

## Cover Page to Merchant Agreement

Pursuant to Element 1 of the  
Code of Conduct for the Credit and Debit Card Industry in Canada

<b>Information summary box</b>							
<b>Date of contract(s)</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Effective Agreement date:</td> <td style="padding: 2px;"><u>January 1, 2022</u></td> </tr> <tr> <td style="padding: 2px;">Agreement term:</td> <td style="padding: 2px;">Three years from effective date</td> </tr> <tr> <td style="padding: 2px;">Renewal date and terms:</td> <td style="padding: 2px;"> <u>Jan 01 -2025</u>, Automatic six-month renewals, unless notice of nonrenewal delivered at least 90 days prior to renewal date         </td> </tr> </table>	Effective Agreement date:	<u>January 1, 2022</u>	Agreement term:	Three years from effective date	Renewal date and terms:	<u>Jan 01 -2025</u> , Automatic six-month renewals, unless notice of nonrenewal delivered at least 90 days prior to renewal date
Effective Agreement date:	<u>January 1, 2022</u>						
Agreement term:	Three years from effective date						
Renewal date and terms:	<u>Jan 01 -2025</u> , Automatic six-month renewals, unless notice of nonrenewal delivered at least 90 days prior to renewal date						
<b>Acquirer</b>	Peoples Trust Company 14 <sup>th</sup> Floor, 888 Dunsmuir Street Vancouver, British Columbia, V6C 3K4						
<b>Cancellation of contract(s) and any applicable penalties</b>	Merchant cancellation terms and fees: No fees if Merchant cancels with 90 days' notice.  Earliest Merchant may cancel agreement: 90 days following effective date  Cancellation contact at TabaPay: <u>    Rodney Robinson    </u>  Renewal date and terms: <u>    Jan 01 – 2025    </u> Automatic six-month renewals, unless notice of nonrenewal delivered at least 90 days prior to renewal date  Last date in 1 <sup>st</sup> term to provide notice of non-renewal: <u>    Oct 01 2024    </u> [3 <sup>rd</sup> anniversary of effective date minus 90 days]						
<b>Complaint handling procedures</b>	Any processing error, complaint, or dispute regarding the processing services should first be directed to TabaPay. You can reach TabaPay at the following: email <a href="mailto:help@tabapay.com">help@tabapay.com</a> , +1 415-980-8222 . TabaPay's full list of contact information is at <a href="https://www.tabapay.com/contact.html">https://www.tabapay.com/contact.html</a> .  <a href="https://www.peoplestrust.com/en/peoples-payment-solutions/merchant-acquiring-services/resolving-your-concerns/">https://www.peoplestrust.com/en/peoples-payment-solutions/merchant-acquiring-services/resolving-your-concerns/</a>						
<b>Information about payment terminal</b>	Point of sale equipment capability is not provided for and can't be used.						
<b>Contactless payments acceptance</b>	Contactless payments are not enabled.						
<b>Transaction return policy</b>	Transaction fees are not returned on refunded transactions.						

<b>Independent sales organization or referral agent (where applicable)</b>	Independent Sales Organization (ISO): Tabapay, Inc. email <a href="mailto:help@tabapay.com">help@tabapay.com</a> , +1 415-980-8222 . Tabapay's full list of contact information is at <a href="https://www.tabapay.com/contact.html">https://www.tabapay.com/contact.html</a> .
<b>Information about credit and debit card service providers (if different from the acquirer)</b>	<p>Tabapay, on behalf of Acquirer, provides the Agreement, application program interface (API) for Merchant to originate Transactions, the daily reporting, the instructions to the acquirer for payment to Merchant and handles Merchant disputes.</p> <p>Tabapay Agreement expiration date: <u>Jan 01 2025</u> [need to see agreement between Tabapay and Peoples]</p> <p>Tabapay Agreement cancellation terms: <u>90 days notice</u> [need to see agreement between Tabapay and Peoples]</p>
<b>Code of Conduct</b>	<a href="https://www.canada.ca/en/financial-consumer-agency/services/industry/laws-regulations/credit-debit-code-conduct.html">https://www.canada.ca/en/financial-consumer-agency/services/industry/laws-regulations/credit-debit-code-conduct.html</a>
<b>Statements</b>	<p>Tabapay provides the electronic Merchant monthly statements via the Tabapay portal: <a href="https://clients.tabapay.com">clients.tabapay.com</a>. The Services will include Merchant access to the portal. On Merchant request, Tabapay can also email or upload the electronic Merchant monthly statement without additional charge.</p> <p>Paper statements are not provided by Tabapay.</p>

**Fee disclosure box**

The fees below include the Payment Network Interchange, Payment Network Assessments, and Tabapay's processing fee. Payment Network Interchange and Assessments are passed through to the Merchant for payment. Tabapay's processing fee is \$0.25.

Canadian domestic card products*	eCommerce Account Funding Transaction	Original Credit / MoneySend
Visa all products	C\$0.525 + 0.14%	C\$0.375 + 0.05% capped at C\$0.625
Mastercard all debit products	w/o 3DS C\$0.025 + 1.15% w/ 3DS C\$0.025 + 1.00%	C\$0.475

\*Non-Canadian cards are subject to additional fees.



Canadian code of conduct:

<https://www.canada.ca/en/financial-consumer-agency/services/industry/laws-regulations/credit-debit-code-conduct.html>

Visa interchange:

[https://www.visa.ca/dam/VCOM/regional/na/canada/Support/Documents/Visa%20Canada%20Interchange%20Rates%20\(April%202020\).pdf](https://www.visa.ca/dam/VCOM/regional/na/canada/Support/Documents/Visa%20Canada%20Interchange%20Rates%20(April%202020).pdf)

Visa assessments: <https://www.visa.ca/dam/VCOM/regional/na/canada/Support/Documents/visa-canada-standard-acquiring-network-assessment-fees-may-2019.pdf>

Mastercard interchange:

<https://www.mastercard.ca/content/dam/mccom/en-ca/Documents/English%20-%201-August-2020.pdf>

## Merchant Agreement

This Merchant Agreement is entered into by and among Tabapay Payment Services Inc., a corporation organized under the laws of British Columbia ("**ISO**"), Peoples Trust, a Canadian member of the Canada Deposit Insurance Corporation ("**Bank**"), and the undersigned ("**Merchant**") as of the date of acceptance by Bank. ISO is an agent of Bank. By entering into this Agreement, including the Merchant Application and any associated addenda, exhibits and attachments as amended from time to time (together, the "**Agreement**"), Merchant agrees to comply with and be subject to the Rules. Merchant acknowledges that it has the sole responsibility to obtain the Rules and updates thereto. Any violations of the Rules by Merchant will constitute a material breach of this Agreement.

## Recitals

Whereas Merchant is in the business of selling goods or providing services to its customers.

Whereas ISO is in the business of processing Purchases and Disbursements, among other transactions comprising the Services, for Bank and pursuant to instructions received from Merchant.

Whereas Bank (i) provides Disbursement and/or Purchase sponsorship for Merchant into the Card Networks; (ii) conducts Settlement for Merchant Purchases and Disbursements; and (iii) provides demand deposit accounts and traditional banking services as needed and agreed to separately between Bank and Merchant.

To better serve its customers, Merchant has requested, and Bank and ISO have agreed to permit, Merchant's use of the Services through the establishment of the program ("**Program**") described in this Agreement and as specified in the Merchant Application. The Merchant Application is incorporated into this Agreement by this reference.

## Agreement

### 1. DEFINITIONS

a. "**API**" means the application program interface available over the internet and provided by ISO, used to access the Services, and as documented at <https://developers.www.tabapay.com> (the "**Documentation**").

b. "**Authorization**" means an affirmative response by or on behalf of a Card Issuer, to a request to the API to effect a Purchase, that a Purchase is within the Cardholder's available purchasing limit and that the Cardholder has not reported the Card lost or stolen. A Purchase must still be completed to capture the Cardholder's funds.

c. "**AVS**" (Address Verification System) means the system whose access is provided by ISO that allows verification of the Cardholder's ZIP or postal code and billing address while requesting authorizations for Transactions or during a request for address verification only.

d. "**Bank Account**" means a demand deposit account at Bank, or other approved financial institution, maintained by Merchant for the

crediting of Purchase proceeds and the debiting of Disbursements, fees and charges pursuant to this Agreement. The Bank Account information may be modified from time to time by Merchant's written request, and after approval by Bank. Bank and ISO must approve, in writing, another financial institution holding the Bank Account. If approved, then the name of the financial institution, routing number and account number will be listed in the Merchant Application.

e. **"Business Day"** means any day other than: (i) Saturday or Sunday; (ii) a day on which banking institutions in British Columbia are authorized by law or executive order to be closed (and on which Bank and/or ISO is in fact closed); or (iii) a day on which the Bank of Canada is closed.

f. **"Card"** means (i) a valid debit, credit, and/or prepaid debit card in the form issued under license from Visa U.S.A. Inc., Visa International, Inc., MasterCard International Incorporated or Discover Network; or (ii) any other valid debit or prepaid debit card accepted by Merchant and facilitated by Bank and ISO.

g. **"Card Issuer"** means the financial institution or company that has provided a Card to the Cardholder.

h. **"Card Network"** means VISA, Mastercard, Discover, STAR, NYCE, PULSE, Maestro, Accel, CULIANCE and other networks that route Transactions to Card Issuers as may be added or eliminated from time to time by ISO and Bank at their sole discretion.

i. **"Card-Not-Present"** means mail order, telephone order, e-commerce (Internet/mobile) order, or other transactions that are not Card-Present transactions.

j. **"Card-Present"** means a Transaction in which the Card and Cardholder are present at Merchant location and Card is swiped through, or inserted into, a terminal, register or other device, capturing the Card information encoded on the magnetic strip or chip.

k. **"Cardholder"** means the person in whose name the Card is issued.

l. **"Chargeback"** means the procedure by which the value of a Sales Draft (or disputed portion thereof) is returned to Bank by a Card Issuer.

m. **"Credit Voucher"** means a document executed by Merchant evidencing any refund or price adjustment relating to Cards, which is intended to be credited to a Cardholder account.

n. **"CVV2"** means a three or four-digit numeric code on a Card allowing Merchant to verify Cardholder's possession of Card if passed in a Purchase or Authorization.

o. **“Data”** means all messages, images, files, data and other information transmitted from a Party to the other Parties.

p. **“Disbursement”** means the payment to a customer by Merchant using the customer’s Card to receive the funds, through the use of a Card Network. Bank performs a subsequent Settlement to debit the Bank Account and pay the appropriate Card Network using ISO reports.

**“EFT”** means the Electronic Funds Transfer settlement system operated by Payments Canada and governed by the Automated Clearing Settlement System (ACSS) Rules and Standards.

q. **“Imprint”** means (i) an impression on a Sales Draft manually obtained from a Card through the use of an imprinter; or (ii) the electronic equivalent obtained by swiping a Card through, or inserting a card into, a terminal and electronically printing a Sales Draft.

**“Loss”** means all damages (including, without limitation, amounts paid in settlement), losses, liabilities, costs (including without limitation, court costs, reasonable fees of accountants and other experts and reasonable attorneys’ fees, whether in respect of a third-party claim or a dispute between the Parties), taxes, penalties, fines, fees, judgments, assessments, interest, monetary sanctions and expenses incurred by an indemnified party, including without limitation, expenses incident to investigating, responding to or defending any action or default, reasonable attorneys’ fees and costs incurred to comply with injunctions and other court and agency orders, but excluding punitive damages (unless such punitive damages are awarded to a third party (including a Governmental Authority, but excluding an Affiliate of any Party)).

r. **“Merchant Application”** means the accompanying Merchant information disclosure form, signed by Merchant, and titled Merchant Application.

s. **“Merchant Statement”** means an itemized daily and monthly statement of all charges and credits to the Bank Account.

t. **“Portal”** means the ISO website, protected with ISO-provided, Merchant-specific access credentials, allowing Merchant to (i) view and download reports; (ii) submit Disbursements, Purchases, Voids, Reversals, Authorizations, and Address Verifications, as applicable; and (iii) change access credentials (password).

u. **“Purchase”** means the exchange of goods or services from Merchant to a customer in exchange for payment. Customer makes payment to Merchant with a Card through the use of a Card Network for collection. Bank performs a subsequent Settlement to deposit funds to the Bank Account, using ISO reports, after receiving payment from the appropriate Card Network.

v. **“Recurring Transaction”** means a Transaction that has been pre-authorized by the Cardholder and for which the goods or services are to be delivered or performed in the future by Merchant without having to obtain additional approval from the Cardholder.

w. **“Reversal”** means the reversing of a completed Transaction.



x. **“Rules”** means all rules, regulations, and laws of (i) any Card Network; (ii) any national, federal, provincial, or local jurisdiction in which Merchant operates; and (iii) the Electronic Transaction Association, as the same may be amended from time to time

y. **“Sales Draft”** means a receipt of acknowledgement provided to the Cardholder subsequent to a Transaction, which is a binding contract between Merchant and the Cardholder.

z. **“Services”** means the processing services initiated by invoking the API, including Disbursements, Purchases, Address Verification, Reversals, Voids, Authorizations, Chargeback processing, Settlement, Program setup, periodic reports, and ongoing Program support provided by Bank and ISO under this Agreement.

aa. **“Settlement”** means Bank, using ISO reports, (i) crediting the Bank Account after receiving proceeds for Purchases from the Card Networks and (ii) debiting the Bank Account and paying the Card Networks for past Disbursements.

bb. **“Telemarketing”** means soliciting a prospective customer by a person (**“Telemarketer”**) to buy products or services over the phone.

cc. **“Token”** means a unique code that can be used to submit subsequent Service requests to a given Card in lieu of the Card number.

dd. **“Transaction”** means a Disbursement or Purchase transaction.

ee. **“Void”** means the elimination of a prior Authorization.

## 2. MERCHANT COVENANTS AND AGREEMENTS

### 2.1. Honoring Cards.

(a) Merchant will accept, without discrimination, all valid Cards properly presented for payment for bona fide, legitimate business transactions arising out of Merchant’s usual trade or business.

(b) Merchant may impose a minimum Purchase amount on all credit cards (not debit cards) of no more than ten Dollars. Merchant may not impose a maximum Purchase amount unless Merchant maintains compliance with applicable Rules and is a federal agency or institution of higher education;.

(c) Merchant will not require any Cardholder to pay any part of any fee imposed upon Merchant by this Agreement; however, if Merchant maintains compliance with applicable Rules and provides 30 days’ written notice to ISO and Bank, Merchant may assess a surcharge, convenience fee, cash discount, or service fee,

(d) Merchant will not accept a Card as payment (other than a mail, internet, mobile application, telephone order, or preauthorized sale to the extent permitted under this Agreement) if the person seeking to use the Card does not present the Card to permit Cardholder verification.

## 2.2. Card Acceptance.

(a) Merchant has the option of limiting its card acceptance to any or all of the following card types: Visa prepaid debit, Visa signature debit, Visa credit (as applicable Rules may allow), MasterCard prepaid debit, MasterCard signature debit, MasterCard credit (as applicable Rules may allow), Discover Network prepaid debit, Discover Network signature debit, and Discover credit (as applicable Rules may allow). Merchant's Services will initially be set up to accept all debit and prepaid card types. To add credit cards or limit Merchant's acceptance, Merchant may contact ISO and, if allowed by Rules, such instructions will be implemented without unreasonable delay by ISO.

(b) When accepting a Card, Merchant will follow the steps provided by Bank and ISO, and will:

- (i) Determine in good faith and to the best of its ability that the Card is valid on its face;
- (ii) Check the effective date (if any) and the expiration date of the Card, and, if the physical Card is presented, examine any card security features (such as a hologram) included on the Card;
- (iii) Obtain Authorization before completing any Transaction;
- (iv) Use commercially reasonable processes to determine the identity of the customer and, where Authorization is obtained, warrant that the customer owns the Card;
- (v) Where applicable, enter a description of the goods sold or services provided and the price thereof (including any applicable taxes);
- (vi) Obtain the Cardholder's electronic or physical signature on the Sales Draft, when required according to the Rules, and, if physical card is presented, compare that signature to the signature on the Card;
- (vii) Deliver a true and completed copy of the Sales Draft to the Cardholder, which can be by email or other electronic means, at the time of delivery of the goods or completion of the services;
- (viii) Offer the Sales Draft or other transaction record to Bank for purchase according to Bank's and ISO's procedures and the terms of this Agreement;
- (ix) Ensure that the Purchase or Disbursement is in full compliance with the Rules of the applicable Card Network; and
- (x) Without limiting the generality of the foregoing, ensure that each Purchase, Disbursement or other Transaction request that contains Card numbers submitted hereunder, and the handling, retention, disclosure and storage of information related thereto, will comply with the applicable Rules and regulations of Visa, MasterCard, Discover, other Card Networks, and Payment Card Industry (PCI) Data Security Standards.

(c) Each Sales Draft will contain the masked (e.g. last 4 digits) Card number (recorded from the card's magnetic stripe or chip, imprinted, or as entered electronically by cardholder); authorization and reference numbers; customer signature (physical or electronic); the card's expiration date; date of sale; amount of sale, including tax; and a description of goods/services. Merchant must keep copies of Sales Drafts for three years.





### **2.3. Authorization.**

(a) Merchant will obtain a prior Authorization for all Purchases. If Authorization is denied, Merchant will not complete the Transaction;

(b) Merchant will not obtain or attempt to obtain Authorization for any amount not authorized by Cardholder;

(c) Merchant acknowledges that an Authorization provides only that the Cardholder account has sufficient credit available to cover the amount of the current sale, that an Authorization is not a guarantee of payment, and that an Authorization will not waive any provision of this Agreement or otherwise validate a fraudulent Transaction or a Transaction involving the use of an expired Card. Receiving an Authorization will not relieve Merchant of liability for Chargebacks;

(d) Merchant will not attempt to obtain Authorization on an expired Card.

**2.4. Retention and Retrieval of Cards.** If a Card-Present Transaction then (a) Merchant will use its commercially reasonable efforts, by reasonable and peaceful means, to retain or recover a Card upon receiving instructions to do so when making a request for Authorization or if Merchant has reasonable grounds to believe that the Card is counterfeit, fraudulent or stolen; This obligation does not authorize a breach of the peace or any injury to persons or property and Merchant will hold Bank and ISO harmless from any claim in connection with the retention or recovery of a Card.

**2.5. Use of BIN.** A Merchant that receives BIN information from Bank or ISO must not use such information for any reason other than to identify Card Network debit category products at the point of sale, unless otherwise authorized in writing by Bank and ISO.

**2.6. Compliance with Law, Visa Cardholder Information Security Program, Non-Disclosure and Storage of Cardholder and Transaction Information Requirements.**

(a) Merchant confirms that it is and will remain throughout the term of this Agreement in full compliance with the Rules. Merchant will be solely responsible for conforming its policies and procedures to the Rules. Merchant agrees to consult legal counsel regarding such compliance. If any government entity files a complaint against Merchant related to any activities of Merchant under this Agreement, Merchant will be responsible to Bank and ISO for any fines, fees and overhead and legal fees required for Bank or ISO to complete its responsibilities under the complaint;

(b) Merchant will not, under any circumstances, sell, transfer, or disclose any Cardholder's account number or any information relating to any Cardholder's account number or any Transactions or Credit Vouchers that have been imprinted with any Card ("**Sensitive Data**") to any person other than Bank, ISO, their regulators, Merchant's service providers, and Merchant's regulators, subcontractors, and agents who have a need to know such information to provide the services described in this Agreement, or as required by law. In the event of bankruptcy, insolvency, or other permanent suspension of business operations of Merchant or ISO, such Party will either (i) return all Sensitive Data to the other Parties or (ii) provide to the other Parties acceptable proof of destruction of all Sensitive Data.

(c) Merchant hereby represents, warrants, and covenants that it is and will remain throughout the term of this Agreement in compliance with the Payment Card Industry ("**PCI**") Data Security Standard ("**DSS**"), the Cardholder Information Security Program ("**CISP**") instituted by Visa, the Discover Information Security Compliance ("**DISC**"), and the Site Data Protection Program ("**SDP**") instituted by MasterCard, in effect and as may be amended, supplemented, or replaced. Merchant will cause all of its service providers,



subcontractors, and agents that accept, store, process, or transmit Cardholder data on behalf of Merchant to comply with the Rules, PCI, CISP, DISC, and SDP requirements at all times. Merchant will not require a Cardholder to complete a postcard or similar document that includes the Cardholder's account number, Card expiration date, signature, or any other Cardholder account data in plain view when mailed. Merchant will report any non-compliance immediately to Bank. Merchant will notify and obtain written approval from Bank and ISO of its use of any third-party service providers, subcontractors, and/or agents that will have access to Cardholder Data. Merchant and ISO hereby agrees to pay any fines and penalties that may be assessed by the Card Networks as a result of the other Party's noncompliance with the requirements of the Rules, PCI, CISP, DISC, and SDP any data breaches, or by its failure to accurately validate its compliance with those requirements. If Merchant or ISO suspects or experiences a data breach that exposes or potentially exposes any Sensitive Data then the Party experiencing the breach will notify the other Parties within twenty-four hours on learning of or suspecting such breach. If Merchant or ISO experiences a data breach that exposes any Sensitive Data, such Party will be responsible to the other Parties for any fines, fees and overhead and legal fees required for the non-breaching Parties to complete their responsibilities relative to the breach, including the cost of notifying affected Cardholder(s). Merchant and ISO will provide an annual certification to the other Parties if requested by the Party(ies) (in a form acceptable to the same) certifying compliance with the data security provisions of this Agreement;

(d) Merchant acknowledges and understands that Merchant may be prohibited from participating in Card Network programs if it is determined that Merchant is non-compliant.

## **2.7. Disbursements, Returns and Adjustments.**

(a) Merchant's policy for the exchange or return of goods sold and the adjustment to or cancellation of services rendered will be established and posted in accordance with the Rules. Merchant agrees to disclose its refund policy to the Cardholder before a Purchase is made, along with any special conditions or circumstances that apply to the sale (e.g., late delivery, charges, or other noncredit terms),

(b) Disclosures must be made on all copies of Sales Drafts in letters approximately ¼ inches high in close proximity to the space provided for the Cardholder's signature on the Sales Draft or, if an electronic Sales Draft, then text not less than the size of the description of sale.

(c) If Merchant does not make these disclosures, a full refund in the form of a credit to the Cardholder's Card account must be given.

(d) Merchant will not refund cash to a Cardholder who paid for the item by Card.

(e) Credits must be made to the same Card account number on which the original Transaction was processed.

(f) Disbursements and Credits may only be issued when the good and available funds in the Bank Account is equal to or greater than the credit amount.

(g) Any change in Merchant's return or cancellation policy must be submitted in writing to Bank and ISO not less than 14 days before the change being implemented.

## **2.8. Merchant's Business.**

(a) Merchant will use commercially reasonable efforts to provide Bank and ISO with notice prior to



- (i) transferring or selling any substantial part of its total assets, or liquidating;
- (ii) changing the basic nature of its business, including selling any products or services not related to its current business;
- (iii) changing ownership or transferring control of its business;
- (iv) entering into any joint venture, partnership or similar business arrangement whereby more than 10% of Merchant's equity changes ownership to an entity not listed on the Merchant Application;
- (v) processing transactions through any URL not already disclosed to ISO as required under Section 2.15; or
- (vi) materially altering Merchant's approved monthly volume and average ticket.

(b) Failure to provide notice as required above may be deemed a breach of this Agreement, or, at ISO's or Bank's option, may result in ISO or Bank amending the terms of this Agreement. If ISO or Bank reasonably deem it necessary to protect against financial loss, such amendment may permit the holding of funds and/or the alteration of the Merchant funding schedule.

(c) Merchant will immediately notify ISO and Bank of any bankruptcy, receivership, insolvency or similar action initiated by or against Merchant or any of its principals. To the extent permitted by applicable law, Merchant will include Bank and ISO on the list of creditors filed with the Bankruptcy Court, whether or not a claim exists at the time of filing.

(d) Merchant must notify ISO and Bank in writing of any material change to the information in the Merchant Application or any additional retail locations using the Services. Merchant must also notify ISO and Bank in writing if Merchant sells or closes its business. ISO and Bank must receive all such notices seven days before the change or upon request. Merchant is liable to ISO and Bank for all losses and expenses incurred by ISO or Bank arising out of Merchant's failure to report changes. ISO and Bank may immediately terminate this Agreement upon a material change to the information in the Merchant Application.

## **2.9. Advertising.**

(a) Merchant is prohibited from using the brands, emblems, trademarks, and/or logos that identify Cards (the "**Program Marks**"), other than as expressly authorized in the Rules or as approved in writing by Bank. Merchant will not use the Program Marks in such a way that customers could believe that the products or services offered by Merchant are sponsored or guaranteed by the owners of the Program Marks;

(b) Upon any termination or expiration of the Agreement, Merchant will immediately cease using any Program Marks and return them to Bank or ISO;

(c) Merchant will be fully liable to Bank and/or ISO for any and all Losses suffered or incurred by Bank that arise out of Merchant's failure to comply with this section.

## **2.10. Merchant's Agreements and Covenants.**

(a) **Personal Information.** Merchant will not impose a requirement on Cardholders to provide any personal information as a condition for honoring Cards unless such information is required to provide the delivery of goods or services or Merchant has reason to believe that the identity of the person presenting the



Card may be different from that of the Cardholder. Merchant must not contact Cardholders except as required and permitted by the Rules or in accordance with Merchant's normal business practices in the delivery of goods or services.

**(b) Cash Payments.** Merchant will not receive any payment from a Cardholder for the preparation and presentation of a Transaction for the purpose of effecting a deposit to the Cardholder's Card account.

**(c) Cash Advances.** Merchant will not transmit any over-the-counter cash advance transaction either on Merchant's Card or the Card of any other party. Merchant agrees that any such conduct will be a material breach of the Agreement. Merchant will not process a cash advance or other form of credit Transaction on any Card that Merchant owns or controls.

**(d) Duplicate Transactions.** Merchant will not submit duplicate Transactions. Merchant will be debited for any duplicate Transactions and will be liable for any resulting Chargebacks.

**(e) Fraudulent Transactions.** Merchant will not accept or submit any fraudulent Transaction and may not present for processing or credit, directly or indirectly, a Transaction that originated with any source other than Merchants' legitimate customers.

**(f) Telemarketing.** Merchant will not submit any Transaction solicited by a Telemarketer absent prior written approval from ISO or Bank. For purposes of this Agreement, Telemarketing does not include collecting past due amounts over the phone.

**(g) Collection of Pre-Existing Debt.** Unless approved by ISO and Bank in writing, Merchant will not present any Purchase representing the refinancing of an existing obligation of a Cardholder, including without limitation obligations (i) previously owed to Merchant; (ii) arising from the dishonor of a Cardholder's personal check; or (iii) representing the collection of delinquent accounts on behalf of third parties; provided that if Merchant is a lender or loan servicer or provider of non-recourse advances, then nothing herein will limit Merchant's right to present Purchases that comprise payments by Cardholders of amounts due to Merchant in its capacity as a lender or servicer of loans or provider of non-recourse advances, subject to Merchant's compliance with the Consumer Lending Addendum attached hereto as Exhibit A.

**(h) Multiple Transaction Records: Partial Consideration.** All products and services purchased in a single transaction must be included in one total amount on a Sales Draft or other Purchase record, except: (i) if the Purchase record and receipt reflect only the portion of the purchase to be paid by means of a Card; and (ii) if Merchant individually bills the products or services in separate Purchases to the same Card, in accordance with the acceptance procedures.

**(i) Non-Imprint Transactions.** Merchant acts solely at its own risk with respect to any non-Imprint Transactions, and waives the right to dispute Chargebacks arising from a failure to provide ISO or Bank with an Imprinted Sales Draft. Merchant further assumes any and all other risks attendant to such non-Imprint Transactions.

**(j) Revocation of Authority.** Merchant will cease the initiation of Card activity immediately upon receipt of actual or constructive notice of a customer's termination or revocation of Merchant's authorization to do so.

**(k) Identifying Numbers.** Merchant agrees that Merchant will have sole responsibility and full liability related to providing ISO accurate Cardholder information.



**(l) Notice of Erroneous/Unauthorized Transfers.** Merchant shall regularly and promptly review all statements of account related to its Bank Account and Reserve Account. Merchant agrees to immediately notify ISO of any discrepancy between Merchant's records and those provided by ISO, Merchant's bank, or with respect to any transfer that Merchant believes was not authorized by Merchant or customer. If Merchant fails to notify ISO in writing within 30 calendar days after the date that ISO mails (electronic delivery or paper) or provides a statement of account or other report to Merchant, Merchant will be solely responsible for all losses or other costs associated with any erroneous or unauthorized transfer.

## **2.11. Fees and Other Amounts Owed.**

**(a)** Merchant will pay the fees and charges as set forth on the Fee Schedule and the published Bank fee schedule as the same may be changed from time to time, which schedules are incorporated herein by this reference (the **"Fee Schedules"**). Unless otherwise noted, Merchant will pay all fees monthly or daily as set forth on the Fee Schedules or at ISO's sole discretion. The Bank Account will be debited through internal transfer or EFT initiated by Bank for such amounts and for any other fees, charges or adjustments incurred by Merchant and associated with processing services. Merchant is also obligated to pay all taxes and other charges imposed by any governmental authority on the services provided under this Agreement.

**(b)** Merchant will immediately pay ISO and Bank any amount incurred by ISO and Bank attributable to this Agreement or any other agreement between ISO and Merchant or any Affiliate of Merchant, including but not limited to equipment fees, Chargebacks, fines imposed by a third party, non-sufficient fund fees, and EFT debits that overdraw the Bank Account or the Reserve Account, or are otherwise dishonored. Merchant agrees to pay Bank or ISO the amount of any fees, charges or penalties assessed against Bank or ISO by any Card Network or Card Issuer for Merchant's violation of the Rules of such parties. Merchant authorizes Bank to debit the Bank Account, the Reserve Account or any other account Merchant has with Bank via internal transfer or EFT initiated by Bank for any amount Merchant owes under this Agreement, whether Merchant's obligation is direct, indirect, primary, secondary, fixed, contingent, joint or several. In the event such transfer or EFT does not fully reimburse ISO and Bank for the amount owed, Merchant will immediately pay ISO and Bank such amount.

## **2.12. Monthly Volume, Average Ticket, and High Ticket.**

**(a)** Merchant represents that each of the estimated monthly volume of Transactions (**"Monthly Volume"**) and the estimated average Transaction dollar amount (**"Average Ticket Amount"**) appearing on the Merchant Application is a good faith estimate and that there is a reasonable basis for each such estimate. Merchant acknowledges that any actual, material Monthly Volume or any actual, material Average Ticket Amount in excess of such estimates will cause ISO and/or Bank to review Merchant's file and may result in the delay of transmission of funds and interruption of Service. Bank may withhold the payment of any amounts otherwise payable hereunder if the actual Monthly Volume or Average Ticket Amount materially exceeds such estimates.

**(b)** ISO and Bank may impose a cap on the dollar amount of Transactions that they will process for Merchant. This limit may be changed (i) by ISO and Bank from time to time, upon notice to Merchant, or (ii) at the request of Merchant, with the approval of ISO and Bank. If Merchant exceeds the established limit of Monthly Volume or Average Ticket Amount, then ISO and Bank may suspend processing, hold any funds over such limit, and/or return to Merchant all Transactions evidencing funds over such limit.

**2.13. Monthly Processing Commitment.** Merchant agrees to submit the Monthly Processing Commitment as stated in the attached Fee Schedule unless an exception is approved in writing by ISO. If Merchant does not meet the Monthly Processing Commitment for any month, Merchant will pay to Bank and ISO within two Business Days following the end of the applicable calendar month, an amount equal to the



Purchase and Disbursements fees, less Card Network interchange fees, that would have otherwise been assessed on the Transaction volume shortfall to the Monthly Processing Commitment.

**2.14. Password and other API and Portal Access Credentials.** If Merchant receives a password and/or other API or Portal access credentials (together “*Access Credentials*”) from ISO or Bank, Merchant will: (a) keep the Access Credentials confidential; (b) not allow any other entity or person to use the Access Credentials or gain access to the Services; (c) be liable for all action taken by any user of the Access Credentials; and (d) promptly notify ISO if Merchant believes the Access Credentials have been compromised, the API and/or Portal has been or potentially can be accessed with compromised Access Credentials, or the confidentiality of the Services’ data or any sensitive information has been compromised by use of the Access Credentials.

**2.15. Web Processing.** Merchant will disclose to ISO and Bank all URLs for which Merchant processes Transactions or otherwise accepts payments, which disclosure will occur at the time of executing this Agreement, upon request, and before processing through any URL not previously disclosed.

### **3. REPRESENTATIONS AND WARRANTIES**

**3.1. Representations and Warranties of Merchant.** Merchant represents and warrants to Bank and ISO at the time of execution and on an ongoing basis during the term of this Agreement as follows:

(a) All information contained in the Merchant Application or any other documents delivered to Bank and/or ISO is true and complete in all material respects.

(b) Merchant has the power to execute, deliver, and perform this Agreement, and this Agreement is duly authorized, and does not and will not violate any provisions of federal or provincial law or regulation, or conflict with any other agreement to which Merchant is subject.

(c) Merchant has all licenses, if any, required to conduct its business and is qualified to do business in every jurisdiction where it is required to do so.

(d) There is no circumstance existing or, to Merchant’s knowledge, threatened that would substantially impair its right to carry on its business as now conducted or adversely affect its financial condition or operations.

(e) Each Purchase presented to Bank for collection is genuine and is not the result of any fraudulent or prohibited Purchase and is not being deposited on behalf of any business other than Merchant. Further, Merchant warrants that each Purchase is the result of a bona fide direct purchase of goods or services by the Cardholder in the total amount stated on any Sales Draft.

(f) Each Disbursement presented to Bank for payment to a Cardholder is genuine and is not the result of any fraudulent, prohibited, or unlawful activity and is not being paid to Cardholder on behalf of any business other than Merchant.

(g) Merchant has performed or will perform all of its obligations to the Cardholder in connection with the Transaction evidenced thereby.

(h) Merchant has complied with this Agreement’s procedures for accepting Cards.

(i) No Transaction has involved or will involve any element of credit or debit for any purpose other than as permitted by this Agreement.





(j) No Transaction has been or will be subject to any defense, dispute, offset, or counterclaim.

(k) Each Credit Voucher that Merchant issues represents a bona fide refund or adjustment on a Card sale by Merchant with respect to which a Purchase has been accepted.

(l) For all Transactions that Merchant requests ISO and Bank to originate, Merchant continuously represents and warrants to Bank and ISO that: (i) each Cardholder has authorized the debiting and/or crediting of its account; (ii) each Transaction is for an amount the customer has agreed to; (iii) the Transaction amount does not contain tax amounts unless they are required by applicable law, in which case the tax amount must be included in the Transaction amount and not collected separately; and (iv) each Transaction is in all other respects properly authorized.

**3.2. Representations and Warranties of ISO.** ISO represents and warrants to Merchant at the time of execution and during the term of this Agreement that: (a) ISO has the power to execute, deliver, and perform this Agreement, and this Agreement is duly authorized, and does not and will not violate any provisions of federal or provincial law or regulation, or conflict with any other agreement to which ISO is subject; (b) ISO has all licenses, if any, required to conduct its business and is qualified to do business in every jurisdiction where it is required to do so; (c) there is no circumstance, to ISO's knowledge, threatened by or against or affecting ISO which would substantially impair its right to carry on its business as now conducted or adversely affecting its financial condition or operations; and (d) ISO is compliant with PCI DSS, CISP, DISC, and SDP.

**3.3. Representations and Warranties of Bank.** Bank represents and warrants to Merchant at the time of execution and during the term of this Agreement that: (a) Bank has the power to execute, deliver, and perform this Agreement, and this Agreement is duly authorized, and does not and will not violate any provisions of federal or provincial law or regulation, or conflict with any other agreement to which Bank is subject; (b) Bank has all licenses, if any, required to conduct its business and is qualified to do business in every jurisdiction where it is required to do so; and (c) there is no circumstance, to Bank's knowledge, threatened by or against or affecting Bank which would substantially impair its right to carry on its business as now conducted or adversely affect its financial condition or operations.

## **4. PRESENTMENT, PAYMENT, CHARGEBACK; RESERVE ACCOUNTS; TYPES OF TRANSACTIONS**

### **4.1. Acceptance.**

(a) Bank and ISO will accept from Merchant all valid Transactions submitted by Merchant and will present the same to the appropriate Card Issuers for (i) if the Transaction is a Purchase, collection against Cardholder accounts, or (ii) if the Transaction is a Disbursement, deposit to Cardholder accounts, with corresponding collection from Merchant. All presentment and assignment of Transactions, collection thereof and re-assignment or rejection of Transactions are subject to the terms of this Agreement and the Rules.

(b) Bank will only provisionally credit the value of collected Purchases to the Bank Account and reserves the right to adjust amounts collected to reflect the amount of Chargebacks, fees, penalties, late submission charges, reserve deposits, and items for which Bank did not receive final payment. Settlement of funds will be in United States Dollars.

(c) Bank and ISO may refuse to accept any Transaction or revoke its prior acceptance in the following circumstances: (i) the Transaction was not made in compliance with any terms of this Agreement; (ii) the Cardholder disputes his liability to Bank for any reason; or (iii) the Transaction was not directly between Merchant and the Cardholder. Merchant will pay Bank and ISO, as appropriate, any amount previously credited to Merchant for a Transaction not accepted or later revoked by Bank or ISO.



(d) Merchant hereby gives its written permission for Bank and ISO to disclose detailed information about Transactions, individually and in the aggregate, and other information relating to Merchant to third parties that, in Bank's and ISO's reasonable discretion, require the information to facilitate the services described in this Agreement, or as requested by regulatory authorities.

**4.2. Endorsement.** The processing of Purchases from Cardholders is Merchant's agreement to sell and assign its right, title and interest in and to each Purchase completed in conformity with Bank's and ISO's acceptance procedures and will constitute an endorsement by Merchant to Bank of such Purchases. Merchant hereby authorizes Bank to supply such endorsement on Merchant's behalf. Merchant agrees that this Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C. Sec. 365, as amended from time to time. Merchant acknowledges that its obligation to Bank and ISO for all amounts owed under this Agreement arise out of the same transaction as Bank's obligation to deposit funds to the Bank Account.

**4.3. Transmission Method.** Information regarding a Transaction transmitted with a computer, magnetic stripe, or chip reading terminal will be transmitted by Merchant to ISO as specified by ISO in the Documentation. The means of transmission indicated in the Merchant Application will be the exclusive means used by Merchant until Merchant has provided ISO with at least 30 days' prior written notice, with a copy to Bank, of Merchant's intention to change the means of such delivery or otherwise alter in any material respect Merchant's medium of transmission of data to ISO. Bank and ISO will have the right to refuse and cancel the agreement upon such notice.

**4.4. Prohibited Payments.** Merchant will have the sole right to receive payment of any Purchase presented by Merchant and paid by Bank to Merchant unless and until there is a Chargeback. Unless specifically authorized in writing by Bank, Merchant will not make or attempt to make any direct collections from Cardholders on any Purchase, including Chargebacks, yet will promptly deliver to Bank any payment Merchant receives, in whole or in part, of the amount of any accepted Purchase, together with the Cardholder's name and account number, and any documents accompanying the payment.

#### **4.5. Chargebacks.**

(a) Contemporaneously with each Cardholder Purchase, a contingent and unmatured claim for Chargeback accrues against Merchant in favor of ISO and Bank to the extent ISO or Bank is required, or exercises its right, to pay to the Card Networks any fees, discounts, customer credits and adjustments, charges, fines, assessments, penalties or other items, which may in turn be charged back to Merchant by ISO and/or Bank.

(b) Merchant agrees that it is fully liable to Bank and ISO for all Chargebacks, and that Bank and ISO are authorized to offset from incoming transactions and to debit via transfer or EFT the Bank Account, the Reserve Account, or any other account held by Merchant at Bank in the amount of any Chargeback.

(c) If Merchant is identified in a Card Network chargeback program or is receiving excessive Chargebacks (as determined by reference to applicable Rules or ISO policy), then (i) Merchant will be responsible to Bank and ISO for any fines and related third-party fees, along with any overhead required for ISO and Bank to complete its responsibilities relative to the identification; (ii) at Bank or ISO's sole discretion, Services can be immediately suspended until Merchant obtains ISO approval of and implements a Chargeback remediation plan; and (iii) if in any calendar month within the six months immediately following resumption of Services (after implementing an approved remediation plan) and Merchant receives excessive Chargebacks, then Bank or ISO can immediately terminate this Agreement.





(d) Merchant agrees to accept any Chargeback that arises when the Cardholder disputes the validity of the Transaction according to the Rules.

(e) Merchant is liable for any Transaction (i) for which ISO and Bank reasonably determine that Merchant has failed to comply with the Rules, ISO's and Bank's procedures, this Agreement, or (ii) that Bank determines that the Transaction record is fraudulent or that the Transaction is not bona fide or is subject to any claim of illegality, cancellation, rescission, avoidance or offset for any reason whatsoever, including without limitation negligence, fraud or dishonesty on the part of Merchant or Merchant's agents or employees.

#### **4.6. Types of Transactions; Telephone, Mail, Preauthorized, Installments Orders, and Internet Transactions.**

(a) Merchant must prominently and unequivocally inform the Cardholder of the identity of Merchant at all points of the interaction, such that Cardholder understands that Merchant is responsible for the Transaction, the delivery of products, and related customer support.

(b) Merchant must display on its website (i) its name, as it will appear on the Cardholder statement, as prominently as any other information depicted on the website, other than images of the products or services being offered; (ii) a consumer data privacy policy; (iii) a policy for transmission of Card details; and (iv) the address of its permanent establishment.

(c) For approved mail, telephone, and internet orders, Merchant will ensure the creation of a transaction record that contains Cardholder data, the expiration date of the Card, an Authorization number, the sale amount and a record of the origination method, as appropriate; AVS, CVV2, Verified by Visa or similar Card Network verification tools may be required as set forth under the Rules. Such verification efforts, however, are not guarantees of payment, and the use of those techniques will not waive any provision of this Agreement or otherwise validate a fraudulent Transaction; and if Merchant does not receive a positive match through AVS, the Transaction cannot be processed through the Discover Network Card as a Card-Not-Present Transaction, and Merchant should contact ISO immediately if it does not have AVS capability;

(d) Merchant must identify internet Transactions to ISO. For Visa and MasterCard internet Transactions, ISO will indicate in the settlement or transaction records special codes.

(e) Merchant will use ISO or a third-party encryption vendor approved by ISO and Bank for transmission of all Transactions. Merchant is solely responsible for managing the Internet telecommunications link.

**4.7. Recurring Transactions.** For Recurring Transactions, Merchant must obtain a written or electronic authorization from the Cardholder, disclosing the frequency of the recurring charge and the time period during which such recurring charges may be made. Merchant will not effect any Recurring Transaction after receiving (i) a cancellation notice from the Cardholder; (ii) notice from ISO or Bank that the authority to accept Recurring Transactions has been revoked; or (iii) a response that the Card is not to be honored. Merchant must use the recurring indicator in the Transaction message and state on the Sales Draft "recurring transaction."

## **5. ARTICLE IV - TERMINATION AND EFFECT OF TERMINATION**

### **5.1. Term and Termination.**

(a) This Agreement will become effective upon latest acceptance date ("**Effective Date**") of the Parties as indicated by their signatures below. The initial term of this Agreement will be for three years beginning on the Effective Date ("**Initial Term**") and will automatically renew for subsequent consecutive six-



month terms (***“Renewal Term”***) unless Merchant provides written notice to ISO and Bank of its decision not to renew at least 90 days before the expiration of the then-current term (the Initial Term or the current Renewal Term).

**(b)** This Agreement may be terminated:

- (i) by Bank with 30 days prior notice with or without cause;
- (ii) by ISO or Merchant with 90 days prior notice with or without cause; or
- (iii) by Merchant in the event of a material breach of this Agreement by the other party(ies), provided Merchant provides the other Parties with written notice of the alleged breach and the breach remains uncured for a period of 30 days following receipt of written notice by the breaching party;
- (iv) by Merchant
  - (A) within seven days of receiving notification from Bank of an increase in the Reserve Account balance requirement;
  - (B) with 90 days’ notice to Bank and ISO that is provided within 90 days of receiving notice of a fee increase or the introduction of a new fee, without penalty; or
  - (C) with 90 days’ notice to Bank and ISO in the event that Bank does not pass through the full savings from any reduction to payment card networks’ posted interchange rates that are applicable to Merchant, provided within 90 days of receiving notice of such interchange reduction, without penalty.
- (v) immediately by Bank or ISO upon written notice of the occurrence of any of the following:
  - (A) Merchant has violated or breached any material provision of this Agreement,
  - (B) Merchant has experienced a material adverse change in its financial condition,
  - (C) Merchant or any of Merchant’s officers or employees has been involved in fraudulent Transactions,
  - (D) Bank is served with legal process seeking to attach or garnish any of Merchant’s funds or property in Bank’s possession, and Merchant does not satisfy or appeal the legal process within 15 days of such service,
  - (E) any Rule(s) are amended in any way such that the continued performance of this Agreement would cause Bank or ISO to be in breach of those Rules, or
  - (F) the continued performance of this Agreement will cause harm or loss of goodwill to any Card Network, any Card Network requires Bank or ISO to terminate this Agreement, or any Card Network is no longer willing to accept Transactions from Merchant.



(c) Merchant agrees to notify ISO and Bank immediately of any bankruptcy, receivership, insolvency, a material adverse change in Merchant's financial condition or similar action initiated by or against Merchant. Any party may immediately terminate this Agreement upon written notice if another party (i) has made any untrue material representations herein or in documents provided under this Agreement, including the Merchant Application; or (ii) becomes insolvent, is placed in receivership, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts or seeks relief or has a petition filed against it under any provision of the Bankruptcy and Insolvency Act.

(d) This Agreement will automatically terminate if ISO's Agreement with the Bank terminates for any reason.

(e) In the event of early termination by Merchant for a reason not listed in Section 5.1(b)(iii) or (iv), or in the event of early termination by ISO on the grounds of a breach by Merchant of the terms of this Agreement or for a reason listed in Section 5.1(b)(v), unless prohibited by law, Merchant will be liable to ISO for the Monthly Processing Commitment for the remainder of the then current Term.

(f) Merchant's, Bank's and ISO's rights of termination provided throughout this Agreement are cumulative. A specific right of termination enumerated in this Agreement will not limit any other right of Merchant, Bank and ISO to terminate this Agreement expressed elsewhere in the Agreement.

**5.2. Effect of Termination.** Upon termination for any reason, the following provisions will apply

(a) Merchant will immediately cease requesting Authorizations and will cease transmitting Transactions to Bank and ISO. In the event Merchant obtains any Authorization after termination, Merchant expressly acknowledges and agrees that the fact that any Authorization was requested or obtained will not operate to reinstate this Agreement.

(b) In the event of termination for any reason, Merchant expressly authorizes Bank and ISO to withhold and discontinue the disbursement of funds for all Card and other payment Transactions of Merchant in the process of being collected and deposited.

(c) Collected funds will be placed in the Reserve Account (defined below) until all fees, charges, losses, or amounts for which Merchant is liable under this Agreement have been paid, and all contingent liabilities associated with Merchant have expired or been resolved. Further, Bank reserves the right to require Merchant to deposit into the Reserve Account reasonable additional amounts based upon Merchant's processing history and/or anticipated risk of loss to Bank. The provisions of this Agreement relating to the debiting and crediting of the Bank Account will be applied to the Reserve Account and will survive termination of this Agreement. Any balance in the Reserve Account that remain after Chargeback rights have expired and all other expenses, losses and damages have been paid will be promptly disbursed to Merchant.

(d) Merchant acknowledges that ISO and Bank are required to report the business name of Merchant and the names and identification of its principals to MATCH and/or the CMNF in the event Merchant is terminated for the reasons set forth in those organizations' rules. Merchant consents to such reporting to the Card Networks by Bank and ISO. Merchant agrees that it will hold ISO and Bank harmless for all such reporting.

(e) Following termination, if Merchant accepts Transactions at physical stores, then Merchant will, upon request, provide Bank and ISO with all original and electronic copies of Sales Drafts and Credit Vouchers to be retained as of the date of termination.

(f) Any amounts due to Bank or ISO will accelerate and be immediately due and payable.



(g) If Bank or ISO have terminated this Agreement pursuant to Section 5.1(b)(v), then any fees that would have accrued for the remaining term, and any termination fees will accelerate and be immediately due and payable.

(h) Merchant will return all Bank and ISO property, forms, or equipment.

(i) All obligations for Transactions prior to termination (including to pay for Chargebacks and Bank's expenses relating to Chargebacks) will survive termination.

## **6. ACCOUNTS; SECURITY INTERESTS.**

**6.1. Account Monitoring.** Merchant acknowledges that ISO will monitor Merchant's daily Transaction activity. Merchant agrees that ISO and Bank may suspend, at their sole discretion, the disbursement of Merchant's funds for any reasonable period of time required to investigate suspicious or unusual activity. ISO and Bank will make good faith efforts to notify Merchant promptly following suspension. ISO and Bank will have no liability for any losses or claims, either direct or indirect, which Merchant may attribute to any suspension of funds.

### **6.2. Requests for Information.**

(a) Within three business days of receipt of any request by Bank or ISO, or sooner as may be required by Bank's regulatory authorities as same may be requested by Bank, Merchant will provide a copy of all Transaction Records and any other documentary evidence available to Merchant.

(b) Merchant will provide to ISO or Bank any additional information about Merchant or Merchant's procedures for accepting Cards that ISO or Bank request.

### **6.3. Bank Account.**

(a) Merchant will establish and maintain the Bank Account at Bank, unless Bank provides Merchant with written consent to Merchant's maintenance of a Bank Account at a Canadian bank that is a member of the EFT system. Merchant must obtain prior written consent from Bank and ISO to change the Bank Account.

(b) Merchant will maintain sufficient funds in the Bank Account to satisfy all obligations contemplated by this Agreement.

(c) Merchant irrevocably authorizes Bank and ISO to initiate debit/credit entries to the Bank Account as authorized under this Agreement.

(d) Bank will deposit all Purchases to the Bank Account on a basis net of any returns, Chargebacks, Reversals, reserve requirements, and, in the event that a Merchant participates in Disbursement Transactions, Disbursements (i.e. taken altogether, "**Settlement Funds**"). If Merchant's net Settlement Funds amount is negative, then Bank will debit the Bank Account for the net Settlement Funds due Bank.

(e) Merchant will regularly and promptly examine all statements relating to the Bank Account and the Reserve Account, and immediately notify ISO in writing of any errors. Merchant's written notice must include: (i) Merchant name and account number; (ii) the dollar amount of the asserted error; (iii) a description of the asserted error; and (iv) an explanation of why Merchant believes an error exists and its cause, if known. That written notice must be received by ISO within 30 days after Merchant received the periodic statement containing the asserted error; after the expiration of such 30-day period, Merchant will be deemed to have



waived the right to contest any error. For 60 days immediately following receipt of Merchant's written notice, Merchant may not make any claim related to the asserted error against Bank or ISO. During that 60-day period, ISO and Bank will be entitled to investigate the asserted error, and Merchant will not incur any cost or expense in connection with the asserted error without notifying ISO.

(f) Merchant will indemnify and hold ISO and Bank harmless for any action taken by ISO and/or Bank against the Bank Account under this Section in accordance with the Agreement.

(g) Bank may open one or more custodial accounts within the bank for the benefit of Merchant ("**Custodial Account**"). Prior to crediting to the Bank Account any Settlement Funds due to Merchant, Bank will have the right in its sole and absolute discretion and as part of its Settlement Services provided to Merchant, to sweep Settlement Funds into the Custodial Accounts, a Bank deposit account, an overnight depository sweep account at another financial institution for investment in Federal Funds, or a money market fund. Funds may be commingled. Merchant understands that, prior to crediting the Bank Account, Settlement Funds are not insured by the FDIC. Additional terms regarding Custodial Accounts may be included in a related sub-agreement.

#### **6.4. Reserve Account.**

(a) Bank will establish and maintain an account for future indebtedness of Merchant to Bank or ISO that may arise out of or relate to the obligations of Merchant to Bank or ISO under this Agreement, including but not limited to Chargebacks, Credits, refunds, fines, and fees, in such amount as Bank from time to time may determine in its sole discretion ("**Reserve Account**"). Funds in the Reserve Account will be held and controlled by Bank, will not bear interest, and may be commingled with other funds. Bank will determine and ISO will inform Merchant of the amount required for the Reserve Account at the commencement of this Agreement. Bank may change the Reserve Account balance requirements as reasonably necessary, and Merchant will be immediately notified of such change. The Reserve Account may be funded by deduction from payments due Merchant, a charge or setoff against the Bank Account or any of Merchant's other accounts at Bank, or a deposit by Merchant.

(b) If Merchant participates in Disbursements, then Merchant understands that each day, the Bank Account must have a balance in good and available funds equal to its Disbursement requests (the "**Prefunding Obligation**").

(c) Merchant consents to restricting Bank Account EFT debits from only Bank. Any EFT withdrawal, wire out or similar withdrawal requests from the Bank Account must be approved by Bank or ISO, which approval will not be unreasonably withheld if the Prefunding Obligation is met.

(d) Bank and ISO have no obligation to process any Disbursement for which the Prefunding Obligation has not been met. In the event the Prefunding Obligation is not met and Disbursements are processed, Bank or ISO may immediately charge the Reserve Account to meet the Prefunding Obligation. If the funds in the Reserve Account are insufficient to process a Disbursement, then Merchant will immediately deposit the Disbursement shortfall in the Reserve Account.

(e) Except for Merchant's Prefunding Obligation hereunder which requires immediate remedy, Merchant must deposit good and available funds as necessary to satisfy the Reserve Account requirement within three business days.

(f) Bank, on its own behalf or at ISO's request, may, without notice to Merchant, apply deposits in the Reserve Account against any outstanding amounts Merchant owes under this Agreement.



(g) The Reserve Account will be maintained in an amount Bank deems commercially reasonable for a maximum of six months following the termination date of this Agreement or until such time as Bank determines that the release of the funds to Merchant is prudent and commercially reasonable, and that Merchant's existing and future liability with Bank and/or ISO is extinguished.

(h) On release by Bank, any balance remaining in the Reserve Account will be paid to Merchant. ISO will inform Merchant in writing of any charges debited to the Reserve Account during this period

(i) Merchant must deposit good and available funds as necessary to satisfy the Reserve Account requirement within three business days. Bank, on its own behalf or at ISO's request, may, without notice to Merchant, apply deposits in the Reserve Account against any outstanding amounts Merchant owes under this Agreement. The Reserve Account will be maintained for an amount Bank deems commercially reasonable for a maximum of six months from the termination date of this Agreement or until such time as Bank determines that the release of the funds to Merchant is prudent, commercially reasonable and Merchant's existing and future liability with Bank and/or ISO is extinguished. On release by Bank, any balance remaining in the Reserve Account will be paid to Merchant. ISO will inform Merchant in writing of any charges debited to the Reserve Account during this period.

#### **6.5. Security Interests.**

(a) Merchant grants to Bank and ISO a security interest and lien upon future Purchase proceeds and all Merchant's rights relating to this Agreement including, without limitation, all amounts at any time in the Bank Account and the Reserve Account, and rights to receive any payments or credits under this Agreement (collectively, the "**Secured Assets**"). Upon request of Bank or ISO, Merchant will execute one or more financing statements or other documents to evidence this security interest. Merchant authorizes and appoints Bank and/or ISO its attorney in fact to sign its name to any financing statement used for the perfection of any security interest or lien granted in this Agreement. This appointment is coupled with an interest and is not revocable.

(b) The security interests and liens will secure all of Merchant's obligations under this Agreement. With respect to such security interests and liens in the Secured Assets, Bank and ISO will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity.

(c) Merchant represents and warrants that no other party has a security interest in the Secured Assets senior to the Bank. Merchant will obtain from Bank and ISO written consent prior to granting a security interest senior to Bank or ISO of any kind in the Secured Assets to a third party.

(d) In the event of a bankruptcy proceeding, Bank and ISO may exercise their rights under this Agreement to debit any of Merchant's accounts at Bank for amounts due Bank and ISO regardless of the pre-petition or post-petition nature of the amount due Bank and/or ISO, and Merchant promises not to contest any Motion for Relief from Automatic Stay that Bank and ISO may decide to file to debit the accounts. Further, Bank and ISO do not consent to the assumption of this Agreement in the event of a bankruptcy proceeding.

(e) This Agreement constitutes a security agreement under Article 9 of the Uniform Commercial Code.

**6.6. Recoupment and Set-Off.** Bank and ISO have the right of recoupment and set-off. Bank and/or ISO may offset any outstanding or uncollected amounts owed to them against: (i) any amounts they would otherwise be obligated to deposit into the Bank Account; (ii) any other amounts ISO and Bank may owe Merchant under this Agreement; (iii) the Reserve Account, or (iv) any other account of Merchant at Bank. The





rights conferred upon Bank and ISO in this Section are not intended to be exclusive of any other rights and remedies of Bank and ISO under this Agreement, at law or in equity. Rather, each and every right of Bank and ISO at law or in equity will be cumulative and concurrent and in addition to every other right.

### **6.7. Third Parties.**

(a) Merchant might use special services or software provided by a third party to assist Merchant in processing Transactions, including authorizations and settlements, or accounting functions. Merchant is responsible for ensuring compliance with the Rules and the requirements of any third party in using their products;

(b) Merchant will notify and obtain approval of ISO prior to using electronic authorization or data capture terminals or software provided by any entity other than ISO or its authorized designee ("**Third-party Terminals**") to accept Card information or process Transactions. If Merchant elects to use Third-party Terminals, then (i) the third party providing the software or terminals will be Merchant's agent in the delivery of Transactions to Bank via an approved processing system or network; (ii) Merchant will assume full responsibility and liability for any failure of that third party to comply with the Rules or this Agreement; and (iii) any Third-party Terminals used by Merchant will be required to conform to Rules, including applicable PCI Data Security Standards.

**6.8. Modifications to Agreement.** ISO and Bank may amend any provision of this Agreement as reasonably necessary to conform to any changes in, or to correct any failure of this Agreement to conform to, the Rules, Bank regulatory requirements, or applicable law by providing written notice to Merchant of the amendment at least 30 days before the effective date of the amendment. Merchant may terminate this Agreement upon receiving notice but otherwise consents to such amendments after 30 days' notice. Amendments due to changes to the Rules or any law or judicial decision may become effective on such shorter period of time as ISO and Bank may specify if necessary to comply with the applicable Rule, law, or decision.

## **7. LIMITATION OF LIABILITY**

### **7.1. Limitation of Liability.**

(a) IN NO CASE WILL MERCHANT OR ANY THIRD PARTY BE ENTITLED TO RECOVER DAMAGES FROM BANK FOR ANY REASON. To the extent the foregoing provision is unenforceable in an applicable jurisdiction, Bank's liability will be limited to the fees paid by Merchant to Bank under this Agreement for the one-calendar-month period immediately preceding the date of occurrence of the event giving rise to the claim for damages.

(b) The liability, if any, of ISO under this Agreement, whether to Merchant or to any other party, will not exceed in the aggregate the difference between (i) the fees paid by Merchant to ISO under this Agreement during the twelve-calendar-month period immediately preceding the date of the Transaction out of which the liability arose; and (ii) assessments, Chargebacks, and any offsets authorized under this Agreement against such fees that arose during such twelve-month period.

(c) In no event will ISO or Bank or their respective officers, agents, directors or employees be liable for any indirect, special, or consequential damages;

(d) No party will be liable to the other parties for any failure or delay in its performance of this Agreement if such failure or delay arises out of causes beyond the control and without the fault or negligence of such party.



**7.2. Force Majeure.** The parties will be released from liability hereunder if they fail to perform any obligation where the failure occurs by reason of any act beyond either party's reasonable control.

### **7.3. Warranty Disclaimers.**

**(a)** BANK AND ISO MAKE NO WARRANTIES, WHETHER EXPRESS OR IMPLIED, REGARDING THE USE, OPERATION, OR PERFORMANCE OF SOFTWARE AND SYSTEMS UTILIZED FOR THIS AGREEMENT. BANK AND ISO EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**(b)** BANK AND ISO WILL HAVE NO LIABILITY WITH RESPECT TO ANY SOFTWARE OR SYSTEMS.

**(c)** EXCEPT AS EXPRESSLY SET FORTH HEREIN, NEITHER BANK NOR ISO MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICES THEY PROVIDES HEREUNDER.

**(d)** SHOULD THERE BE ERRORS, OMISSIONS, INTERRUPTIONS OR DELAYS RESULTING FROM BANK'S OR ISO'S PERFORMANCE OR FAILURE TO PERFORM OF ANY KIND, BANK'S AND ISO'S LIABILITY WILL BE LIMITED TO CORRECTING SUCH ERRORS IF COMMERCIALY REASONABLE.

## **8. INDEMNIFICATION.**

**8.1. By Merchant.** Merchant hereby agrees to indemnify and hold Bank, ISO, and their respective officers, agents, directors and employees harmless from (i) any claim relating to a dispute between Merchant and a Cardholder, or any claim regarding a completed Transaction as may be made by anyone by way of defense, dispute, offset, counterclaim or affirmative action, and (ii) any Losses arising or resulting from, or related to:

**(b)** Merchant's breach of any representation, warranty, obligation or term of or under this Agreement;

**(c)** a breach of the security of Merchant's system safeguarding Cardholder information or Merchant's failure to comply with PCI, CISP, and/or SDP;

**(d)** Merchant's negligence or willful misconduct in the performance of its obligations under this Agreement;

**(e)** any violation of applicable Rules;

**(f)** fraud by Merchant or any Cardholder;

**(g)** Losses described in Section 2.8(c);

**(h)** as set forth in Section 6.3(g);

**(i)** all Chargebacks, Credits, refunds, fines, and fees;



(j) all Losses arising out of any defense, dispute, offset, or counter claim regarding a Transaction;

(k) all liabilities described in Sections 2.6(a) and (c); 2.8(d); 2.9(c); 2.10(d), (k) and (l); 2.14; 4.5(b), (c) and (e); 5.1(c); 6.3(f); 6.7(b); 10.1 and 11.6; and

(l) all third-party claims arising from the foregoing.

**8.2. By ISO.** ISO hereby agrees to indemnify and hold Merchant and its officers, agents, directors and employees harmless from any losses arising or resulting from, or related to:

(a) ISO's breach of any representation, warranty, obligation or term of or under this Agreement;

(b) a breach of the security of ISO's system safeguarding Cardholder information or Merchant's failure to comply with PCI, CISP, and/or SDP;

(c) ISO's willful misconduct in the performance of its obligations under this Agreement;

(d) any violation of applicable Rules;

(e) fraud by ISO; and

(f) all third-party claims arising from the foregoing.

## 9. CONFIDENTIAL INFORMATION

**9.1. Confidential Information.** Each Party acknowledges that the performance of this Agreement will potentially require the disclosure of trade secrets, proprietary and confidential information and know-how (collectively, "**Confidential Information**"). Confidential Information expressly includes the Data in connection with this Agreement. Each Party agrees not to disclose or make such Confidential Information available to third parties (other than to a Party's "**Representatives**") without the other Parties' written permission. A Representative is any employee, contractor, director, auditor, attorney, Bank regulator, Card Network, or similar agent of a Party that has a reasonable need to know the Confidential Information and a corresponding obligation not to disclose or misuse it. Each Party is responsible for its Representative's breach of this Section. Confidential Information does not include any information that: (i) was known prior to its receipt; (ii) was or becomes a matter of public information through no fault of the receiving Party; (iii) is acquired from a third party entitled to disclose the information to the receiving Party; (iv) was developed independently by the receiving Party; or (v) is disclosed pursuant to the order of a court, administrative agency or governmental body.

**9.2. Subpoena.** If any of the Transactions are subpoenaed by legal process or otherwise, ISO and/or Bank may produce records in accordance with the subpoena.

## 10. INTELLECTUAL PROPERTY

**10.1. Right to use the API, Portal and Documentation.** ISO owns the API, Portal, and Documentation ("**ISO IP**"). ISO grants Merchant a non-exclusive, non-transferable, non-assignable, non-sub-licensable license to use the ISO IP during the Term of this Agreement to access the Services solely for the purpose of facilitating Transactions with Merchant's customers. All parties recognize that ISO grants no license, by implication or otherwise, except for the explicit license granted in this Section 10.1, and that all



rights to the ISO IP not granted herein remain with ISO. At ISO's sole discretion and with reasonable notice to Merchant, ISO may modify, add features, or otherwise change the ISO IP. Merchant's failure to comply with the Documentation might result in damages suffered by Merchant, for which failure Merchant accepts full liability and responsibility. Merchant agrees not to reproduce, distribute, display, publish, or reverse engineer the ISO IP.

**10.2. Ownership by Bank and ISO.** Bank and ISO will own and retain all right, title, and interest in and to the each of their respective offerings. Merchant agrees not to use the Bank and ISO offerings in any way that violates this Agreement. Bank and ISO do not grant to Merchant any license, express or implied, to the intellectual property rights of Bank, ISO and or its or their licensors.

**10.3. Ownership by Merchant.** Merchant will own and retain all right, title, and interest in and to its offerings. Merchant does not grant to Bank or ISO any license, express or implied, to the intellectual property rights of Merchant and or its licensors.

**10.4. Data.** Each Party will retain all right, title and interest in and to each party's respective Data, provided, however, that each Party hereby grants to the other a worldwide, royalty-free, non-exclusive license to use the Data for the purposes of fulfilling its obligations and exercising its rights hereunder. To be clear, each Party may otherwise lawfully use Data in an aggregated and anonymized form, and neither Party will have any interest in such aggregated and anonymized information of the other Party. Neither Party will include any unencrypted personally identifiable information in the Data without the prior written approval of the other Party.

**10.5. Trademarks.** Despite the foregoing, each Party hereby authorizes the other to use the trade names and trademarks of the other on their respective websites and within their respective offerings as reasonably necessary to fulfill their obligations under this Agreement and Rules, subject to then applicable trademark usage guidelines and prior written approval. All usage inures to the benefit of the owner of such names and marks.

**10.6. No Joint IP.** It is the express intent of the Parties that no jointly owned intellectual property be created under this Agreement. Nothing in this Agreement precludes a Party from engaging directly or through third parties in any business or using any technology similar to the other Party's business or technology, provided that no use is made of the other Party's Confidential Information. Each Party will retain all right, title and interest in and to its respective patents, copyrights, trade secrets and other forms of intellectual property.

## **11. MISCELLANEOUS**

**11.1. Code of Conduct.** This Agreement and the business relationship between Merchant, on the one hand, and Bank and ISO, on the other hand, is intended to comply in all respects with the Code of Conduct for the Credit and Debit Card Industry in Canada (the "**Code of Conduct**"). If Merchant believes that this Agreement or the conduct of Bank or ISO is contrary to the Code of Conduct, Merchant may report the issue to ISO. ISO will review the issue with Merchant, undertake an investigation and respond to Merchant within ninety days. If ISO's complaint process is exhausted and a satisfactory resolution not achieved, Merchant may submit the complaint to the relevant payment card network(s). Nothing in the above process restricts Merchant



from directly filing complaints with the Financial Consumer Agency of Canada, or a payment card network, to investigate non-compliance with the Code of Conduct.

**11.2. Waiver.** Failure by any Party to enforce one or more of the provisions of this Agreement will not constitute a waiver of the right to enforce the same or other provision in the future. The waiving party must sign all waivers.

**11.3. Notices.** All notices and other communications required or permitted under this Agreement will be deemed delivered when delivered via overnight carrier or certified mail, addressed as follows:

If to ISO:

TabaPay  
465 Fairchild Drive, Suite 222  
Mountain View, CA 94043

If to Merchant, at the address on the Merchant Application.

If to Bank:

Peoples Trust  
[address]

**11.4. Choice of Law: Jurisdiction.** This Agreement will be governed and construed under the laws of the Province of British Columbia.

**11.5. Entire Agreement: Assignability.** This Agreement, including the Merchant Application and these Terms and Conditions express the entire understanding of the parties with respect to its subject matter and except as provided herein, may be modified only in writing executed by all parties and constitutes a fully integrated document. This Agreement may be assigned by Bank, but may not be assigned by Merchant or ISO, directly or by operation of law, without the prior written consent of Bank and ISO. This Agreement will be binding upon and inure to the benefit of the parties' respective heirs, personal representatives, successors and assigns. Should Merchant assign this Agreement improperly, Merchant will indemnify and hold harmless ISO and Bank for such improper assignment, including without limit, any claims to the Reserve Account.

**11.6. Credit and Financial Inquiries: Additional Retail Locations: Inspections.**

(a) Merchant authorizes Bank and ISO to make, at any time, any credit inquiries which either considers necessary to either review acceptance of this Agreement or investigate Merchant's deposit or Card acceptance practices subsequent to acceptance of this Agreement. Such inquiries will include, but are not limited to, a credit check of Merchant, including its proprietor, partners, principal owners, or officers;

(b) Merchant may honor Cards only at URLs and retail locations approved by ISO and Bank. Additional URLs and retail locations may be added, subject to ISO's and Bank's approval. Either Merchant or ISO may delete any retail location by providing notice as provided in this Agreement;

(c) If Merchant Application indicates retail locations or Merchant has registered retail locations after submitting Merchant Application then Merchant agrees to permit Bank or ISO at any time, to inspect retail locations to confirm that Merchant has or is adhering to the terms of this Agreement;



(d) Representatives of Bank or ISO may, with seven business days' notice to Merchant, or less if request is the result of a Bank regulator, and during normal business hours, inspect, audit, request, and make copies of Merchant's books, accounts, records and files pertaining to any Transaction.

**11.7. Attorneys' Fees.** Merchant will be liable for and will indemnify and reimburse Bank and/or ISO for all attorneys' fees and other costs and expenses paid or incurred by Bank and/or ISO in the enforcement of this Agreement, a violation of the Rules, or in collecting any amounts due from Merchant to Bank and/or ISO or resulting from any breach by Merchant of this Agreement.

**11.8. General.** If any provision of this Agreement is deemed illegal or unenforceable, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if the illegal provision is not contained in the Agreement. Merchant is responsible for its employees' actions while in its employ. The parties do not intend to confer any benefits on any person or entity other than Merchant, Bank and ISO. Sections, 7.4, 7.5 and the entirety of Articles 4, 6, 8, 9, 10, 11 and 12 will survive termination of this Agreement. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same instrument. A facsimile or electronic signature will be binding and legal in all respects as if it were an original signature to this Agreement.

**11.9. Compliance with Applicable Law.** All parties will perform their obligations and exercise their rights hereunder in a manner that complies with applicable law and regulation.

SIGNATURES TO FOLLOW

**MERCHANT AGREEMENT SIGNATURE(S)**

By their execution hereof, Merchant hereby acknowledge(s) the receipt of, and agree(s) to, the Terms & Conditions of the Merchant Application. Merchant warrants that the information provided in the Merchant Application is complete and accurate. As needed for the services, Merchant authorizes ISO and Bank to disclose information herein to third parties. Merchant, and its signing individual(s), authorize ISO and Bank to make business and personal credit inquiries from time to time. **In witness hereof, the parties hereto have caused this Agreement to be executed by their duly authorized representatives effective on the dates indicated.**

DocuSigned by:

Rishi Dubey

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Merchant name (same name as on Merchant Application)

By: Trackon Canada Private Limited

By: \_\_\_\_\_

Name: Rishi K Dubey

Name: \_\_\_\_\_

Title: Operations Manager \_\_\_\_\_

Title: \_\_\_\_\_

Date: 12/7/2021

Date: \_\_\_\_\_

**Accepted:**

TabaPay, Inc. ....

Peoples Trust

DocuSigned by:

By: \_\_\_\_\_

Rodney Robinson

5340C226886F4D0...

By: \_\_\_\_\_

Name: Rodney Robinson

Name: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Date: 12/10/2021

Date: \_\_\_\_\_



## Exhibit A: Consumer Lending Addendum

**Disclosure:** ISO and Bank have an obligation to protect the Card Networks from illegal and/or potentially brand damaging transactions and will not allow illegal transactions; thus, not allowing any credit card, consignment based cards, or margin-based cards to be processed for debt repayment. Visa's debt repayment acceptance rules allow merchants to accept Visa Debit (also known as checkcards which remove funds from a checking or savings account) and Prepaid cards for non-payday consumer debt repayment transactions (for example: medical loans, dental loans, personal loans, home equity loans, short term installment loans and lines of credit).

Therefore, consumer lending merchants are required to adhere to the following additional terms to qualify for a merchant account:

Merchant agrees **NOT** to make any loans or provide any service to customers through, from, or on a payday loan license or loan origination agreement. In addition, Merchant agrees **NOT** to offer a payday loan in any of the states where it is illegal. Currently, these states include Georgia, New York, New Jersey, Arkansas, Arizona, Connecticut, Maryland, Massachusetts, North Carolina, Pennsylvania, Vermont, West Virginia and the District of Columbia. This list is not exhaustive, and it is Merchant's sole responsibility to ensure it is in compliance with applicable lending laws. Bank or ISO may immediately terminate this Agreement if either, in its sole discretion, believes Merchant has violated applicable laws.

Merchant agrees **NOT** to submit through the Interchange System debt representing payday loans.

Merchant agrees **NOT** to submit through the Interchange System debt that has been charged off.

Merchant agrees **NOT** to accept or process credit cards for any debt repayment transactions.

Acceptance of a credit card for debt repayment is cause for immediate termination of Merchant Agreement.

Merchant agrees in addition to the other indemnification obligations hereunder, to indemnify Bank and ISO from and against any and all losses, costs, liabilities, damages, and expenses, including attorney's fees, resulting from or incurred in connection with any breach of this Addendum.

## Exhibit B: Federal and Provincial Rules and Regulations Addendum

Disclosure: ISO and Bank have an obligation to protect themselves from illegal and/or potentially brand damaging corporate structures, lending practices, and transactions; thus, requiring consumer lending merchants to comply with and adhere to the following additional terms in order to qualify for a merchant account:

Merchant UNDERSTANDS and AGREES to obtain and maintain all local, provincial, and federal licenses, registrations and approvals required for the consumer lending business it conducts throughout the term of the Merchant Agreement.

Merchant AGREES it has the responsibility to understand and remain current on all provincial and federal laws as it relates to consumer lending and to always be in compliance with these laws; which are not limited to the following:

- Federal Trade Commission Act “**FTCA**” and all regulations implementing the FTCA.
- Truth In Lending Act “**TILA**” and all regulations implementing the TILA including without limitation Regulation Z.
- Telephone Consumer Protection Act “**TCPA**” and all regulations implementing the TCPA.
- Fair Debt Collection Practices Act “**FDCPA**” and all regulations implementing the FDCPA including without limitation Regulation F.
- Electronic Funds Transfer Act “**EFTA**” and all regulations implementing the EFTA without limitation Regulation E.
- Equal Credit Opportunity Act “**ECOA**” and all regulations implementing the ECOA including without limitation Regulation B.
- All other applicable federal (CFPB, OCC, etc.), provincial, and local laws, rules and regulations including, without limitation those referring or pertaining to the consumer privacy and protection, credit, lending, usury and banking.

Merchant agrees to immediately notify ISO and Bank in writing of any inquiry, investigation, complaint, charge, subpoena, claim, and request for information, other than routine examinations, by any local provincial or federal law enforcement or regulatory agency in connection with this Agreement. Merchant agrees, in addition to the other indemnification obligations hereunder, to indemnify Bank and ISO from and against any and all losses, costs, liabilities, damages and expenses (including attorney’s fees) resulting from or incurred in connection with any breach of this Addendum.



## **BANK DISCLOSURE PAGE**

### Member Bank Information

Peoples Trust

[contact information]

### ISO Information

TabaPay, Inc.

465 Fairchild Drive, Suite 222

Mountain View, CA 94043

415-980-8222

### Important Bank Responsibilities:

1. Bank is the only entity approved to extend acceptance of VISA products directly to a Merchant.
2. Bank is and must be a principal (signor) to the Merchant Agreement.
3. Bank is responsible for educating Merchants on pertinent VISA Operating Regulations with which Merchants must comply.
4. Bank is responsible for and must provide Settlement funds to Merchant.
5. Bank is responsible for all funds held in reserve that are derived from settlement.

### Important Merchant Responsibilities:

1. Ensure compliance with Cardholder data security, transmission, disclosure and storage requirements.
2. Maintain fraud and chargebacks below thresholds.
3. Review and understand the terms of the Merchant Agreement.
4. Comply with VISA, MasterCard, and Discover Operating Regulations, including not using a Merchant Servicer unless approved by Bank and ISO.





5. You may download Visa Regulations from Visa's website at:  
[http://usa.visa.com/merchants/operations/op\\_regulations.html](http://usa.visa.com/merchants/operations/op_regulations.html)
6. You may download MasterCard Regulations from MasterCard's website at:  
<http://www.mastercard.com/us/merchant/support/rules.html>
7. You may download additional merchant information from Discover's website at  
<http://www.discovernetwork.com/merchants/index.html>

The responsibilities listed above do not supersede terms of the Merchant Agreement and are provided to ensure Merchant understands some important obligations of each party and that the Member Bank is the ultimate authority should Merchant have any problems.

DocuSigned by:  
  
9167C5C0D2438A402

Merchant name (same name as on Merchant Application)

By: Trackon Canada Private Limited \_\_\_\_\_

Name: Rishi K Dubey \_\_\_\_\_

Title: Operations Manager \_\_\_\_\_

Date: 12/7/2021 \_\_\_\_\_



**FEE SCHEDULE**

**RATES, FEES AND CHARGES**

Item	Cost-Plus Fee
<b>TabaPay Fee Per Transaction – Earn your way through the tiers</b>	
1 - 100,000 Transactions per month	\$0.25
100,001 - 250,000 Transactions per month	\$0.21
250,001 – 500,000 Transactions per month	\$0.17
500,001 – 1,000,000 Transactions per month	\$0.12
1,000,000 + Transactions per month	\$0.08
<b>Interchange and Network Fees</b>	Pass-Through to Merchant
<b>Monthly Minimum in Processing Fees</b>	
0-12 Months	\$1,500
13+ Months	\$3,000
<b>Other Fees</b>	
One-time Setup Fee	\$5,000
Chargeback Fee	\$20
BIN Fee - assessed on all volume (note high risk clients pay 7.5 bps)	5 bps (cap at \$.10)
Address Verification (AVS)	\$0.075 per use
Authorization (no funds movement), including “Delete” (void, refunds)	\$0.075
Disbursement Reversal attempt	\$12
Custom software development fees as requested and agreed with Bank Client in a separate agreement and statement of work	\$200/hour, minimum of 2 hours
OFAC screening on Recipient	\$0.03 per recipient
ACH Reject Fee (reject on fee billing)	\$25
FX Fee on X-Border Transactions	12.5bps
<b>Value Added Services</b>	
Tokenization Per Account	\$0.015/month with a max of \$1000/month
3-D Secure	\$0.07 per use
Duplicate Acct Check/Tabapay Score	\$0.015/per account per month
ApplePay/GooglePay	\$0.05 per txn
Account Updater	\$0.15 per invocation
IDology: Various Products	Based on volume
Zumigo: Various Products:	Based on volume
Advisory Services on Fraud Solutions	TBD per hour



Merchant must be approved for each Card Network prior to initiating any Transactions through a Card Network. At the sole discretion of Bank or ISO, a Card Network may be added or eliminated from Merchant's Program.

ISO will route the Purchase or Disbursement to the least cost Card Network, amongst those approved for Merchant, unless mutually agreed by ISO and Merchant.

All Transaction Fees due from Merchant to ISO will be invoiced once/month for the prior month. The invoice amount will be debited from Merchant's Bank Account or paid through other, mutually agreed method. Merchant will provide written authorization for such debit.

\*The Cost includes Card Network interchange and Card Network fees. See Tabapay website, <https://www.tabapay.com/Confidential/NetworkCosts.pdf> for current Card Network interchange and fees.