Conditions of the Agreement for the servicing of payment cards in e-commerce

1. GENERAL PROVISIONS

1.1. The conditions of the agreement for the servicing of payment cards in e-commerce (hereinafter **Agreement**) governs relations between AS LHV Pank (hereinafter **Bank**) and the Bank's customer (hereinafter **Merchant**) in the use of the Service by the Merchant as well as any other circumstances related to the above.

1.2. The conditions of the agreement for the servicing of payment cards in e-commerce (hereinafter **Conditions**) shall form an integral part of the Agreement, and shall be applicable to the Agreement, unless otherwise agreed between the Bank and the Merchant.

1.3. In issues not regulated by the Agreement, the Bank and the Customer shall be governed additionally by the General Conditions and any other documents referenced therein insofar as this does not conflict with these Conditions or any other conditions of the Agreement.

1.4. The Contract shall be governed by the laws of the Republic of Estonia.

2. DEFINITIONS

2.1. Terms with capitalised initial letters used in the Conditions (including in any annexes to the Conditions) or in the Agreement, but not defined, shall have the meanings assigned to them in the General Conditions.

2.2. Terms with capitalised initial letters used in the Conditions (including in any annexes to the Conditions) and in the Agreement, not defined elsewhere in the Conditions, Agreement or General Conditions, shall have the following meanings:

2.2.1. **Data Security Requirements and technical requirements** include:

(i) The Payment Card Industry Data Security Standard – PCI DSS used by International organisations and the security standards established by International organisations for equipment or systems in the payment card industry, all available at www.pcisecuritystandards.org; and

(ii) Any requirements established under the standards specified by the Processor and the Bank in sub-clause(i) (including technical conditions, such as message or file formats), which the Merchant's computer systems and components thereof must meet, enabling the Merchant to utilise the Terminal for the effecting of Transactions.

2.2.2. **Authorisation** is a query effected from a Terminal verifying the validity of a Card, the availability of sufficient funds in the account opened with the issuer of the Card and linked to the Card or in any other record-keeping system linked to the Card and reserving in the above account or other record-keeping system the funds needed for the effecting of a Transaction.

2.2.3. **Price List** is a list of certain Charges appended to the Agreement as Annex 1;

2.2.4. **Card User** is a person whose name has been recorded on the Card and who holds an account linked to the Card, or a person responsible toward the issuer of the Card for the performance of obligations resulting from the use of the Card in accordance with a similar record-keeping system or a person to whom the above person has granted the right to use the Card;

2.2.5. **Card Issuer** is a credit institution or other party which, in accordance with applicable legislation, has issued a Card and ensures the performance of any obligations towards other parties resulting from the use of the Card;

2.2.6. **Card** is an electronic means of payment enabling the user of a Card to effect Transactions, among other things;

2.2.7. **User Name** is an identifier assigned for the Merchant by the Processor for the identification of the given Merchant that, when used with a Password, enables the Merchant to gain access to Transaction Confirmations on the Processor's server;

2.2.8. **Account** is the bank account at LHV Pank of a Merchant specified in an Agreement or, by agreement between the Parties, also some other Merchant into which the Bank shall transfer amounts payable to the Merchant in relation to Transactions, the Service or the Agreement and which the Bank shall debit with the amounts payable by the Merchant in relation to Transactions, the Service or the Agreement;

2.2.9. **Point of Sale** is a website indicated on the front page of the Agreement or, by agreement between the Parties, in any other document appended to the Agreement where the Merchant sells goods or provides services and accepts payment for them by means of a Transaction effected by means of a Card;

2.2.10. **Sales Revenue** is the funds to be settled with the Merchant based on the Transactions;

2.2.11. **Banking Day** is any day that is not a Saturday, Sunday, national holiday or public holiday in Estonia;

2.2.12. **Parties** are the Bank and the Merchant together, and **Party** is the Bank or the Merchant separately;

2.2.13. **International Card Organisation** is MasterCard Worldwide, Visa International, American Express International or the administrator of an international payment card system accepted by the Bank;

2.2.14. **Password** is a secret combination consisting of numerals and characters that identifies the Merchant and that has been provided to the Merchant by the Processor and that, when used with a User Name, enables the Merchant to gain access to Transaction Confirmations on the Processor's server;

2.2.15. **Certificate** is a document issued by the Processor in proof of the certification of a Terminal and its conformity to the Data Security Requirements and technical conditions.

2.2.16. **Claim in Recovery** is a proceeding initiated on the basis of an application by the user of a Card (or the party holding an account linked to the Card), in accordance with the regulations of the Processor and / or International Card Organisation, whereby a claim is put forward for the partial or full refund by the Merchant of an amount paid in the course of a Transaction;

2.2.17. **Refund** is the refund of a completed Transaction by the Merchant (or, in instances specified in the Agreement, the Bank), as a result of which any amounts paid under the Transaction shall be refunded to the party holding the Account linked to the Card;

2.2.18. **Security Deposit** is a term deposit opened by the Merchant at LHV Pank on conditions set by the Bank and pledged or established in some other manner as collateral in favour of the Bank securing the Merchant's obligations toward the Bank under the Agreement;

2.2.19. **Charge** is a charge, indemnity, or fine set out in the Price List or General Price List or some other activity or circumstance resulting under or related to the Agreement;

2.2.20. **Service** is a service provided by the Bank whereby the Bank shall make available to the Merchant a system of technical and other facilities and solutions

(i) enabling the user of a Card to make payment for goods or services bought from the Merchant using the Card by means of Transactions and to carry out activities related to the above,

(ii) whereby the Bank shall arrange for the crediting of the Account with any amounts payable to the Merchant under the Transaction on the conditions set out in the Agreement,

(iii) and whereby the availability and provision of the necessary measures and support services to support and service the above;

2.2.21. **Transaction** is a card payment transaction (that is, an instruction to the issuer of a Card via Terminal, by means of the Card, for payment for goods or services purchased from the Merchant) effected by the user of a Card at a Point of Sale or any other operation related to the above and permitted by the Bank;

2.2.22. **Total Cost of a Transaction** (hereinafter Total Cost) is the sum of Charge Fee, Interchange Fee, and Processing Fee.

2.2.23. **Transaction Charge Fee** (hereinafter Charge Fee) is a fee paid by the Merchant to the Bank for making the Transactions;

2.2.24. **Transaction Interchange Fee** (hereinafter Interchange Fee) is a fee paid for a Transaction between the Card issuer and the Bank;

2.2.25. **Transaction Processing Fee** (hereinafter Processing Fee) is a fee paid for a Transaction being Processed by the Processor;

2.2.26. **Transaction Volume** (hereinafter Volume) is the total volume of Transactions settled in the previous calendar month in EUR and it shall be adjusted for the current calendar month to calculate the Charge Fee. If the Merchant had no transactions in the previous months, the Charge Fee amount shall be calculated based on the estimated Transaction volume in EUR per calendar month.

2.2.27. **Transaction confirmation** is a set of information, electronically stored by the Processor and kept by the Processor, containing information about a Transaction, its conditions or circumstances related to it on a scale stipulated by legislation and by the Data Security Requirements and technical conditions or set by the Bank, Processor or an International Card Organisation.

2.2.28. **Technical conditions** are a set of conditions and parameters, determined by the Processor and the Bank and disclosed to the Merchant, which a Point of Sale shall meet to enable a Merchant to utilise a Terminal for the effecting of Transactions at the Point of Sale;

2.2.29. **Terminal** is an Internet-based information technology application (computer program) accepted by the Bank and certified by the Processor enabling the effecting of Transactions at a Point of Sale;

2.2.30. **Security Certificate** is an electronic certificate ensuring the security of data exchange between the Merchant and the Processor and enabling the identification of the Merchant.

| 2.2.31. | **Processor** is a party designated by the Bank who, working with the Bank, processes the Transactions and the related data exchange technically. The names of Processors have been published at www.lhv.ee; |

| 2.2.32. | **Cancellation** is the cancellation of a processed Transaction, due to which the Transaction amount reserved on the Card user's account shall be released; |

| 2.2.33. | **General Price List** is the Bank's general price list, set out in the General Conditions, of charges (including Charges) collected for banking and related services, published at www.lhv.ee/tingimused; |

| 2.2.34. | **General Conditions** are the Bank's General Conditions as applicable as at the relevant point in time. The General Conditions shall be available at www.lhv.ee; |

3. SERVICE

3.1. The Bank shall provide the Service on the conditions set out in the Agreement. Unless otherwise provided in legal acts, the Bank shall be subject to the obligations set out in the Agreement only.

3.2. In providing the Service, the Bank shall perform the following functions:

3.2.1. Collection of information needed for the provision of the service and organising the information exchange and communications between the Processor and the Merchant needed for the commencement of the provision of the Service;

3.2.2. Crediting the Account with any amounts payable to the Merchant under transactions in accordance with the information received from the Processor;

3.2.3. Debiting the Account with any amounts payable by the Merchant under cancellations and settled Claims in Recovery in accordance with the information received from the Processor; and

3.2.4. Processing Claims in Recovery (including the provision of relevant information or documents) and deciding on refunds in the instances and amounts stipulated in agreements concluded between the Bank, the Processor and/or International Card Organisation and/or under regulations established otherwise by an International Card Organisation.

3.3. Without prejudicing the applicability of any provisions in clauses 3.1 and 13,it shall not be the function of the Bank to organise the data communications related to a Transaction or to process any Transaction data. In effecting any funds transfers related to a Transaction, the Bank shall draw on information provided by the Processor.

4. CONDITIONS FOR THE PROVISION OF THE SERVICE

4.1. The Merchant shall provide the Bank with all the information needed for the provision of the Service (including in terms of every individual Point of Sale, if needed) on the scale and in the format set by the Bank and update it should the relevant information change or the Bank so require, including the provision of the Bank with any information on the goods or services provided at a Point of Sale. If the Merchant wishes to significantly change the make-up of the services or goods provided at a Point of Sale, the Merchant shall notify the Bank of such changes before the relevant change is made.

4.2. A Point of Sale shall meet the technical conditions and any requirements set by the Bank and the Processor. A Terminal and communications equipment and connections needed for the effecting of Transactions shall meet the Data Security Requirements and technical requirements.

4.3. The Processor shall make available to the Merchant the software needed for setting up the Terminal. If the Merchant operates on a Terminal any application other than the one provided by the Processor, such an application shall meet the requirements under the Agreement, be acceptable to the Bank and the Processor, and support the 3-D Secure user authentication protocol.

4.4. Once an Agreement has been concluded (or a new Point of Sale has been included in the Agreement), the Merchant shall bring its Point of Sale into conformity with the applicable technical conditions and thereupon notify the Processor of its readiness for commencement of use of the Service at the relevant Point of Sale and present the Processor with a query to obtain a Security Certificate to test a Terminal in the Processor's testing environment. The Processor shall issue the above Security Certificate to the e-mail address indicated in the Merchant Agreement.

4.5. The Processor shall issue the Merchant with a certificate concerning the Terminal once the testing of the Terminal has been completed successfully.

4.6. Once a Certificate has been issued for a Terminal, the Merchant shall be entitled to present the Processor with a Security Certificate query for the activation of the Terminal. The Processor shall issue the Merchant with the Security Certificate needed for the operation of the Terminal to the e-mail address indicated in the Merchant Agreement and shall send the User Name and Password to the address indicated in the Merchant Agreement. For operating a Terminal, the Merchant shall upload on its computer system the Security Certificate received.

4.7. Before commencement of use of a Terminal, the Merchant shall have received from the Bank confirmation that the Point of Sale meets the requirements stipulated in the Agreement.

4.8. The Bank shall be entitled to require the Merchant to use at a Point of Sale any information referring to the possibility of effecting Transactions or the use of the Service and identifying the Cards acceptable for effecting a Transaction and the Bank as the provider of the Service. This information (including any images) and its provision at a Point of Sale shall meet the requirements set by the Bank.

4.9. When selling goods or providing services at a Point of Sale, the Merchant shall comply with all the requirements for on-line commerce as set by legislation, including the publicising at the Point of Sale of all the required information about it, its operations and any goods sold or services provided by it and to provide its client with all the stipulated information about

purchase transactions completed. The Merchant shall be liable for any loss or damage incurred by the Bank, the user of a Card, the issuer of a Card or any other party as a result of a breach of such requirements or any other requirements related to the sale of goods or the provision of services at a Point of Sale.

4.10. Unless agreed otherwise by the Parties, the Merchant may use a Terminal set up for the use of the Service only at the Points of Sale stipulated in the Agreement. The Merchant shall not be allowed to make any such Terminal available for the use of a third party (including a subsidiary or affiliate of the Merchant) or to use the Terminal for effecting Transactions on a website other than a Point of Sale.

4.11. The Merchant shall observe the Data Security Requirements and technical requirements. At the Bank's request, the Merchant shall provide the Bank with documentation or other information proving that the Merchant is meeting the Data Security Requirements and the technical requirements. The Bank shall be entitled to require the Merchant to fill in and submit to the Bank a survey for assessing the fulfilment of PCI-DSS requirements. Any costs related to meeting the Data Security Requirements and technical requirements shall be paid by the Merchant. The Bank shall be entitled to check (automatically) the Merchant's e-store website's safety that would not disturb the Merchant's e-store website's performance and of which the Bank shall not inform the Merchant in advance. The Bank shall inform the Merchant about the results of such a control. The Merchant shall be liable for any loss or damage incurred by the Bank, the user of a Card, the issuer of a Card or any other party as a result of a breach of the Data Security Requirements or the technical requirements.

4.12. Without prejudice to the applicability of what has been set out in clause 4.11, the Merchant shall take adequate physical, organisational and information technology security measures to rule out any possibility that a Terminal is used by a third party or that a Security Certificate, User Name or Password falls into the hands of a third party. The Merchant shall notify the Bank and the Processor immediately if any of the above security features has fallen (or there is a risk that they may fall) into the hands of a third party. At the request of the Bank or the Processor, the Merchant shall promptly change its User Name or Password. The Merchant shall be liable for any loss or damage incurred by the Bank, the user of a Card, the issuer of a Card or any other party as a result of a breach of the above obligations.

4.13. Without prejudice to the applicability of what has been set out in clause 10, the Bank and the Processor shall be entitled to block the use of a Terminal if the Merchant enters a User Name or Password incorrectly more than 3 (three) times or if there is reason to suspect that any of the security features specified in item 4.12 has fallen (or may fall) into the hands of a third party. To lift such a block, the Merchant shall contact the Processor and comply with any instructions or requirements provided by the Processor. Neither the Bank nor the Processor shall be liable for any loss or damage incurred by the Merchant or the user of a Card due to the blocking of a Terminal.

4.14. The Merchant shall abide by the orders or instructions issued by the Bank or the Processor in relation to the provision of the Service and shall meet the requirements set by the Processor or an International Card Organisation in relation to the use of a Terminal or the effecting of a Transaction.

4.15. In addition to any other restrictions set out in the Agreement, the Merchant shall be forbidden to:

4.15.1. set minimum or maximum limits on the amount of a Transaction;

4.15.2. collect from the user of a Card any additional charge whatsoever when a Transaction is effected if applying additional charges is prohibited under the legislation of the country where the Bank is registered at and/or under the rules of International Card Organisations;

4.15.3. copy or otherwise save the information of a Card or Transaction,

4.15.4. modify the settings of a certified Terminal or make any other changes related to a Terminal without the consent of the Bank or the Processor;

4.15.5. permit the user of a Card to meet any payment obligations other than payment of the price of services or goods purchased from the Merchant;

4.15.6. distribute a purchase completed using a single Card among multiple Transactions; or

4.15.7. allow a Card to be used for payment for the costs of the business operations of a third party.

5. EFFECTING OF TRANSACTIONS

5.1. All Transactions shall be completed in accordance with the requirements and conditions set out in the Data Security Requirements and in the technical conditions and set by the Bank and the Processor.

5.2. The Merchant is prohibited from effecting a Transaction, if a party other than the Holder of the Card wishes to do so or if the Merchant develops (or, in the exercising of reasonable care, should develop) suspicions as to the identity of the user of a Card or as to the genuineness of a Card presented. Furthermore, the Merchant shall be forbidden to complete a Transaction if the Merchant has (or should have, given its previous experience or any relevant information disclosed to it) reason to believe that the Transaction is sought as an aide to the commission of fraud or any other unlawful activity. The Merchants shall notify the Bank and the Processor immediately of any circumstances specified in this clause.

5.3. With respect to the effecting of a Transaction, the Merchant shall abide by all the other security instructions received from the Bank or the Processor.

5.4. When effecting a transaction, the Merchant shall authorise the required Transaction amount by means of the Terminal. Authorisation shall be deemed to have been completed successfully once the Terminal has confirmed successful completion of a Transaction (that is, the availability of the funds or limit required for the effecting of a Transaction or the reservation thereof) in accordance with the stipulated procedure and has provided Transaction Confirmation on the Transaction. If any technical fault whatsoever prevents the completion of Authorisation, the Merchant shall

decline to complete the Transaction. If the Merchant accepts payment for goods or services through a Transaction without a successfully completed Authorisation, the Bank shall have no obligations whatsoever toward the Merchant in relation to such a Transaction. The Merchant shall be liable for any loss or damage incurred by the Bank, the user of a Card, the issuer of a Card or any other party as a result of a breach of the requirements for the Authorisation of a Transaction.

5.5. Transaction confirmations are accessible to the Merchant by means of a User Name and Password on the Processor's server on the conditions and within the term set by the Processor. The Merchant shall preserve and, at the request of the Bank or the Processor, provide for checking data exchange reports or any other information on Transactions within 2 (two) years from when the relevant Transactions have been effected).

6. PROCESSING OF INFORMATION

6.1. The Processor shall check effected Transactions in accordance with the applicable regulations and provide consolidated information needed for the settlement of confirmed Transactions to the issuer of a Card (if needed, through an International Card Organisation) and to the Bank. At the request of the Processor or the Bank, the Merchant shall provide explanations related to the Transactions completed or provide information related to the Transactions.

6.2. The Processor shall not confirm Transactions concerning which any information provided does not meet the applicable regulations, but shall provide the relevant information to the Bank. Any issues related to such Transactions shall be resolved by the Bank and Merchant separately.

6.3. If the Merchant wishes to, the Transactions shall be processed by the Processor to the extent made accessible by the Processor and by payment card fraud prevention software established by the Processor. The above mentioned software does not rule out payment card frauds nor refunds, fees or fines related to them.

6.4. The Processor shall be entitled to (but not obligated) to change payment card fraud prevention software settings (including selections made by the Merchant if the Processor estimates that the settings chosen by the Merchant could cause too high payment card fraud and/or refund risk).

6.5. The Processor shall be entitled to amend and update payment card fraud prevention software (including which data shall be processed by the software to identify the probability of payment card fraud).

7. COMPLETION OF SETTLEMENTS RELATED TO A TRANSACTION

7.1. The Bank shall transfer the Sales Revenue into the Merchant's Account within 1 (one) Banking Day as of receiving from the Processor the information needed for the settlement of Transactions. The Bank shall be entitled to extend the above term to up to 2 (two) Banking Days if the Agreement has been concluded less than 3 (three) months before the settlement of the relevant Transactions or if the total amount of Transactions settled with the Merchant by the relevant point in time does not exceed EUR 10 000 (ten thousand).

7.2. If the information needed for settling Transactions reaches the Bank on a day that is not a Banking Day, it shall be deemed to have arrived at the Bank on the first Banking Day following such a day.

7.3. The Bank shall be entitled to reduce any amounts payable to the Merchant under transactions by the amounts of Charges or amounts resulting from Cancellations or settled Claims in Recovery or any other overdue amounts which the Merchant is obliged to pay to the Bank under the Agreement or on some other basis.

7.4. Any amounts to be paid to the Merchant in relation to the settlement of Transactions shall be paid in Transaction currency.

7.5. The Bank shall be entitled to not disburse an amount payable to the Merchant under a Transaction if the information needed for the settlement of such a Transaction does not reach the Bank within 14 (fourteen) calendar days from the effecting of the Transaction. In such an instance, the relevant Transaction shall be considered cancelled after the lapse of the above term and the Bank shall have no obligations whatsoever toward the Merchant in relation to such a Transaction.

8. CANCELLATION AND REFUND OF A TRANSACTION

8.1. The Merchant shall be entitled to Cancel or Refund a Transaction at its discretion. The Merchant shall use an environment made accessible to it by the Processor to Cancel or Refund a Transaction.

8.2. The Bank shall reduce any subsequent amount payable to the Merchant under clause 7.1 by the amount of the Refunded Transaction or shall debit the Account with the relevant amount.

8.3. In the event of the Refund of a Transaction, the Bank shall not refund to the Merchant any Charges paid with such a Transaction.

8.4. The Merchant shall be liable toward the user of a Card for any consequences entailed by Cancelling or Refunding a Transaction. The Merchant shall be liable for any loss or damage incurred by the Bank, the user of a Card, the issuer of a Card or any other party as a result of the Cancellation of a Transaction.

9. CLAIMS IN RECOVERY

9.1. If a Claim in Recovery is presented in relation to a Transaction, the Bank shall notify the Merchant of this within 2 (two) Banking Days from receipt of the relevant information and shall provide to the Merchant any documents received with the Claim in Recovery and shall request the Processor to provide the relevant Transaction Confirmations and the Merchant to provide any documents (including any reports or other information specified in clause 5.5) held by it in relation to the disputed Transaction along with its

clarifications and position as to the circumstances set out in the Claim in Recovery. The Merchant must submit the required documents and information within 7 (seven) calendar days.

9.2. If the Claim in Recovery has been submitted for a Transaction effected with a Card issued by a Card issuer located in Estonia, the Bank shall make a decision about the justification of the Claim in Recovery after receiving the information stated in clause 9.1 and inform the Merchant and the Card issuer about the decision, respectively. If under the decision of the Bank a Claim in Recovery is to be settled, the Bank shall reduce any subsequent amount payable to the Merchant under clause 7.1 by the amount of the settled Claim in Recovery or shall debit the Account with the relevant amount on the following Banking Day after the decision to settle the Claim in recovery has been made.

9.3. If a Claim in recovery has been presented in relation to a Transaction effected with a Card issued by a Card Issuer located outside Estonia, the subsequent proceedings concerning the Claim in Recovery shall be as follows:

9.3.1. The Bank shall reduce any subsequent amount payable to the Merchant under clause 7.1 by the amount of the Claim in Recovery or shall debit the Account with the relevant amount on the following Banking Day after receiving information about the Claim in Recovery.

9.3.2. If the Merchant does not provide the information specified in clause 9.1 within the stipulated term, the Bank shall present the Merchant with a second request to present the required documents and information within 5 (five) calendar days, in the case of failed compliance with which the Claim in Recovery shall be deemed to have been definitively settled in the amount presented;

9.3.3. Upon receiving information specified in clause 9.1, the Bank shall decide whether the Claim in Recovery is substantiated;

9.3.4. If in the Bank's estimation a Claim in Recovery is to be settled, the Claim in Recovery shall be deemed to have been definitively settled;

9.3.5. If in the Bank's estimation a Claim in Recovery is not to be settled, the Bank shall notify the issuer of the Card about this and shall increase any subsequent amount payable to the Merchant under clause 7.1 by the amount of the settled Claim in Recovery or shall credit the Account with the relevant amount on the following Banking Day after the decision has been made;

9.3.6. If the issuer of a Card disputes the Bank's decision with an International Card Organisation, the final decision on whether the Claim in Recovery is substantiated shall be made by the International Card Organisation;

9.3.7. If an International Card Organisation decides to settle a Claim in Recovery, the Claim in Recovery shall be deemed to have been definitively settled and the Bank shall reduce any subsequent amount payable to the Merchant under clause 7.1 by the amount of the settled Claim in Recovery or shall debit the Account with the relevant amount on the following Banking Day after receiving information about the settlement of the Claim in Recovery.

9.4. The Bank shall neither assess nor check the decisions of the issuer of a Card or of an International Card Organisation in relation to the settlement or rejection of Claims in Recovery.

9.5. The Bank shall not be liable for any loss or damage incurred by the Merchant in relation to any Claims in Recovery. The Merchant shall be liable for any loss or damage incurred by the Bank due to a Claim in Recovery.

10. RESTRICTION OF THE PROVISION OF SERVICES AND THE CANCELLATION OF A TRANSACTION BY THE BANK

10.1. The Bank shall be entitled, by notifying the Merchant, to stop partly or fully the provision of the Service (including the prohibition of the effecting of Transactions or blocking the use of a Terminal) or to restrict the range of Cards permitted for Transactions or to stop payments to be made to the Merchant under clause 7.1 or a Transaction, instead of the Merchant and without the consent of the Merchant, if:

10.1.1. The Merchant breaches the restrictions stipulated in the Agreement or does not perform the obligations stipulated in the Agreement;

10.1.2. this is requested by the Processor or an International Card Organisation;

10.1.3. any of the circumstances set out in clause 4.13 occur;

10.1.4. The Merchant cancels more than 1 (one) per cent of Transactions effected in a period of 24 hours;

10.1.5. this is needed for blocking or preventing fraud perpetrated with Cards or Transactions or any other illegal activities; or

10.1.6. When Transactions are effected, the requirements under the Agreement (including the requirements for the use of a Terminal, the Data Security Requirements or the Security Requirements for Acceptance) or instructions issued by the Bank or the Processor are not observed.

10.2. At the Bank's request, the Merchant shall provide clarifications concerning any circumstances under which the rights specified in clause 10.1 are exercised and shall, at the Bank's request, change to the necessary extent the procedures used for effecting Transactions or any other related activities.

10.3. The Bank may also exercise several of the rights specified in clause 10.1.

10.4. If the Bank exercises a right specified in clause 10.1, the Bank's obligation to perform its obligations under the Agreement shall be deemed suspended in the relevant respect.

10.5. The Bank shall inform the Merchant of the termination of the application of any restrictions (except if the restrictions applied are resolved in accordance with the procedure set out in clause 4.13).

10.6. The exercising of rights specified in clause 10.1 shall neither prejudice nor preclude the exercising of rights specified in clause 12.

11. CHARGES AND RELATED INFORMATION

11.1. The Merchant shall pay the Bank Charges set out in the Agreement and the General Price List in instances, in amounts, and at rates specified in the Agreement.

11.2. Every Transaction includes:

11.2.1. Interchange Fee according to the rate established by the Card issuer or International card organisation,

11.2.2. Processing Fee according to the fee rate established by the Processor and

11.2.3. Charge Fee according to the Agreement.

11.2.4. The fees for Transactions shall be payable simultaneously with every remittance to the Merchant of payment stipulated in clause 7.1.

11.3. Any charge for processing a Claim in Recovery shall be payable on the day when the Claim in Recovery is deemed to have been definitively settled.

11.4. Any charge for the early termination of the Agreement (clause **Error! Reference source not found.**) shall be payable on the day of the termination of the Agreement.

11.5. Any other Charges shall be payable on the day of the occurrence or revelation of the circumstance which the relevant Charge is based on, unless the Price List or General Price List stipulate otherwise.

11.6. If the Parties agree to amend the Price List, the amended Price List shall take effect from midnight on the calendar day stated on the effective date of the amendment. The Bank shall be entitled to amend the Price List also unilaterally by notifying the Merchant of this at least 30 (thirty) calendar days in advance, in which event the amended Price List shall take effect once such a term has lapsed.

11.7. The Bank shall reduce any subsequent amount payable to the Merchant under clause 7.1 by the amount of the Charges that have fallen due or shall debit the Account with such Charges on the day on which they fall due.

11.8. At the Merchant's request, the Bank shall issue an invoice for Charges.

11.9. Unless the Agreement stipulates otherwise, each Party shall pay its own costs related to the performance of the Agreement.

11.10. For the sake of clarity, it is agreed that any communications costs incurred by the Merchant in relation to the use of the Service shall be paid by the Merchant itself.

11.11. If the Merchant requests an advisory or other facilitating service whose provision free of charge is not stipulated under the Agreement, the Merchant shall pay for such a service based on an invoice presented by the Bank.

11.12. Transaction-based information about the amounts of Interchange Fee, Processing Fee, and Charge Fee are available from the Internet bank.

12. TERM AND TERMINATION OF THE AGREEMENT

12.1. This Agreement is concluded for an indefinite term.

12.2. Either Party shall be entitled to terminate this Agreement at any time, notifying the other Party of this in writing 30 (thirty) calendar days in advance.

12.3. If the Merchant terminates the Agreement before 6 (six) months lapse from the conclusion of the Agreement, it shall, if the Bank so requires, pay the Bank a Charge for the early termination of the Agreement in the amount specified in the General Price List. The Charge for the termination of the Agreement shall not apply if the Merchant terminates the Agreement on the grounds in clause 12.4.

12.4. The Merchant shall not have to observe the term of advance notification if the Bank has amended the Price List or General Price List, increasing the rates of Charges, or has imposed additional Charges or if the Bank amends the Conditions in accordance with clause 15 and the Merchant does not accept the amendments.

12.5. The Bank shall not have to observe the term of advance notification if:

12.5.1. the grounds for the termination arise under legislation or the General Conditions;

12.5.2. the Merchant has breached the Data Security Requirements and the technical requirements or has failed to observe instructions from the Bank or the Processor for completing a transaction;

12.5.3. the Merchant does not set up the Security Deposit required by the Bank on the conditions stipulated in the Security Deposit Agreement;

12.5.4. the Merchant has materially breached any other conditions of the Agreement (including any conditions for the use of a Terminal);

12.5.5. the Merchant has provided false information to the Bank when concluding or performing the Agreement;

12.5.6. a Terminal or the Service has been used for the perpetration of fraud;

12.5.7. the Merchant significantly changes the range of goods sold or services provided, and the Bank does not wish to provide the Service for enabling payment for such goods or services;

12.5.8. more than 1% (one per cent) of Transactions effected in a period of 24 hours are cancelled or a Claim in Recovery is presented for them;

12.5.9. the Bank has reason to believe that Transactions do not meet the applicable regulations or have been used for unlawful activities;

12.5.10. the termination of the Agreement is requested by the Processor or an International Card Organisation;

12.5.11. not a single Transaction has been effected within 1 (one) month;

12.5.12. an event occurs which according to the Bank's reasoned opinion could inhibit the Bank to use its rights with respect to the Merchant or lead to the Merchant not performing the actions and obligations according to the Agreement; or

12.5.13. The Merchant has repeatedly failed to honour its financial obligations toward the Bank that have fallen due.

12.6. The expiry of the Agreement shall not affect the obligations of either Party that have arisen during the term of the Agreement. The Merchant shall be responsible for the performance of any obligations arising under any Claims in Recovery within 6 (six) months of the expiry of the Agreement.

12.7. In the event of the termination of the Agreement by either Party, the Bank shall be entitled to suspend for up to 6 (six) months the remittance of payments stipulated in clause 7.1 to the Merchant and, if needed, to offset the relevant amounts against any amounts payable by the Merchant under the Agreement.

12.8. In the event of the termination of the Agreement by either Party, the Bank shall be entitled to cancel transactions on behalf of the Merchant without the Merchant's consent.

13. LIABILITY

13.1. Either Party shall be responsible for the performance of its obligations to the extent set out in legislation, allowing for any differences set out in the General Conditions or the Agreement.

13.2. The Bank shall not be liable for any loss or damage caused by faults or inadequate functioning of a Terminal, or the Merchant's computer systems or other systems, equipment or communications systems operated or controlled by the Merchant, or communications systems or systems used by a third party (including the Processor or an International Card Organisation).

13.3. Any liability for failure to duly perform obligations stipulated in the Agreement shall be limited to the direct loss or damage incurred by either Party, except if the breach was intentional or caused through gross negligence. In no case shall the Bank be liable for loss of profit or reputational damage incurred by the Merchant.

13.4. The period for the presentation by the Merchant of claims in relation to a Transaction shall be limited to 6 (six) months, after which term the Merchant shall no longer be able to present the Bank with relevant claims.

13.5. If the Processor, an International Card Organisation or a third party fines the Bank or in some other manner files a claim against the Bank in accordance with applicable legislation, regulations or agreements, and such a fine or claim is due or related to a breach of the Agreement by the Merchant, the Merchant shall indemnify the Bank for all such fines and claims in accordance with claims presented by the Bank.

14. SECURITIES

14.1. The Bank shall be entitled to require the Merchant to set up a Security Deposit, in which case the Merchant shall set up the Security deposit for the term and on the conditions required by the Bank.

14.2. If the Bank requires a Security Deposit to be set up upon the termination of the Agreement and the Merchant does not comply with the Bank's requirement, the Bank shall be entitled to set up such a Security Deposit on behalf of the Merchant without any additional instructions from the Merchant, and such a Security Deposit shall be deemed to have been set up by the Merchant in accordance with the Agreement.

14.3. In the event of the termination of the Agreement by either Party, an agreement between the Parties shall be deemed to have come into effect whereby the Merchant shall pledge any funds in its accounts (including Account) opened at the Bank to secure the performance of its obligations under the Agreement in an amount equal to 10% (ten per cent) of the average amount of monthly Transactions over the past six calendar months. The Bank shall be entitled to, within the pledged amount above, restrict the disposal of the funds held by the Merchant at the Bank and to not comply with the Merchant's instructions for the disposal of such funds during the term of the pledge. The Bank shall be entitled to offset its claims against the Merchant under the Agreement against the funds in the pledged accounts.

15. AMENDMENT OF THE AGREEMENT

15.1. The Bank shall have the right to unilaterally amend the Conditions by notifying the Customer thereof at least 2 (two) months in advance by sending the Merchant an e-mail to this effect (if possible) and by publishing a notice about the amendments at its branch and on its website at www.lhv.ee.

15.2. The Merchant shall be entitled to, within the above 2 (two) months, cancel the Agreement in accordance with clause 12. If the Merchant has not cancelled the Agreement by the end of this term, it shall be considered to have accepted the amendments, with the amended Conditions beginning to apply to the Merchant from the day following the lapse of the term.

16. CONFIDENTIALITY

16.1. Either Party shall treat as confidential any information that has become known to it about the other Party in relation to the conclusion or performance of the Agreement. Publication of the above information shall be permitted in the instances and to the extent stipulated by legislation and the General Conditions. With respect to the publication of information, this confidentiality obligation shall not apply to the Processor, an International Card Organisation, the Issuer of a Card or a party tasked by the Bank with the performance of the Bank's obligations or functions stipulated in the Agreement. As an exception, the Merchant shall be entitled to inform a Card user whose Card has been issued in the European Union of the Interchange Fees, Processing Fees, and Charge Fees related to Transactions effected with his Card.

16.2. The Merchant shall maintain the secrecy of all information that has become known to it, in relation to the effecting of Transactions, about Cards, Transactions or the users of Cards and shall take adequate measures for the secure preservation of such information and Receipts.

16.3. The Merchant is prohibited from using the information specified in clause 16.2 for any purpose whatsoever other than the effecting of Transactions or using the Service.

16.4. The Bank shall be entitled to publish information without restriction about the performance of the Agreement by the Merchant if the Merchant has failed to perform its obligations under the Agreement.

17. FINAL PROVISIONS

17.1. The Bank shall be entitled to debit the Merchant's accounts (including the Account) with any amounts payable by the Merchant under or in relation to the Agreement or withhold such amounts from any amounts payable by the Bank to the Merchant, without any additional instructions whatsoever from the Merchant.

17.2. In performing the Agreement, the Bank shall first debit the Account. If the Account does not have the funds needed for meeting the Merchant's obligations under the Agreement, the Bank may debit any of the Merchant's accounts with the relevant amount converting, if necessary, currency in accordance with the exchange rate in effect at the Bank at that point in time.

17.3. If the Merchant delays the payment of an amount payable under the Agreement, it shall, if the Bank so requires, pay late interest on the amount owing for every day of delay at the rate that is the rate of the late interest that is generally applied to LHV Bank's customers at that point in time in the event of a negative balance on an account and that is published in the General Price List.

17.4. The Merchant may transfer its rights or obligations under the Agreement to a third party and encumber its rights in favour of a third party only with the Bank's prior written consent. The Bank may transfer its obligations under the Agreement to its subsidiaries or affiliates without the Merchant's consent.

17.5. The Agreement shall enter into force upon being signed by both Parties.