnectPay reserves the right to charge the Merchant reasonable fees and reimbursement on account of excessive Cardholder inquiries, Refunds or Chargebacks. The Merchant agrees to maintain the following information in writing with respect to each claim or defense asserted by a Cardholder for which the Merchant has received notice:
   a. The Cardholder's name;
   b. The Card account number;
   c. The date and time the Cardholder asserted the claim or defense;
   d. The nature of the claim or defense; and
   e. The action that the Merchant took in an attempt to resolve the dispute.
   f. Upon request, the Merchant shall furnish ConnectPay with this information in writing within 10 days.

19. Usage of Card Association logos

19.1 The Merchant will display prominently at its Website, logos of the Card Associations provided by ConnectPay directly. Subject to the prior written consent of ConnectPay and upon such conditions as authorized by ConnectPay, the Merchant may use Card service marks or design marks in its own advertising and promotional materials.

20. Taxes

20.1 Each party shall pay all taxes imposed on it and of all payments made hereunder taxes shall be withheld and deducted in strict accordance with applicable law, including withholding taxes at source unless receiving Party presents the paying Party a valid exemption from such withholding. Furthermore, the Merchant agree to indemnify and hold ConnectPay harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to Merchant.

21. Limitation of Liability

21.1 In addition to all other limitations on the liability of the Service Provider contained in this Agreement, the Service Provider shall not be liable to the Merchant or the Merchant's customers or any other person for any of the following:
   21.1.1 Any loss or liability resulting or the Merchant's retention of any Card or any attempt to do so;
   21.1.2 Any loss caused by a Transaction downgrade and/or decline resulting from defective or any faulty software (other than Software) regardless if owned by the Service Provider or Merchant;
   21.1.3 SERVICE PROVIDER SHALL NOT BE LIABLE FOR ANY LOST PROFITS, PUNITIVE, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES TO THE MERCHANT OR TO ANY THIRD PARTY IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE SERVICES TO BE PERFORMED BY THE SERVICE PROVIDER PURSUANT TO THIS AGREEMENT.

22. Responsibility of the Parties

22.1 For failure to fulfil or improper fulfilment of the obligations the Parties shall be liable according to the current legislation of the Republic of Lithuania.
22.2 The Merchant shall be liable for direct losses of the ConnectPay (including, but not limited to, the amounts paid by the ConnectPay in favour of the Cardholder for goods and/or services), which arise:
   22.2.1 if the Merchant does not observe the procedure of Authorization procedure, the provisions of this Agreement and/or International Card Organization regulations;
   22.2.2 if the Merchant violates International Card Organization regulations, including, but not limited to, those concerning Chargebacks and the amount of fraudulent Transactions, and processing of the Transactions, as well as other losses, incurred by the ConnectPay, if International Card Organization has imposed a penalty due to the Merchant's Transactions.

22.2.3 if the Merchant discloses to third party Card data, or in any other unfair way uses the information received under this Agreement from the ConnectPay;

22.2.4 if the Merchant has not stored the Transaction data, excluding such data which are not allowed to be stored according to PCI DSS requirements;

22.2.5 if the Merchant or its authorized representative violates the provisions of this Agreement;

22.2.6 if the ConnectPay requests Merchant to prevent any breach of the Agreement or International Card Organization rules performed by the Merchant, the Merchant undertakes to prevent such breach of the Agreement, its annexes or International Card organization rules within 3 (three) calendar days after receiving the ConnectPay's notice. If the Merchant does not prevent the breach mentioned in ConnectPay's notice, the Merchant undertakes to pay to the ConnectPay a penalty of 1000 EUR (one thousand euros) for each day of violation;

22.2.7 the Merchant is obliged to pay to the ConnectPay any amounts according to Clause 3.2. of this Agreement which the ConnectPay is entitled to collect from Merchant, in accordance with agreement mentioned in Clause 3.1.

22.3 If the Merchant breaches the International Card Organization Rules or any violations of Class A (Under violations of Class A the ConnectPay understands as Merchant activity in illegal pharmaceutical sales, child pornography, beastiality, tobacco, gambling, rape/hate/violence, 3rd party processing or aggregation), the ConnectPay has the right, without prior warning of the Merchant, to provide the following actions:

22.3.1 withdraw from any current account of the Merchant or from the other accounts containing the Merchant's receivable funds in the ConnectPay a penalty in amount of 1000 EUR (one thousand euros) for each day from the date of agreement signing till the day of detection of Class A violation;

22.3.2 withdraw from any current account of the Merchant or from other accounts containing the Merchant's receivable funds in the ConnectPay all International Card organization penalties applied due to the violation of the International Card organization rules;

22.3.3 block any funds in the current accounts of the Merchant or in other accounts containing the Merchant's receivable funds, until the violation mentioned in Clause 22.3. is prevented, as well as all International Card organization penalties mentioned in Clause 22.3. are paid to the ConnectPay;

22.3.4 terminate Agreement with immediate effect.

22.4 If the Merchant breaches the International Card Organization Rules or any violations of Class B (Under violations of Class B the ConnectPay understands all violations of Agreement and International Card organization rules which is not mentioned as Class A or Class C violations – Clauses 22.3., 22.5.), the ConnectPay has the right without prior warning of the Merchant provide the following actions:

22.4.1 withdraw from any current account of the Merchant or from the other accounts containing the Merchant's receivable funds in the ConnectPay a penalty in amount of 500 EUR (five hundred euros) for each day from the date of agreement signing till the day of detection of the Class B violation;

22.4.2 withdraw from any current account of the Merchant or from the other accounts containing the Merchant's receivable funds in the ConnectPay all International Card organization penalties applied to the violation of the International Card organization rules.

22.5 If the Merchant breaches the International Card Organization Rules or any violations of Class C, (Under violations of Class ConnectPay understands non-compliance with the following requirements of the information mentioned on E-shop: working state of the web-site; availability of the certificate; name and address of the company and representation office; description of the goods or services offered for sale (including sizes and images); International Card organization logos; description of payment methods, including currency of transaction; customer service contact, including mail address or phone number; return/refund policy; delivery policy - delivery methods and timing; consumer data privacy policy (privacy statements);Security capabilities and policy for transmission of payment card details (statement on security controls); copyright (developer of the site or merchant); a "click to accept" button, or other acknowledgement, on its web-site evidencing that the Cardholder has accepted the return/refund policy; display its purchase terms and conditions to the Cardholder during the order process), the ConnectPay has the right without prior warning of the Merchant to provide the following actions:

22.5.1 withdraw from any current account of the Merchant or from the other accounts containing the Merchant's receivable funds in the ConnectPay a penalty in amount of 100 EUR (one hundred euros) for each day of Class C violation;

22.5.2 withdraw from any current account of the Merchant or from the other accounts containing the Merchant's receivable funds in the ConnectPay all International Card organization penalties applied to the violation of the International Card organization rules.

22.6 The ConnectPay shall not be responsible for losses inflicted upon the Merchant or third parties due to withholding or detention of transfer of the amounts of the Transactions in accordance with the provisions of this Agreement.

22.7 The ConnectPay shall not be responsible for losses inflicted upon the Merchant or third parties due to acts or omission of communication organizations, other banks or any other third parties.

22.8 If Merchant violates International Card Organization Rules and as a result of such rules violation International Card Organization or other legal service provider imposes any penalty sanctions against the ConnectPay, the Merchant undertakes to reimburse to the ConnectPay amount of International Card Organization penalty sanctions or other legal service provider in full amount and pay all the ConnectPay's direct expenses related to the prevention of violations. The Merchant undertakes to provide such reimbursement within 5 (five) business days after receiving of the ConnectPay notice, by transferring the amount mentioned in the notice, to the account mentioned in the ConnectPay's notice.

23. Limitation on Damages

23.1 In no case shall the Merchant be entitled to recover damages from ConnectPay that exceed the fees retained by ConnectPay pursuant to this Agreement during the one month period immediately prior to the event giving rise to the claim for damages.

24. Indemnification

24.1 The Merchant agrees to indemnify and hold ConnectPay harmless from any and all losses, claims, damages, liabilities and expenses, including attorneys' fees and costs (whether or not an attorney is an employee of ConnectPay or ConnectPay's affiliates) arising out of any of the following:
   a. The Merchant's failure to comply with this Agreement;
   b. Any act or omission of the Merchant;
   c. The Merchant's failure to comply with the Software Technology Book;
   d. The Merchant's failure to comply with Scheme Rules;
   e. The Merchant's failure to comply with any applicable law, rule or regulation;
   f. Scheme Penalties levied against ConnectPay. If any Scheme Penalty is imposed on ConnectPay as a result of the activities of more than one Merchant, such fee or fine will be assessed to the Merchant proportionately, as determined by ConnectPay.
   g. Any dispute concerning the quality, condition or delivery of any merchandise or the quality of performance of any service;
   h. The fraud or dishonesty of the Merchant or Merchant's employees, licensees, successors, agents and/or assigns;
   i. The Merchant's selection of an Internet service provider or other telecommunication services provider;
   j. The theft of or damage or destruction to any Software; or
   k. Unauthorized Transactions and prohibited Transactions.

25. Audit rights, exchange of information

25.1 Upon 10 Business days' notice, the Merchant agrees to furnish ConnectPay with such financial statements, records, licenses and information concerning the Merchant, its principals, partners, proprietors, or its affiliates that ConnectPay and/or may from time to time reasonably request. The Merchant authorises ConnectPay to order a consumer credit report or any other background report of the Merchant, such individuals, or any officer, shareholder, managing agent, principal, partner, proprietor, or affiliate of Merchant.

25.2 In case of any changes to the directors, shareholders, beneficial owners and other important stakeholders of the Merchant, the Merchant agrees to notify ConnectPay of any such changes without undue delay, but no later than 10 Business Days following such change. Furthermore, the Merchant agrees to provide ConnectPay with any additional documentation about any new directors, shareholders, beneficial owners and other important stakeholders as may be reasonably required by ConnectPay.

25.3 The Merchant shall grant access during normal business hours to its premises and the relevant staff for the purpose of audit by authorised personnel of ConnectPay. ConnectPay may exercise this right upon their sole discretion, subject to 10 Business Days notice to the Merchant.

ConnectPay

26. Termination of Agreement by Service Provider

26.1 Service Provider may terminate this Agreement, individually, for any or no reason upon 30 (thirty) calendar days' prior written notice to the other party.

26.2 Notwithstanding the above, the Service Provider may terminate this Agreement with immediate effect under any of the below listed circumstances.
   a. Any information concerning the Merchant obtained by the Service Provider is unsatisfactory to the Service Provider in Service Provider's sole discretion;
   b. Any act of fraud or dishonesty is committed by the Merchant, its employees and/or agents, and/or the Service Provider believes in good faith that the Merchant, its employees and/or agents have committed, are committing or are planning to commit any acts of fraud or misrepresentation;
   c. Chargebacks are excessive in the opinion of the Service Provider;
   d. Breach of this Agreement by the Merchant;
   e. Any representation or warranty made by the Merchant in this Agreement is not true and correct;
   f. The Merchant files a petition under any bankruptcy or insolvency law;
   g. The Merchant fails to maintain sufficient funds in the Merchant Account to cover the amounts due to ConnectPay hereunder;
   h. The Merchant's percentage of error Transactions or retrieval requests is excessive in the opinion of the Service Provider;
   i. The Merchant fails to comply with the provision of information or audit requests as per section 25 of this Agreement;

26.3 The Service Provider may selectively terminate the provision of Services to one or more of the Merchant's approved Websites without terminating this entire Agreement. In the event of termination, all obligations of the Merchant incurred or existing under this Agreement prior to termination shall survive the termination. The Merchant's obligations with respect to any Transaction shall be deemed incurred and existing on the transaction date of such Transaction.

26.4 The Merchant can terminate this Agreement in a manner described above for as long as the changes as per section 29 do not come into effect.

27. Termination of Agreement by Merchant

27.1 The Merchant may terminate this Agreement upon at least 30 calendar days prior written notice to the other party.

27.2 The Merchant may terminate this Agreement in case it disagrees with changes in Merchant Fees or other parts of this Agreement made by the Service Provider, as per section 29. Any such termination shall have an immediate effect. The Merchant can terminate this Agreement in a manner described above for as long as the changes as per section 29 do not come into effect.

28. Setoff

28.1 In addition to any other legal or equitable remedy available to it in accordance with this Agreement or by law, the Service Provider may set off any amounts due to the Service Provider under this Agreement against any property of the Merchant in the possession or control of the Service Provider.

29. Amendments to this Agreement

29.1 From time to time the Service Provider may amend this Agreement as follows:
   29.1.1 The Service Provider may extend or reduce the scope of Services listed in Annex A by notifying the Merchant in writing of any amendment.
   29.1.2 From time to time, ConnectPay may unilaterally change all Merchant Fees as set forth in Annex B, subject to ConnectPay providing a written notice to the Merchant of all amendments. All new rates, fees and charges will become effective for the calendar month immediately following the calendar month in which the notice was served unless the Merchant terminates this Agreement in accordance with section 27.
   29.1.3 ConnectPay may amend this Agreement in any manner other than as described in clauses 29.1.2 and 29.1.3. above by providing written notice of such an amendment to the Merchant. Any such amendment will become effective on the first day of the second calendar month following the month in which the notice was served, unless the Merchant terminates this Agreement in accordance with section 27.

30. Assignment

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

31. Mutual warranties and representations

31.1 Each Party warranties to the other Party that:
31.1.1 It has the full power and authority to execute and perform this Agreement and this Agreement constitutes its valid and binding obligation, enforceable against it in accordance with its terms. Furthermore, each party represents that the individuals executing this Agreement on its behalf have the requisite power and authority to do so.
31.1.2 It has obtained all consents required from any government or other authority or required to be obtained by it from any person for or in connection with the execution, validity, enforceability and performance of this Agreement and all conditions of each such consent are in full force and effect and have been complied with;
31.2 The Merchant represents and warrants that it has obtained all necessary regulatory approvals, certificates and licenses to sell any product or provide any service it intends to offer. The Merchant shall comply with all applicable present and future laws and regulations.
31.3 ConnectPay as payment service provider shall not control the purpose and legality of the transaction for which the payment service is provided.

32. Entire Agreement, section headings

32.1 This Agreement, including any Annexes attached hereto, contains the final and complete agreement between the parties hereto and may not be altered or modified without the signed written consent of all parties hereto, apart from cases described in section 29.
32.2 Notwithstanding the above, an agreement between ConnectPay and the Merchant that explicitly provides otherwise shall prevail.
32.3 The section headings in this agreement are for reference purposes only and shall not be deemed to interpret or modify the provisions hereof.

33. Confidential Information

33.1 Both Parties (the "Recipient") undertakes not to disclose at any time and shall treat, and shall procure that each of its employees, directors, contractors, agents, representatives and affiliates involved in performing this Agreement shall not disclose and shall treat, as confidential all Confidential Information of the other Party (the "Discloser") pursuant to this Agreement and shall not without the prior written consent of the Discloser divulge, use or copy such Confidential Information, except:
   a. with the Recipient's prior consent in writing that the information in question does not need to be treated as confidential; or
   b. if the Confidential Information is divulged to:
      i. its employees, directors, sub-contractors, agents, representatives and affiliates involved in performing this Agreement and then only to those who need to know the Confidential Information and who have undertaken to observe the confidentiality obligations in relation to such Confidential Information which are set out in this section and/or
      ii. its auditors, professional advisers, and any other persons or bodies having a statutory or regulatory right to receive that Confidential Information, and then only in pursuance of such right;
   c. provided that this section shall not extend to information which:
      i. was rightfully in the possession of the Recipient prior to the commencement of its dealings with the Discloser (and provided that such information was not originally given to it by or on behalf of the Discloser and is not subject to obligations of confidentiality); or
      ii. is already public knowledge or which becomes so at a future date (otherwise than as a result of breach of this section).
33.2 Nothing in this Agreement shall be so construed as to prevent either Party from using data processing techniques, ideas, know-how and the like gained during the performance of this Agreement in the furtherance of its normal business, to the extent that this does not result in any disclosure of Confidential

Information or infringement of any Intellectual Property Rights of either Party which is not otherwise licensed or permitted under this Agreement.

33.3 In addition to the above, and not in limitation thereof, the Parties agree that any Transaction information, including but not limited to Cardholder and/or Bank Card information, to which ConnectPay has access is hereby identified as confidential information to be protected in accordance with this section as well as the Scheme Rules and applicable laws.

33.4 The provisions stipulated in this section shall survive the termination of the agreement and will be deemed effective for a period of five (5) years following the effective termination date of this agreement.

34. Severability

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

35. Notices

35.1 Any notices required to be given hereunder shall be in writing and sent to either Party at the addresses on the first page of this agreement. Either Party may change its address by giving notice in writing to the other Party stating its new address. Commencing on the tenth day after the giving of such notice, the newly designated address shall be the Party's address for the purpose of all notices or communications required or permitted to be given pursuant to this Agreement. Notices shall be deemed given when received. In case any notice under this agreement is sent using a courier service, it shall be deemed delivered no later than 10 days from the date it was sent.

36. Governing law, competent courts

36.1 This Agreement shall be governed by and shall be construed in accordance with the laws of Lithuania and any dispute among the parties shall be brought solely and exclusively before the competent courts in Lithuania.

37. No Waiver

37.1 Any delay, waiver or omission by ConnectPay to exercise any right or power arising from any breach or default of the other party in any of the terms, provisions or covenants of this Agreement shall not be construed to be a waiver of any subsequent breach or default of the same or any other terms, provisions or covenants on the part of the other party. All remedies afforded by this Agreement for a breach hereof shall be cumulative.

38. Counterparts

38.1 This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

39. Force Majeure

39.1 The parties shall be excused from performing any of their respective obligations under this Agreement which are prevented or delayed by any occurrence not within their respective control including but not limited to strikes or other labour matters, destruction of or damage to any building, natural disasters, accidents, riots or any regulation, rule, law, ordinance or order of any federal, state or low government authority.

By signing below, the Parties agree to the terms of this Agreement.

Name, surname, position and signature of the Merchant	Name, surname, position, and signature of the Service Provider
_____ L. S. (only for legal entities)	Saulius Racevičius, CEO _____
Date:	Date:

ConnectPay

ANNEX A

CARDS, SERVICES AND EQUIPMENT/SOFTWARE

1. Cards available to the Merchant

The Service Provider currently provides acquiring Services for Cards issued subject to a license of the following Card Associations:
Visa and MasterCard

This only includes the following brands:
Visa, Visa Electron, Visa Debit, Mastercard, Mastercard Debit and Maestro.

2. Services available to the Merchant

As of the date of this Agreement, the Merchant has requested, and the Service Provider has approved the Merchant's use of the following services:
- Authorization services for Visa, Visa Electron, MasterCard, Mastercard Debit, Maestro
- Card Transaction processing services for the abovementioned Cards.

3. Software Applications provided by Service Provider

Service Provider shall provide the following access method(s) to the Merchant:
a. Real-time Internet Payment Gateway
b. PCI compliant payment page
c. Online web-based transaction reporting

ANNEX B

MERCHANT FEES, SETTLEMENT

1. Parties agree that ConnectPay will charge the Merchant the following Merchant Fees:

a. Processing Fee:

Processing fee Monthly turnover (from-to)	EEA issued cards	Non- EEA issued cards
€0 - €25,000	%	%
€25,001_- €75,000		
€75,001 - €150,000		
€150,001 - €250,000		
€250,001 - €500,000		
€500,001 - €750,000		
€750,001 - €1,000,000		
€1,000,000 +		

b. The following miscellaneous fees:

Fee type	Unit price
Settlement Fee	EUR
Chargeback Fee	EUR
Monthly Service Fee	EUR
Integration and Setup Fee	EUR - n/a
Refund Fee	EUR
CFT Fee	% + EUR
Fixed Transaction Fee	EUR
Minimum monthly fee is 500 EUR*.	

*The minimum monthly fee is payable in case transaction processing fees with the fixed transaction fee generates less than €500.

2. The Parties have agreed on the following Settlement Period:

Weekly, one (1) week delay.

ConnectPay

ANNEX C

RESERVE

1. Unless otherwise required by the Service provider, the proportion of the Transactions set aside by the Service Provider to create a Reserve shall be:

10 percent (**ten %**) of each approved and settled Transaction (hereinafter "**Reserve Rate**"), whereas the amount of this Reserve will be held in the Merchant Reserve Account for a period of **180 calendar days** following the Transaction date (hereinafter "**Retention Period**").

2. Following the Retention Period, the partial amount that has been withheld by the Service Provider as per the above will be transferred from the Merchant Reserve Account to the Merchant Account.

3. The Service Provider has the right to unilaterally change the Reserve Rate in case the total number of Chargebacks exceeds 1% of the overall processing volume, subject to ConnectPay providing a written notice to the Merchant of all amendments. The newly set Reserve Rate will become effective for a calendar month immediately following a calendar month in which the notice was served.

ConnectPay

ANNEX D

EEA and EU

For the purpose of this Agreement, the following countries will be deemed to be within the EEA: (1) Austria, (2) Belgium, (3) Bulgaria, (4) Cyprus, (5)Croatia (6) Czech Republic, (7) Denmark, (8) Estonia, (9) Finland, (10) France, (11) Germany, (12) Greece, (13) Hungary, (14) Iceland, (15) Ireland, (16) Italy, (17) Latvia, (18) Liechtenstein, (19) Lithuania, (20) Luxembourg, (21) Malta, (22) Netherlands, (23) Norway, (24) Poland, (25) Portugal, (26) Romania, (27) Slovakia, (28) Slovenia, (29) Spain, (30) Sweden, (31) United Kingdom (including Gibraltar).

The above lists may be changed by ConnectPay at any time, unilaterally, subject to change in the Scheme Rules. Any such change will become effective with an immediate effect and ConnectPay shall notify the Merchant as soon as is practical.

ConnectPay

ANNEX E

MERCHANT PAYMENT ACCOUNT

The merchant hereby designates the following Payment account as the account to be used for Merchant Settlement:

EUR settlement: LT_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _