



**SNAPPAY SERVICE AGREEMENT**

**THIS SNAPPAY SERVICE AGREEMENT** (the “**Service Agreement**”) is made as of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), between SnapPay Inc. (the “**Company**”) and \_\_\_\_\_ (the “**Merchant**”).

**MERCHANT REGISTRATION FORM**

<b>Merchant Information</b>	
Merchant’s DBA (Doing Business As) Name:	Merchant’s Legal Name (Same as Merchant’s DBA Name unless a different name is set out in this part):
Merchant’s DBA Address:	Merchant’s Legal Address (Same as Merchant’s DBA Address unless a different address is set out in this part):
Merchant’s DBA Phone Number:	
Merchant’s DBA Fax Number (if any):	
Contact Name at Merchant’s DBA Address [for serving Notices – section 19(f)]:	
Title:	Business Phone number:
Business Email address:	
Merchant’s Company Website (if any):	
Company/Sole Proprietor’s Business Registration Number:	
Principal Business (i.e. What does your business do?):	
HST Number:	
Annual Sales Amount (CAD)	
Tips (Y/N): <input type="checkbox"/> Yes <input type="checkbox"/> No	

<b>Additional Merchant Information</b>			
Type of Ownership:			
<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited (Ltd.)
<input type="checkbox"/> Government	<input type="checkbox"/> Non-Profit	<input type="checkbox"/> Other:	
Current Ownership Start Date:			
Market Type:			
<input type="checkbox"/> Retail	<input type="checkbox"/> Supermarket	<input type="checkbox"/> Restaurant	<input type="checkbox"/> Emerging Market
<input type="checkbox"/> Lodging	<input type="checkbox"/> Auto Rental	<input type="checkbox"/> Mail Order Telephone Order	<input type="checkbox"/> Oil and Gas
<input type="checkbox"/> E-Commerce	<input type="checkbox"/> Other:		

<b>Merchant’s Business - Owner/Officer</b>	
<input type="checkbox"/> Owner                      % Ownership	<input type="checkbox"/> Officer
Name:	<input type="checkbox"/> Authorized Signer

Title:		<input type="checkbox"/> Personal Guarantor
Phone Number:	Email Address:	

**Additional Information Required:**

**If Merchant's business is NOT incorporated, please submit the following TWO items:**

<input type="checkbox"/> Business account void cheque	<input type="checkbox"/> a copy of sole proprietor's valid government ID (i.e., driver's license or passport)
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**If Merchant's business is incorporated, please submit the following THREE items:**

<input type="checkbox"/> Business account void cheque	<input type="checkbox"/> a copy of the Certificate of Incorporation	<input type="checkbox"/> a copy of the authorized signing officer's valid government ID (i.e., driver's license or passport)
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**Payment Platforms and Fee Schedule:**

Payment Platform	Alipay	WeChat Pay	Union Pay
Offline Transaction Charge Rate	<input type="checkbox"/> _____ %	<input type="checkbox"/> _____ %	<input type="checkbox"/> _____ %
Online Transaction Charge Rate	<input type="checkbox"/> _____ %	<input type="checkbox"/> _____ %	<input type="checkbox"/> _____ %
Settlement Currency (Choose one currency for each Payment Platform)	<input type="checkbox"/> USD <input type="checkbox"/> CAD	<input type="checkbox"/> USD <input type="checkbox"/> CAD	<input type="checkbox"/> USD <input type="checkbox"/> CAD

**Hardware:**

Type	Quantity	Amount (per Terminal)	Total Amount
Leased Terminal(s)	_____	Monthly fee of \$15.95 CAD (plus HST)	Total monthly fee of \$ _____ CAD (plus HST)
Purchased Terminal(s)	_____	Purchase price of \$310.00 CAD (plus HST)	Total purchase price of \$ _____ CAD (plus HST)

**RECITALS:**

- The Company has been authorized by Payment Companies to enter into agreements with the providers of goods and services to provide them with access to the Payment Platforms of such Payment Companies in order to accept payments by their customers for the purchase of their goods and services in Canada;
- The parties wish to enter into this Service Agreement to set out the terms upon which the Company will provide such access to the Merchant;

**NOW THEREFORE**, in consideration of the mutual covenants and obligations hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree that the services provided by the Company to the Merchant hereunder are governed by and subject to this Service Agreement and the SnapPay Service Agreement Terms and Conditions attached hereto, which form part of and are incorporated by reference into this Service Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Service Agreement as of the first date written above.

**SNAPPAY INC.**

**MERCHANT**

Per: \_\_\_\_\_  
 Name:  
 Title:

Per: \_\_\_\_\_  
 Name:  
 Title:



## SNAPPAY SERVICE AGREEMENT TERMS AND CONDITIONS

These SnapPay Service Agreement Terms and Conditions (the “**Terms and Conditions**”) form part of the SnapPay Service Agreement (the “**Service Agreement**”) between the Company and the Merchant (the Service Agreement and Terms and Conditions, collectively the “**Agreement**”). All capitalized terms not defined in these Terms and Conditions shall have the same meaning given in the SnapPay Service Agreement.

### 1. Definitions

In this Agreement, the following words and terms, which may be used in the singular or the plural, have the respective meanings given them as follows:

“**Agreement**” is defined in the first paragraph on the first page of the Terms and Conditions;

“**Business Day**” means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of Ontario;

“**Claims**” means claims, losses, damages, suits, judgments, causes of action, legal proceedings, executions, demands, penalties or other sanctions of every nature and kind whatsoever, whether accrued, actual, contingent or otherwise and any and all costs arising in connection therewith, including all legal expenses (including all such legal expenses in connection with any and all appeals);

“**Company’s Bank**” means the bank used by the Company to initiate the transfer of Settlement Funds to the Merchant;

“**Company Trademarks**” means the registered or unregistered trademarks and service marks, logos and names either owned by the Company in Canada, or licensed to the Company by a Payment Company for use in connection with a Transaction and for which can be sublicensed to the Merchant in accordance with section 15, in each case made available for use by the Merchant solely at the option of the Company;

“**Company Website**” means the Company’s website located at: [www.snappay.ca](http://www.snappay.ca), or other website as specified by the Company to the Merchant;

“**Confidential Information**” means any data or information, oral or written, treated as confidential by a party that relates to the party’s past, present, or future research, development or business activities, any information relating to services, developments, inventions, processes, plans, financial information, revenue, transaction volume, forecasts, projections, and the terms of this Agreement. Notwithstanding the foregoing, Confidential Information shall not include data or information if: (i) it was already known to the Receiving Party prior to the Effective Date, as established by documentary evidence; (ii) it is in or has entered the public domain through no breach of this Agreement or other wrongful act of the Receiving Party; (iii) it has been rightfully received by the Receiving Party from a third party and without breach of any obligation of confidentiality of such third party to the owner of the data or information; or (iv) it has been independently developed by a party without access to or use of the Confidential Information of the other party.

“**Disclosing Party**” has the meaning given to it in section 19(a)(i);

“**Extension Term**” has the meaning given to it in section 3;

“**Fee**” has the meaning given to it in section 9(a);

“**Initial Term**” has the meaning given to it in section 3;

“**Leased Terminals**” has the meaning given to it in section 7(a)(ii);

“**Leased Terminal Warranty**” has the meaning given to it in section 7(i);

“**Leased Warranty Period**” has the meaning given to it in section 7(i);

“**Merchant’s Bank**” means the bank where the Merchant’s Bank Account is located;

“**Merchant’s Bank Account**” means the Merchant’s bank account specified in the Merchant Registration Form, or such other bank account that the Merchant directs the Company to deposit Settlement Funds into pursuant to a written notice given by the Merchant to the Company;

“**Merchant Portal**” means the merchant portal located at [www.snappay.ca](http://www.snappay.ca) or such other internet address as the Company may provide to the Merchant from time to time;

“**Merchant Registration Form**” means the merchant registration form provided in the Service Agreement;

“**New Payment Company**” means a Payment Company that signs a Payment Agreement following the execution of this Agreement;

“**New Payment Company Notice**” means a written notice given by the Company to the Merchant pursuant to section 5(b)(ii);

“**Offline Transaction**” means (i) an in-store transaction with a static QR Code, a Terminal or other point-of-sale device (including those integrated with the Company’s technology; and (ii) a transaction using other offline means as the Parties may agree upon from time to time in writing;

“**Online Transactions**” means (i) a transaction on an E-commerce website or mobile application, including those accessible by a desktop browser, or mobile browsers, (ii) a transaction using the SnapPay Payment Platform, and (iii) a transaction using other online means as the Parties may agree upon from time to time in writing;

“**Payment Agreement**” means the agreement with a Payment Company which, directly or indirectly, authorizes the Company to enter into agreements with third parties allowing such third parties to accept payments through the relevant Payment Company’s Payment Platform indirectly through the Services;

“**Payment App**” means a Payment Company’s application for use on Users’ portable devices;

“**Payment Company**” means a Person who provides and operates an online payment platform and who has entered into a Payment Agreement with the Company which is in effect;

“**Payment Platform**” means a Payment Company’s online payment platform;

“**Person**” means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a trust company, a governmental authority and any other legal or business entity;

“**PAD Agreement**” means the pre-authorized debit agreement attached in Appendix “A” hereto;

“**Purchased Terminals**” has the meaning given to it in section 7(a)(i);

“**Purchased Terminal Warranty**” has the meaning given to it in section 7(h);

“**Purchased Warranty Period**” has the meaning given to it in section 7(h);

“**QR Code**” means the machine-readable optical label that the Company will provide to the Merchant in order to allow the Merchant to accept payment for the Merchant’s goods and services by Users through a Payment Platform;

“**Receiving Party**” has the meaning given to it in section 19(a)(i);

“**Rectification Period**” has the meaning given to it in section 18(a)(i);

“**Refund**” means the amount of a refund made by a Merchant to a User on account of a previously completed Transaction with such User, without any deduction for any fees by the Payment Company or Fees by the Company;

“**Refund Invoice**” has the meaning given to it in section 11(b)(iii);

“**Service**” is defined in section 2;

“**Service Agreement**” is defined in the first paragraph on the first page of the Terms and Conditions;

“**Settlement Currency**” means the applicable currency for a Payment Company as specified in the Fee Schedule of the Service Agreement;

“**Settlement Funds**” means the settlement amount on account of a Transaction, less the Fees payable to the Company in connection with such Transaction, including any taxes charged by the Company on the Fees and less any deductions for Refunds as contemplated by section 11(b) not previously processed;

“**SnapPay Payment Platform**” means a unique payment platform developed by the Company that provides Merchants with a set of customized payment pages to allow for the collection of online payment remotely using the Payment Platforms, whereby the User enters the payment amount and other information as requested by the Merchant during the payment process and thereafter, the Merchant will receive an email notification of the payment made by such User;

“**Term**” has the meaning given to it in section 3;

“**Terminal**” means a device provided by the Company to the Merchant capable of accessing a machine-readable medium and being able to scan a bar code, QR code or other machine-readable format generated in a Payment App on a User’s portable device;

“**Termination Notice**” has the meaning given to it in section 3;

“**Terms and Conditions**” means this SnapPay Service Agreement Terms and Conditions;

“**Transaction**” means an Online Transaction or Offline Transaction whereby a User purchases goods and/or services from the Merchant and pays for such goods and/or services in Canadian or U.S. dollars in order to have the payment made through the relevant Payment Platform;

“**U.S.**” means the United States of America; and

“**Users**” means Persons who have opened an account with one or more Payment Platforms.

## 1.2 Appendix

The following Appendix is attached hereto and forms a part of this Agreement:

Appendix “A”                      Pre-Authorized Debit Agreement

2. Service

In accordance with the terms and conditions of this Agreement, the Company shall provide the Merchant access to the Payment Platforms specified in the Service Agreement in order to accept payments by Users for the purchase in an Offline Transaction or Online Transaction of goods and services offered by the Merchant in Canada (the “**Service**”).

3. Term

Unless terminated earlier in accordance with the terms of this Agreement, the initial term of this Agreement (the “**Initial Term**”) is for a period of 2 years commencing on the Effective Date, and the Initial Term will automatically be extended for successive periods of 1 year (each, an “**Extension Term**” and together with the Initial Term, the “**Term**”) unless a party gives written notice (a “**Termination Notice**”) to the other party at least 30 days prior to the expiry of the then-current Term that it does not wish the Term to be further extended, in which case the Term will end on the last day of the then-current Term.

4. Merchant Registration Form

The Merchant shall complete the Merchant Registration Form in the Service Agreement. Such completed Merchant Registration Form forms an integral part of this Agreement.

5. Payment Companies

(a) On the date of this Agreement, Payment Agreements have been entered into with the Payment Company that operates the Payment Platform known as “Alipay”, the Payment Company who operates the Payment Platform known as “WeChat Pay” and the Payment Company who operates the Payment Platform known as “Union Pay”.

(b) If:

(i) a Payment Agreement with a Payment Company expires or is terminated during the Term, then:

- (A) the Company shall advise the Merchant of the effective date of such termination and as of such date, the Payment Platform of such Payment Company may not be used by the Merchant to accept payments; and
- (B) such Payment Company will no longer be considered a Payment Company for the purposes of this Agreement; or

(ii) a Payment Agreement is entered into with a New Payment Company during the Term, then upon the Company giving written notice to the Merchant of such New Payment Company, such New Payment Company will be considered a Payment Company for the purposes of this Agreement.

6. Exclusivity

During the Term, the Merchant shall not enter into an agreement with, or obtain services from, any Person (other than the Company) that would allow the Merchant to accept payments on Payment Platforms that the Company is authorized to provide the Merchant access to under a Payment Agreement.

7. Terminals

(a) The Merchant shall:

- (i) purchase the number of Terminal(s) at the purchase price, as specified in the Service Agreement (the “**Purchased Terminals**”) from the Company; and/or
- (ii) lease the number of Terminals at the monthly fee, as specified in the Service Agreement (the “**Leased Terminals**”) from the Company.

For clarity, if the Service Agreement is not completed by inserting the relevant number of Terminals to be leased and/or purchased, then the Merchant will not be leasing and/or purchasing any Terminals pursuant to such uncompleted section(s).

(b) Upon the Merchant’s execution of this Agreement, it shall pay the Company the purchase price as set out in the Service Agreement for the Purchased Terminals (if any). The Merchant agrees that the purchase of a Terminal is non-cancelable and non-refundable.

(c) The Merchant shall pay the monthly fee for the Leased Terminals (if any) to the Company monthly in advance. The Merchant authorizes the Company to collect such monthly fee by debiting the Merchant’s Bank Account in accordance with the PAD Agreement. Any overdue amounts shall bear interest at the lesser of 10% per year or the maximum amount permitted by law, whichever is less, compounded monthly.

(d) The Company shall provide the Leased Terminals and/or Purchased Terminals promptly following the execution of this Agreement. The Company shall provide the Merchant with a copy of a manual and related documentation for the Terminals being leased and/or purchased at the same time that it provides the Terminals to the Merchant.

(e) The Company may, from time to time, upload firmware and/or software updates to the Terminals purchased and/or leased by the Merchant, including:

- (i) adding the ability to allow the Terminals to accept payments through Payment Platforms of New Payment Companies; and
  - (ii) removing the ability to process payments for Payment Companies whose Payment Agreements expire or are terminated.
- (f) The Merchant shall:
- (i) ensure that all Terminals are stored in a secure manner to prevent damage to or unauthorized use of a Terminal. Neither the Company or any Payment Companies will have any liability to the Merchant for any lost, stolen or damaged Terminal, or any unauthorized Transactions or other unauthorized use of a Terminal;
  - (ii) not use a Terminal in any business other than the Merchant's business and solely in connection with using the Services;
  - (iii) not permit any Person other than the Company and its authorized service providers, to provide service, repairs and maintenance of a Terminal; and
  - (iv) immediately notify the Company if any Terminal is lost or stolen.
- (g) The Merchant is solely responsible for obtaining any wireless or internet access necessary to operate a Terminal and any resulting fees or other charges imposed by the Merchant's wireless services carrier or internet service provider.
- (h) The Company warrants to the Merchant that each Purchased Terminal will operate in all material respects pursuant to the applicable documentation provided by the Company at the time of delivery of the Purchased Terminal to the Merchant (the "**Purchased Terminal Warranty**"), for a period of one year after such delivery (the "**Purchased Warranty Period**"). If notified in writing by the Merchant of a defect in the Purchased Terminal Warranty during the Purchased Warranty Period, the Company will, at its sole option, (a) rectify such defect at no cost to the Merchant within a reasonable time, (b) replace the defective Terminal with a new Terminal; or (c) refund the purchase price for such Terminal to the Merchant upon returning such defective Terminal to the Company. Notwithstanding anything in this Agreement, the remedy described herein shall be the Merchant's sole and exclusive remedy with respect to a Purchased Terminal Warranty claim. During the Purchased Warranty Period, the Company shall also provide technical support for a Purchased Terminal and make available any bug fixes, modifications and updates to the firmware and software of the Terminals that are made generally available to its Purchased Terminal customers, in accordance with its support and maintenance policies and procedures.
- (i) The Company warrants to the Merchant that each Leased Terminal will operate in all material respects to the applicable documentation provided by the Company at the time of delivery of the Leased Terminal to the Merchant (the "**Leased Terminal Warranty**") during the period such Terminal is leased (the "**Leased Warranty Period**"). If notified in writing by the Merchant of a defect in the Leased Terminal Warranty during the Leased Warranty Period, the Company will, at its sole option, (a) rectify such defect at no cost to the Merchant within a reasonable time, (b) replace the defective Terminal with a new Terminal; or (c) terminate the lease of such Terminal and refund the portion of any unused pre-paid monthly fees. Notwithstanding anything in this Agreement, the remedy described herein shall be the Merchant's sole and exclusive remedy with respect to a Leased Terminal Warranty claim. During the Leased Warranty Period, the Company shall also provide technical support for a Leased Terminal and make available any bug fixes, modifications and updates to the firmware and software of the Terminals, and at its discretion, Terminal upgrades, that are made generally available to its Leased Terminal customers, in accordance with its support and maintenance policies and procedures.
- (j) The Purchased Terminal Warranty and Leased Terminal Warranty shall not apply to, and the Company is not responsible for any maintenance, repairs or replacements required as a result of, the Merchant's negligence, willful misconduct, or failure to comply with the applicable Terminal documentation or this Agreement, theft, accidents, dropping, spilled liquid, vandalism, natural disasters and other acts of God, or any repairs, alterations or modifications of a Terminal not authorized by the Company.
- (k) If a Leased Terminal is lost, stolen or damaged after delivery by the Company to the Merchant, the Merchant shall be responsible for obtaining a replacement Terminal from the Company at a cost of \$200 per Leased Terminal plus HST.
- (l) Within 10 Business Days following the expiration or termination of this Agreement, the Merchant shall return all Leased Terminals to the Company in good condition and working order (as reasonably determined by the Company). The Merchant can stop leasing a Leased Terminal at any time during the Term by giving the Company 30 days prior written notice and by returning the applicable Leased Terminal within 10 Business Days thereafter. If the Merchant fails to return a Leased Terminal in accordance with the foregoing, the Merchant shall pay \$200 plus HST for each such Leased Terminal not returned or returned not in good condition and working order.

8. QR Code

The Company shall provide the Merchant with the QR Code as applicable within 10 Business Days following the execution of this Agreement. Upon the expiration or earlier termination of this Agreement, the Company shall deactivate the QR Code.

9. Fees

- (a) For each Transaction by a Merchant using a Payment Platform of a Payment Company, the Merchant shall pay the Company a fee (the "**Fee**") equal to the total amount of the applicable Transaction, including applicable taxes, multiplied by the applicable percentage as set out in the Fee Schedule in the Service Agreement.
- (b) For each New Payment Company, the Fee will be equal to the amount of the applicable Transaction, including applicable taxes, multiplied by the applicable percentage specified by the Company in the New Payment Company Notice for the applicable New Payment Company.

(c) Merchant shall pay any tax, if applicable, including but not limited to any federal or provincial goods and services tax, harmonized sales tax, or sale or use tax, imposed on the Fees at the same time as payment of the Fees. Such tax(es) will be shown separately on any invoice or similar document with the related tax registration number and any other information required by law.

(d) During the Initial Term, the Company may, on not less than 90 days (for the purposes of this subsection (d), the “**Notice Period**”) written notice to the Merchant, change the percentages upon which the Fees in connection with a Payment Platform are calculated solely in the event that a Payment Company raises any fees or payments paid by the Company to such Payment Company. Upon receipt of such written notice from the Company, the Merchant may provide notice to the Company that it wishes to terminate this Agreement at the end of the Notice Period (for the purposes of this subsection (d), the “**Merchant Termination Notice**”). The Merchant Termination Notice must be received by the Company within the Notice Period to be effective. If the Company receives the Merchant Termination Notice within the Notice Period, then this Agreement shall be automatically terminated at the end of the Notice Period. If the Company does not receive the Merchant Termination Notice within the Notice Period, the Fees in connection with such Payment Platform will be calculated on the basis of such new percentages at the end of the Notice Period.

(e) During any Extension Term, the Company may, on not less than 90 days (for the purposes of this subsection (e), the “**Notice Period**”) written notice to the Merchant, change the percentages upon which the Fees in connection with a Payment Platform are calculated. Upon receipt of such written notice from the Company, the Merchant may provide notice to the Company that it wishes to terminate this Agreement at the end of the Notice Period (for the purposes of this subsection (e), the “**Merchant Termination Notice**”). The Merchant Termination Notice must be received by the Company within the Notice Period to be effective. If the Company receives the Merchant Termination Notice within the Notice Period, then this Agreement shall be automatically terminated at the end of the Notice Period. If the Company does not receive the Merchant Termination Notice within the Notice Period, the Fees in connection with such Payment Platform will be calculated on the basis of such new percentages at the end of the Notice Period.

#### 10. Settlement Funds

(a) Within 2 Business Days (which, for the purpose of this section, excludes Chinese holidays for which an alert is posted on the Company Website) following the completion of a Transaction, the Company shall pay the Settlement Funds for such Transaction to the Merchant by depositing same into the Merchant’s Bank Account.

(b) All Settlement Funds and Refunds will be in the applicable Settlement Currency. The Merchant acknowledges that a Payment App may offer the User the option of converting the purchase price from Canadian or U.S. dollars to Chinese Yuan Renminbi or other foreign currencies. If the User selects this option, this will have no effect on the Company’s obligation to effect all Settlement Funds and Refunds in the applicable Settlement Currency.

(c) The Merchant:

- (i) is solely responsible for any errors or inaccuracies in its banking information in the Merchant Registration Form and in any updated or new banking information provided by the Merchant to the Company in writing; and
- (ii) releases the Company from all Claims that the Merchant may suffer or incur as result of the Company relying upon such banking information, including depositing Settlement Funds in the Merchant’s Bank Account.

(d) The Company is solely responsible for all bank fees and charges (if any) imposed by the Company’s Bank (including any intermediary banks used by the Company’s Bank) in connection with a transfer of Settlement Funds to the Merchant’s Bank Account. The Merchant is responsible for all other fees and charges in connection with the transfer of Settlement Funds to the Merchant’s Bank Account, including those imposed by the Merchant’s Bank or any intermediary bank or other payment service provider used by or on behalf of the Merchant or the Merchant’s Bank in connection with the transfer of Settlement Funds to the Merchant’s Bank Account.

#### 11. Refunds

(a) If a Merchant makes a Refund prior to the Merchant receiving the Settlement Funds for the Transaction to which the Refund relates, then such Transaction will be deemed cancelled and the Company will not be required to pay any Settlement Funds to the Merchant for such Transaction.

(b) If a Merchant makes a Refund following the Merchant’s receipt of the Settlement Funds relating to the Transaction to which such Refunds relate, then:

- (i) the Company shall fund such Refund to the User;
- (ii) the Company may deduct the amount of such Refund from the next payment(s) of Settlement Funds payable by it to the Merchant pursuant to section 10(a) until the full amount of such Refund has been recovered by the Company;
- (iii) if such Refund has not been completely recovered by the Company pursuant to section 11(b)(ii) within 30 days following the date that such Refund occurred, then the Company may issue an invoice (the “**Refund Invoice**”) to the Merchant and the Merchant shall pay such invoice within 10 Business Days following its receipt of such invoice; and
- (iv) if Merchant does not pay the Refund Invoice within the timeline set out in Section 11(b)(iii), then the Company may collect such Refund recovery via pre-authorized debits made in accordance with the PAD Agreement.

#### 12. Pre-Authorized Debit Agreement

The Company may collect any amounts due from the Merchant pursuant to this Agreement via pre-authorized debits made in accordance with the PAD Agreement, regardless of whether pre-authorized debits by the Company was mentioned as a method of payment or collection from the Merchant.

13. Transaction Declines

The Merchant acknowledges that a Payment Company has the right to decline a Transaction for any reason, including insufficient funds in the User's electronic wallet or suspected fraud. The Company is not liable to the Merchant for any Transactions, including payment of any Settlement Funds, which are declined, regardless of the reason, or for Transactions which cannot be completed for any other reasons.

14. Merchant Portal

(a) The Merchant acknowledges that the Company will not provide any periodic paper or electronic statements to the Merchant. The Merchant may obtain information about Settlement Funds, Transactions, Refunds, Fees, Transaction reports and other aspects of the Company's services by logging onto the Merchant Portal.

(b) The Merchant will maintain the confidentiality of any Login names or passwords used to access the Merchant Portal and will be responsible for any use or misuse of the Merchant Portal by the Merchant's employees or agents. Upon becoming aware that the Merchant's Login name or password has become compromised, the Merchant will promptly provide notice to the Company and will remain liable for any unauthorized use of the Merchant Portal until such notice has been received by the Company.

(c) The Merchant will comply with any guidelines applicable to Merchants which the Company may post on the Merchant Portal from time to time.

15. Trademarks

(a) The Merchant shall only use the Company Trademarks and any other associated or related marks for marketing and promotional purposes as provided by the Company. Subject to the foregoing sentence and to the terms and conditions of this Agreement, the Company grants to the Merchant a limited, non-exclusive, non-sublicensable, non-transferable, royalty-free, revocable license to use, display, and reproduce the Company Trademarks at the physical locations where the Merchant operates its business and on the Merchant's website for purposes of promoting the Merchant's ability to accept payments on Payment Platforms provided by the Services. The Company may make any Company Trademark unavailable for use by the Merchant by providing notice to the Merchant through the Merchant Portal, email or other reasonable means and, solely at the option of the Company, the Company may replace any Terminals that display such mark. Upon receipt of such notice, Merchant shall promptly cease any and all use of the applicable Company Trademark.

(b) Subject to the terms and conditions of this Agreement, the Merchant grants to the Company a limited, non-exclusive, non-sublicensable, non-transferable, royalty-free, revocable, license to use, display, store, reproduce and distribute the Merchant's trademarks in order that the Company may identify the Merchant as a user of the Services (on the Company's website or otherwise) and that the Merchant accepts the payments from the Payment Companies' payment platforms.

(c) The Company and the Merchant shall strictly comply with all trademark standards and brand guidelines with respect to the use of the other party's trademarks. Neither party shall create a combination mark that includes a trademark of the other party. All materials created by or for a party which relate to the other party or any materials that contain the other party's trademarks will be subject to the other Party's prior written approval, which will not be unreasonably withheld or delayed. All uses of the other party's trademarks shall inure to the benefit of the party owning such trademark.

16. Indemnification

The Merchant shall defend, indemnify and hold harmless the Company and its affiliates and their respective directors, officers, employees, and agents from all Claims suffered or incurred by the Company as result of the Merchant's failure to observe and perform the terms of this Agreement on the part of the Merchant to be observed or performed.

17. Limitation of Liability; No Warranties

(a) Neither party shall be liable to the other party for any indirect, incidental, consequential, special, punitive or exemplary damages arising out of or in connection with this Agreement, including loss of revenue, profits or business, costs of delay, costs of lost or damaged data or documentation, or a party's liabilities to third parties arising from any source.

(b) Except in accordance with Section 10(a) with respect to the Company's obligations to pay Settlement Funds to the Merchant, the Company's maximum liability to the Merchant under this Agreement shall be limited to the total Fees paid by the Merchant to the Company in the twelve (12) months immediately preceding the event which first gave rise to such liability.

(c) The Company does not make or give under this Agreement, and hereby expressly disclaims, all warranties, representations, or conditions, both express and implied, arising by statute or otherwise in law, or from course of dealing or usage or trade, including, but not limited to, any implied warranty, representation, or condition of merchantability, merchantable quality, or fitness for any purpose, particular, specific, or otherwise, for any warranty with respect to the title of or non-infringement in any way relating to this Agreement and/or any services related to any of the foregoing provided by or for the Merchant.

18. Termination

If the Merchant:

(a) fails to observe or perform any of the terms of this Agreement on the part of the Merchant to be observed or performed and:



- (i) fails to remedy such default within 15 days following the Merchant's receipt of written notice from the Company respecting such default (the "**Rectification Period**"); or
- (ii) such default cannot be reasonably remedied within the Rectification Period, the Merchant fails to commence to remedy such default within the Rectification Period or thereafter fails to proceed diligently to remedy such default; or
- (b) becomes bankrupt or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, assignment or arrangement with its creditors; or
- (c) revokes the PAD Agreement;

then the Company may terminate this Agreement on written notice to the Merchant. Any termination of this Agreement pursuant to this section will be in addition to any other remedies available to the Company.

19. General Contract Provisions

(a) Confidentiality

- (i) Each party receiving or obtaining Confidential Information (the "**Receiving Party**") of the other party pursuant to this Agreement (the "**Disclosing Party**") hereby agrees:
  - (1) to hold the Disclosing Party's Confidential Information in strict confidence and to take reasonable precautions to protect such Confidential Information (including all precautions the Receiving Party employs with respect to its own Confidential Information);
  - (2) not to divulge any such Confidential Information or any information derived therefrom to any third person;
  - (3) not to make any use whatsoever at any time of such Confidential Information except as contemplated hereunder; (a) not to copy or reverse engineer such Confidential Information; and (b) that any employee, subcontractor, or agent given access to any such Confidential Information must have a legitimate "need to know" and shall be bound in writing to comply with the Receiving Party's confidentiality obligations, whether generally or specifically to this Agreement.
- (ii) Notwithstanding any provision in this Agreement to the contrary, each party may disclose Confidential Information of the other party to the extent it is required to be disclosed pursuant to a valid order or requirement of a governmental agency or court of competent jurisdiction, provided that the owner of the Confidential Information shall be given reasonable notice of such an order or requirement and the opportunity to contest it. Nothing in this Agreement shall be construed to prohibit or restrict the Company's use or disclosure of Transaction data, to third parties, including the administrators of Payment Platforms, in connection with the Company's performance of its obligations hereunder or for purposes related to fraud and risk management, customer support, or as otherwise required by applicable laws.

(b) Survival

The following obligations survive the expiration or termination of this Agreement: any obligations of the Merchant in respect of unpaid Fees, any unfulfilled obligations of the Company in relation to Settlement Funds, the parties' obligations under sections 11, 12, 16, 17 and 19 of the main body of this Agreement, and Merchant's obligations under Appendix A to the extent it relates to Merchant's obligations under section 12.

(c) Assignment and Change of Business

- (i) This Agreement shall be binding upon the parties and their respective successors and permitted assigns. Merchant shall not assign this Agreement or any obligations hereunder without prior written approval of the Company, which approval may be granted or denied by the Company in its sole discretion. The Company may transfer, sell or otherwise assign this Agreement or any rights and obligations hereunder to a third party without the approval of Merchant and without prior notice to Merchant.
- (ii) The Merchant will provide the Company with prompt notice of any changes to the Merchant's business or the manner in which the Merchant carries on business that may reasonably impact the level of risk (including reputational risk) and/or exposure to the Company (including a corporate reorganization, a change of control, a sale of all or substantially all of the Merchant's assets, an increase in the Merchant's Transaction volumes, or any change to the core business for which the Merchant uses the Company's services). The Company will review the risk and/or exposure to the Company of the continued provision of services to the Merchant upon such notice provided by the Merchant herein and may, as a result of any such review, make reasonable modifications to the terms governing the provision of services to the Merchant.

(d) Force Majeure

Neither party will be liable for any loss or damage or for any delay or failure in performance due to acts beyond the control of such party whether or not such acts could reasonably be anticipated (including acts of God, legislative, judicial or regulatory acts of any provincial or the federal government, court or regulatory authority, acts of any of the parties' subcontractors or any third party providers of goods or services to the parties, labour disruptions, blackouts, embargoes).

(e) Recitals

The recitals to this Agreement are incorporated as an integral part of this Agreement.

(f) Notice

Any notice or other communication required or permitted to be given by this Agreement must be in writing and will be effectively given if delivered personally, or if sent by prepaid courier service, or if sent by registered mail or if sent by fax or email, in the case of notice to:

- (i) the Company, at: 2810 Matheson Boulevard East, Suite 800, Mississauga, Ontario L4W 5J8, Canada

Attention: Spencer (Ping) Xu, CEO Email: spencer@snappay.ca

- (ii) the Merchant, at the address for notices specified in the Merchant Registration Form under the DBA/“doing business as” address section

Attention: As specified in the address for notices specified in the Merchant Registration Form

Email: As specified as the Business Email in the Merchant Registration Form

or at such other address as the party to whom such notice or other communication is to be given advises the party giving same in the manner provided in this section. Any notice or other communication delivered personally or by prepaid courier service will be deemed to have been given and received on the day it is so delivered at such address, unless such day is not a Business Day in which case it will be deemed to have been given and received on the next following Business Day. Any notice or other communication sent by fax or email will be deemed to have been given and received on the day it is sent provided that such day is a Business Day and it is sent before 5:00 p.m. on such day, failing which it will be deemed to have been given and received on the first Business Day after it is sent. Any notice or other communication sent by registered mail will be deemed to have been given and received on the third Business Day following the date of its mailing. Regardless of the foregoing, if there is a mail stoppage or labour dispute or threatened labour dispute which has affected or could affect normal mail delivery by Canada Post, then no notice or other communication may be delivered by registered mail.

(g) Counterparts and Execution

This Agreement may be executed by the parties in separate counterparts all of which, when taken together, will constitute a single agreement among the parties. Execution of this Agreement by a party may be evidenced by way of a faxed or emailed (by way of an Adobe Acrobat PDF file) transmission of such party’s signature, or by a photocopy of a party’s signature, each of which will constitute the original signature of such party to this Agreement. Any party who evidences its signature of this Agreement by fax or emailed PDF file shall, promptly following a request by any other party, provide an originally executed counterpart of this Agreement, but its failure to do so will not invalidate this Agreement.

(h) Entire Agreement

The Agreement and the PAD Agreement, attached as Appendix “A”, constitute the entire agreement between the Company and the Merchant and supersede all prior agreements, understandings, proposals, presentations, communications, negotiations and discussions, whether oral or written, of the parties.

(i) English Language

The parties agree that English is the official language of this Agreement. If there is any conflict between the English version of this Agreement and a version of this Agreement in any other language, the English version of this Agreement will in all cases prevail.

(j) Governing Law

The terms of this Agreement are governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

(k) Binding Effect

This Agreement enures to the benefit of and is binding on the parties and their respective heirs, executors, administrators, successors and permitted assigns.

**APPENDIX "A" -- PRE-AUTHORIZED DEBIT AGREEMENT**

In this PAD Agreement:

“PAD” means a pre-authorized debit pursuant to this PAD Agreement.

Merchant hereby authorizes and agrees as follows:

The Merchant hereby authorizes the Company to draw on the Merchant’s Bank Account at the financial institution which holds the Merchant’s Bank Account for the purpose of paying all amounts due and payable to the Company under the Agreement. The Merchant authorizes the Merchant’s Bank to honour and pay such PAD. Merchant acknowledges and agrees that PADs are for business purposes.

Merchant acknowledges that this PAD Agreement is provided for the benefit of the Company and the Merchant’s Bank and is provided in consideration of the Merchant’s Bank agreeing to process debits to the Merchant’s Bank Account in accordance with the rules of the Canadian Payments Association.

Merchant warrants and guarantees that:

- (1) Merchant is authorized to sign on the Merchant’s Bank Account and to provide this PAD Agreement;
- (2) All information that Merchant has provided with respect to the Merchant’s Bank Account is accurate and complete; and
- (3) Merchant will immediately inform the Company, in writing, of any change in information regarding the Merchant’s Bank Account.

Merchant acknowledges that provision and delivery of this PAD Agreement to the Company constitutes delivery by Merchant to the Merchant’s Bank Account. Any delivery of this PAD Agreement to the Company constitutes delivery by the Merchant.

The Merchant acknowledges that in order to revoke this PAD Agreement, the Merchant must provide notice of revocation to the Company, which the Merchant may do at any time. Revocation of this PAD Agreement may result in the termination of the Agreement. Termination of this PAD Agreement will not relieve the Merchant of the Merchant’s obligations to pay all amounts owing under the Agreement and the Merchant must provide the Company with an alternative method of payment satisfactory to the Company to pay any amounts owing. Merchant may obtain a sample cancellation form or more information on its rights to cancel this PAD Agreement at the Merchant’s Bank or by visiting [www.payments.ca](http://www.payments.ca).

**Merchant agrees to waive the pre-notification requirements set out in Rule H1 of the Canadian Payments Association, including Merchant’s right to receive pre-notification of the amount of any PAD, and agrees that Merchant does not require advance notice of the amount of PAD before the debit is processed.**

Merchant acknowledges that the Merchant’s Bank is not required to verify that a PAD has been issued in accordance with the particulars of Merchant’s authorization including, but not limited to, the amount. Merchant acknowledges that the Merchant’s Bank is not required to verify that any purpose of payment for which the PAD was issued has been fulfilled by the Company as a condition to honoring a PAD issued or caused to be issued by the Company on the Merchant’s Bank Account.

Merchant acknowledges that the Company may assign this PAD Agreement without Merchant’s approval and without prior notice to Merchant. Merchant has certain recourse rights if any debit does not comply with this PAD Agreement. For example, Merchant has the right to receive reimbursement for any PAD that is not authorized by or is not consistent with this PAD Agreement.