



SNAPPAY SERVICE AGREEMENT

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

MERCHANT REGISTRATION FORM

Merchant Basic Information	
DBA (Doing Business As) Name:	Legal Name (same as DBA Name unless a different name is set out in this part):
DBA Address:	Legal Address (same as DBA Address unless a different address is set out in this part):
DBA Phone Number:	
DBA Fax Number (if any):	
Contact Name at DBA Address for serving Notices – section 24(f):	
Title:	Business Phone number:
Business Email address:	
Company Website (required to enable online services):	
Business Registration Number:	
Principal Business (i.e., What does your business do?):	
Taxpayer Identification Number/FEIN:	
Annual Sales Amount (USD)	
Tips (Y/N): <input type="checkbox"/> Yes <input type="checkbox"/> No	

Additional Merchant Information			
Type of Ownership:			
<input type="checkbox"/> Limited Liability Companies (LLC)	<input type="checkbox"/> Corporation	<input type="checkbox"/> Limited Partnerships (LP)	<input type="checkbox"/> Limited Liability Partnerships (LLP)
<input type="checkbox"/> Government	<input type="checkbox"/> Non-profit	<input type="checkbox"/> Other:	
Registered Agent :			
Current Ownership Start Date:			
Business Category:			
<input type="checkbox"/> General Retail	<input type="checkbox"/> Groceries	<input type="checkbox"/> Restaurants	<input type="checkbox"/> Specialty Retail
<input type="checkbox"/> Lodging	<input type="checkbox"/> Travel	<input type="checkbox"/> Leisure	<input type="checkbox"/> Professional Services
<input type="checkbox"/> E-Commerce	<input type="checkbox"/> Other:		

Merchant's Business – Owner (20% or more than 20% ownership)		
<input type="checkbox"/> Owner	% Ownership	Name:
<input type="checkbox"/> Owner	% Ownership	Name:
<input type="checkbox"/> Owner	% Ownership	Name:
<input type="checkbox"/> Owner	% Ownership	Name:
<input type="checkbox"/> Owner	% Ownership	Name:

Merchant's Business – Authorized Signer/Officer	
Name:	Title:
Phone Number:	Email Address:

Additional Information Required:

If Merchant's business is a LLC/LP/LLP, please submit the following items:

<input type="checkbox"/> Business account void check	<input type="checkbox"/> a copy of Control Person/Management (Member or Manager) 's valid government ID (i.e., driver's license or passport)
<input type="checkbox"/> Scanned copy of the EIN letter	<input type="checkbox"/> Articles of Organization (file-stamped by the State of formation)
<input type="checkbox"/> LLC Operating Agreement with proof of membership interest /Partnership Agreement	

If Merchant's business is a Corporation, please submit the following items:

<input type="checkbox"/> Business account void check	<input type="checkbox"/> a copy of Control Person / the authorized signing officer's valid government ID (i.e., driver's license or passport)
<input type="checkbox"/> Scanned copy of the EIN letter	<input type="checkbox"/> Articles of Incorporation (file-stamped by the State of formation)
<input type="checkbox"/> Proof of Shareholder Ownership Structure	<input type="checkbox"/> By-Laws (optional)

Payment Company and Fee Schedule:

Payment Company	Alipay	WeChat Pay	Union Pay
Offline Transaction Charge Rate	%	%	%
Online Transaction Charge Rate	%	%	%

Operational Jurisdictions:

Hardware:

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

RECITALS:

1. The Company has been authorized by the applicable Payment Company to enter into agreements with the providers of goods and services to provide them with access to the applicable Payment Company in order to accept payments by their customers for the purchase of their goods and services in U.S. jurisdictions or territories as designated in the Service Agreement;
2. 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 dates written below.

SNAPPAY INC.

[MERCHANT]

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

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 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:

“**ACH**” has the meaning given to it in Appendix “A” attached hereto;

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

“**Applicable Law**” means all applicable laws, statutes, ordinances, rules, and regulations of any governmental authority in any jurisdiction in which Transactions may occur, as any of the foregoing may be amended and in effect from time to time, including without limitation: (i) the Bank Secrecy Act; (ii) the USA PATRIOT Act; (iii) trade and economic sanctions programs administered or enforced by the United States Department of Treasury’s Office of Foreign Assets Control; and (iv) statutes, rules, regulations and record-keeping requirements concerning anti-money laundering or money transmission;

“**Authorization Agreement**” means the Authorization Agreement for ACH Transactions attached in Appendix “A” hereto;

“**Business Day**” means any day other than a Saturday, a Sunday, a statutory holiday observed in the Province of Ontario or other day on which commercial banks in New York City are authorized or required by law to remain closed;

“**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 attorneys fees and 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 owned by the Company and its affiliates in the United States or any state thereof (including for these purposes the District of Columbia) 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, 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 24(a)(i);

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

“**IRS**” has the meaning given to it in section 22;

“**Leased Terminals**” has the meaning given to it in section 7(b)(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, and which is maintained primarily for commercial and not for personal, family, or household purposes;

“**Merchant Portal**” means the merchant portal located at 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 was not identified in the Service Agreement at or prior to the Effective Date;

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

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

“**Payment Company**” means a Person who has entered into an agreement with Company, and who is designated by Company to provide certain payments related services to Merchant as relevant to this Agreement;

“**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;

“**Purchased Terminals**” has the meaning given to it in section 7(b)(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 from a Payment Company;

“**Receiving Party**” has the meaning given to it in section 24(a)(i);

“**Rectification Period**” has the meaning given to it in section 23(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 Agreement**” is defined in the first paragraph on the first page of the Terms and Conditions;

“**Services**” has the meaning given to it in section 2;

“**Settlement Funds**” means the settlement amount received by the Company from a Payment Company on account of a Transaction (which settlement amount will be net of the fees charged by the Payment Company) less the Fees payable to the Company in connection with such Transaction 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 one or more of the applicable Payment Company, 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;

“**Taxes**” has the meaning given to it in section 22;

“**Term**” has the meaning given to it in section 3, as may be extended in accordance with 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;

“**TIN**” has the meaning given to it in section 22;

“**Transaction**” means an Online Transaction or Offline Transaction whereby a User uses a Payment Company to purchase goods and/or services from the Merchant and pays for such goods and/or services in U.S. dollars;

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

“**Users**” means Persons who have opened an account with the applicable Payment Company.

Appendix

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

Appendix "A" Authorization Agreement for ACH Transactions

2. Service

In accordance with this Agreement, the Company shall provide the Merchant with the ability to accept payments from Users utilizing the Payment Company specified in the Service Agreement for the purchase in an Offline Transaction or Online Transaction of goods and services offered by the Merchant as provided in the Service Agreement (the "**Services**"). The Services may only be used in accordance with this Agreement.

3. Term

Unless terminated under Section 23, the term of this Agreement (the "**Term**") is a period of 2 years commencing on the Effective Date, and the Term will automatically be extended for successive periods of 1 year 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 and Requests for Additional Information

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

(b) The Merchant hereby confirms that it is either a legal resident of the U.S., a U.S. citizen or a business entity authorized to conduct business by the state(s) in which it operates and that it is an authorized signatory for the business that it represents. The Merchant must provide its or its business's true and accurate name in the Merchant Registration Form. This name will appear on the statements of its customers for all payments it accepts using the Services. The Merchant represents that it will only accept payments through the Services for bona fide sales of goods and services.

(c) The Company will review the information submitted by the Merchant while signing up for the Services. The Merchant authorizes the Company to request identity-verifying information about the Merchant including a consumer report that contains the Merchant's name and address. The Company may periodically obtain additional reports. The Merchant permits the Company to share information about the Merchant and the Merchant's application (including whether the Merchant is approved or declined) with the Merchant's bank or other financial institution. The Company may conclude that the Merchant will not be permitted to use the Services.

(d) The Company may request additional information from the Merchant at any time. For example, the Company may ask the Merchant to present invoices from suppliers, a government-issued identification, such as a passport or driver's license, a business license or other information. The Company may also ask for permission to inspect the Merchant's business location. If the Merchant refuses any of these requests, the Services may be suspended or terminated.

5. Payment Company

(a) The Company has executed all such agreements with the applicable Payment Company that are necessary to provide the Services identified above.

(b) In the event that the Services can no longer be provided by the Payment Company identified in the Service Agreement, the Company shall at the earliest extent practical, (i) advise the Merchant that the such Payment Company may not be used by the Merchant to accept payments; and (ii) make commercially reasonable efforts to identify a New Payment Company if necessary for Company to continue providing Services as provided herein.

(c) The Company will provide Merchant with written notice prior to the Company engaging with New Payment Company. Upon such written notice, the New Payment Company will be considered a Payment Company 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 from the applicable Payment Company.

7. Terminals

(a) The Company shall, through its subsidiary, SnapPay USA Inc. (the "**Supplier**"), promptly provide the Leased Terminals and/or Purchased Terminals as such terms are used herein, following the execution of this Agreement.

(b) 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 Supplier; and/or

(ii) lease the number of Terminals at the monthly fee, as specified in the Service Agreement (the "**Leased Terminals**"), from the Supplier.

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).

(c) 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.

(d) 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 Authorization 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.

(e) Either the Company or the Supplier 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.

(f) 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 the New Payment Company; and
- (ii) removing the ability to process payments for the terminated Payment Company.

(g) 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 applicable Payment Company 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.

(h) 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.

(i) The Supplier warrants to the Merchant that each Purchased Terminal will operate in all material respects pursuant to the applicable documentation provided by the Company or the Supplier 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 Supplier 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 Supplier shall also provide commercially reasonable 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.

(j) The Supplier 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 Supplier shall also provide commercially reasonable 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.

(k) The Purchased Terminal Warranty and Leased Terminal Warranty shall not apply to the Company or the Supplier 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 or the Supplier.

(l) If a Leased Terminal is lost, stolen or damaged after delivery by the Supplier to the Merchant, the Merchant shall be responsible for obtaining a replacement Terminal from the Supplier at a cost of \$200 per Leased Terminal plus sales tax.

(m) Within 10 Business Days following the expiration or termination of this Agreement, the Merchant shall return all Leased Terminals to the address designated by the Supplier in good condition and working order (as reasonably determined by either the Company or the Supplier). 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 sales tax for each such Leased Terminal not returned or returned not in good condition and working order.

(n) TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE LIMITED WARRANTIES IN THIS SECTION 7(i) and SECTION 7(j) ARE PROVIDED IN LIEU OF ANY OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO ANY SERVICES, OR PRODUCTS PROVIDED UNDER THIS AGREEMENT. ACCORDINGLY, COMPANY EXPRESSLY DISCLAIMS ANY WARRANTY OR CONDITION OF MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, OR AGAINST HIDDEN OR LATENT DEFECTS.

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 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) The Company may, on not less than 30 days written notice to the Merchant, change the percentages upon which the Fees in connection with a Payment Company are calculated. Upon the expiry of the notice period in such a written notice, the Fees in connection with such Payment Company will be calculated on the basis of such new percentages.

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 either directly or through the Company’s authorized providers (the “**Settlement Partners**”) initiate remittance of the Settlement Funds for such Transaction to the Merchant’s designated Bank Account.

(b) All Settlement Funds and Refunds will be in U.S. dollars. The Merchant acknowledges that a Payment App may offer the User the option of converting the purchase price from 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 U.S. dollars.

(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 pay such Refund to the User (provided that the Company, in its discretion, may require the Merchant to pay such amount to the Company prior to the Company initiating the 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 ACH debits made in accordance with the Authorization Agreement.

12. Authorization Agreement

The Company may collect any amounts due from the Merchant pursuant to this Agreement via ACH debits to the Merchant's Bank Account made in accordance with the Authorization Agreement regardless of whether ACH 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 provided by the Services.

(b) The Company may, with written notice to the Merchant through the Merchant Portal, email or other reasonable means, revise, amend or replace the Company Trademarks in use. Upon receipt of such notice by the Company, the Merchant shall promptly replace any signs, products or displays of the previous Company Trademark with the new Company Trademark.

(c) 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 Company's technology.

(d) 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 relating to: (i) the Merchant's breach of any provision of this Agreement; (ii) Merchant's use of the Payment Company in violation of this Agreement; (iii) the Merchant's obligations to pay amounts owed to Users, including without limitation any refunds, reversals, chargebacks, claims, fines, fees, penalties and attorneys' fees; (iv) the negligence or willful misconduct of the Merchant's employees, contractors, or agents; or (v) Merchant's failure to comply with Applicable Law including any data protection rules or laws.

17. Limitation of Liability

(a) Except with respect to indemnification obligations, 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, loss of goodwill, or loss of reputation, 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 GREATER OF (I) \$1,000, OR (II) 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.

18. Agent Authorization

In connection with the Services, the Merchant authorizes the Company, and the Company hereby agrees to act, as the Merchant's agent for the purposes of holding, receiving and disbursing funds on the Merchant's behalf. To the extent required by Applicable Law, each of the Company and the Merchant hereby agrees to and acknowledges the following:

- (a) The Company shall comply in all respects with instructions originated by the Merchant, meaning that the Merchant assumes sole and complete responsibility, without recourse to the Company, for the transmission of funds from the moment a User initiates a Transaction until the Merchant receives the Settlement Funds or the User receives the Refund, as applicable.
- (b) There is no risk of loss to the User initiating the Transaction if the Company fails to remit the Settlement Funds to the Merchant.
- (c) Receipt of Settlement Funds by the Company is deemed receipt of Settlement Funds by the Merchant.
- (d) The Company may not provide money transmission or equivalent activity, as defined under Applicable Law, outside the scope of activity permissible under this Agreement except to the extent that the Company is licensed to do so or is operating as an agent for another Person.
- (e) Persons doing business with the Company are aware that the Company acts as an agent for the purposes of the holding, receiving and disbursing of funds.

19. Compliance with Laws

- (a) The Merchant agrees to comply at all times with Applicable Laws and all established conduct, security and privacy policies in respect of the use of the Payment Company, the use of any non-public personal information of Users and performing its obligations under this Agreement.
- (b) The Merchant agrees to not act as a payment facilitator or otherwise resell the Services to any third party. The Merchant will not use the Services to handle, process or transmit funds for any third party. The Merchant will also not use the Services to process cash advances.
- (c) The Merchant will only accept Transactions that are allowed by Applicable Law. The Company may decide not to pay the Settlement Funds for any Transaction if the Company believes that the Transaction is in violation of the terms and conditions of this Agreement or any other agreement with the Company, or that it exposes the Merchant or the User to harm. Harm includes fraud and other criminal acts. The Company, in its sole discretion, may reject, block, or decline to pay the Settlement Funds for any Transaction the Company believes would not comply with Applicable Law and may take all such actions necessary for this purpose. If the Company suspects that the Services have been used for an unauthorized, illegal or criminal purpose, the Merchant hereby gives the Company express authorization to share, in accordance with Applicable Law, information about the Merchant and any of the Merchant's transactions with appropriate law enforcement or regulatory authorities and, as deemed necessary by the Company, any Payment Company or the Company's financial institution partners.
- (d) If the Merchant stores, processes or transmits cardholder data, the Merchant will comply with the applicable Payment Card Industry Data Security Standards (PCI-DSS) as well as any requirements under the applicable bylaws, rules and regulations set forth by American Express Travel Related Services Company, Inc., DFS Services, LLC, MasterCard International Inc. and Visa Inc. The Merchant will cooperate in forensic investigations as required by the Company or its partners.

20. Receipts

To the extent required by Applicable Law, the Merchant will make a dated receipt available to Users for all Transactions.

21. Unsupported Industries

The Merchant may not use the Services for the following businesses or business activities: (1) any illegal activity or goods, (2) paraphernalia that may be used for illegal activity, (3) adult entertainment-oriented products or services (in any medium including internet, telephone, or printed material), (4) gambling or betting, including lottery tickets, auctions, sports-related gambling, casino gaming chips, off-track betting and wagers at races, (5) sales of (i) firearms, firearm parts or hardware, and ammunition or (ii) weapons and other devices designed to cause physical injury, (6) toxic, flammable and radioactive materials, (7) prescription-only products including card-not-present pharmaceuticals, (8) telemedicine and telehealth services, (9) counterfeit or unauthorized goods, (10) pyramid schemes and multi-level marketing, (11) securities brokers, mortgage consulting or debt reduction services, credit counselling or repair, investment services, real estate opportunities, lending instruments and gold investment, (12) financial institutions, money transmitters and money service businesses, check-cashing or cash back services, wire transfers, money orders, currency exchanges or dealers, bill-pay services, crowdfunding, insurance, bail bonds, collection agencies, law firms collecting funds for any purpose other than to pay fees owed to the firm for services provided by the firm, (13) virtual currency or pre-paid cards, (14) internet/mail order/telephone order of age-restricted products (e.g., tobacco), (15) fireworks and related goods, (16) charities without proper registration, (17) hate or harmful products, (18) unfair, predatory, or deceptive practices or (19) any other products or services that are otherwise restricted by a Payment Company.

22. Taxes

The Merchant is responsible for determining any and all taxes assessed, incurred or required to be collected, paid or withheld for any reason for the Merchant's use of the Services ("Taxes"). The Merchant also is solely responsible for collecting, withholding, reporting and remitting correct Taxes to the appropriate tax authority. The Company is not obligated to, nor will the Company determine whether Taxes apply, or calculate, collect, report, or remit any Taxes to any tax authority arising from any transaction. The Company specifically disclaims any liability for Taxes. If, in a given calendar year, the Merchant processes (i) more than the applicable reporting threshold according to the Internal Revenue Service ("IRS") and/or state and local governments in gross amount of payments and/or (ii) more than the applicable number of payments threshold according to the IRS and/or state and local governments,

the Company will be required by law to report information about the Merchant and its use of the Services to the IRS. For purposes of determining whether the Merchant has met the IRS and/or state and local government reporting threshold, the gross amount does not include any adjustments for credits, cash equivalents, discount amounts, fees, refunded amounts or any other amounts. Whether the Merchant reaches the applicable gross amount in payments or more than the applicable number of payments will be determined by looking at the taxpayer identification number (“**TIN**”) associated with the Merchant.

23. 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 Authorization 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.

24. 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 or regulatory agency, including, for these purposes, a self-regulatory organization, law enforcement authority 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 Payment Company, 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 Law.

(b) Survival

The following obligations survive the expiration or termination of the Term: 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 4(c), 7(k), 7(l), 7(m), 11, 12, 16, 17, 19(a), 19(d), 22 and 24 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, labor 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: Suite 800 – 2810 Matheson Boulevard East, Mississauga Ontario, L4W 4X7, 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 labor dispute or threatened labor 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) 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.

(h) Governing Law

The terms of this Agreement shall be governed by, and construed and interpreted in accordance with, the law of the State of Delaware.

(i) Submission to Jurisdiction; Waiver of Jury Trial

EACH PARTY CONSENTS TO PROCESS BEING SERVED IN ANY PROCEEDING WITH RESPECT TO THIS AGREEMENT, OR ANY DOCUMENT DELIVERED PURSUANT HERETO BY THE MAILING OF A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO ITS RESPECTIVE ADDRESS SPECIFIED AT THE TIME FOR NOTICES UNDER THIS AGREEMENT. TO THE EXTENT THAT THE MANDATORY ARBITRATION IS NOT ENFORCEABLE UNDER APPLICABLE LAW, EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT.

(j) Arbitration

ANY DISPUTE, CONTROVERSY OR CLAIM ARISING OUT OF OR IN CONNECTION WITH, OR RELATING TO, THIS AGREEMENT (INCLUDING ANY ACTUAL OR ALLEGED BREACH HEREOF) OR THE SERVICES, SHALL, UPON THE REQUEST OF ANY PARTY INVOLVED, BE SUBMITTED TO, AND SETTLED BY, BINDING ARBITRATION IN THE STATE OF DELAWARE, PURSUANT TO THE COMMERCIAL ARBITRATION RULES THEN IN EFFECT OF THE AMERICAN ARBITRATION ASSOCIATION (OR AT ANY TIME OR AT ANY OTHER PLACE OR UNDER ANY OTHER FORM OF ARBITRATION MUTUALLY ACCEPTABLE TO THE PARTIES SO INVOLVED). ANY AWARD RENDERED SHALL BE FINAL AND CONCLUSIVE UPON THE PARTIES, AND A JUDGMENT THEREON MAY BE ENTERED IN THE HIGHEST COURT OF THE FORUM, STATE OR FEDERAL, HAVING JURISDICTION.

(k) Miscellaneous

- (i) This Agreement may not be modified or amended without the written consent of the Company. The Company may amend this Agreement at any time by posting such changes on the Company Website. Without limitation, the Company may amend this Agreement from time to time to comply with rules or requirements imposed by any Payment Company. The Company will provide the Merchant with notice of any changes through the Merchant Portal, email or other reasonable means. By using the Services after the effective date of a change, the Merchant indicates its agreement to the change.
- (ii) If any portion of this Agreement is held to be or becomes invalid, illegal or unenforceable, that portion of this Agreement will be severed from the remainder hereof, and the remainder of this Agreement will remain in full force and effect.
- (iii) Any waiver of any right or obligation under this Agreement will not be effective unless made in writing and will not be considered to be a waiver of such right or obligation in any other circumstance other than the circumstance in which it was made.
- (iv) 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.
- (v) The Agreement and the Authorization 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.

(l) Binding Effect

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

APPENDIX "A" – AUTHORIZATION AGREEMENT FOR ACH TRANSACTIONS

This Authorization Agreement governs Automated Clearing House ("ACH") transactions initiated by the Company to electronically debit or credit the Merchant's Bank Account as indicated below. Both the Company and the Merchant agree to be bound by the NACHA Operating Rules as they pertain to all ACH transactions initiated by the Company that debit or credit the Merchant's Bank Account listed below, and acknowledge that the origination of ACH transactions involving the Merchant's Bank Account must comply with the provisions of Applicable Law.

The Merchant hereby (1) authorizes the Company to initiate CCD (business to business) transactions on the 15th day of each month for the [purpose of paying all amounts due and payable to the Company under the Agreement]¹, (2) certifies that it maintains the Merchant's Bank Account at the Merchant's Bank and all information that it has provided with respect to the Merchant's Bank Account is accurate and complete and (3) directs all such debit instructions or credit instructions be made to the Merchant's Bank Account as provided below. Both the Company and the Merchant agree that this Authorization Agreement constitutes a full and complete authorization to debit or credit the Merchant's Bank Account, and the Merchant agrees not to dispute any debits or credits with the Merchant's Bank provided the transaction(s) correspond to the terms indicated in the Agreement and this authorization.

Please complete the information below (must match information on business account void check):

Merchant's Name on Account: _____
Merchant's Bank Name: _____
Merchant's Bank Account Number: _____
Merchant's Bank Routing #: _____
Merchant's Bank City/State: _____
This Business Account is Enabled for ACH Transactions: <input type="checkbox"/> Yes <input type="checkbox"/> No

The Merchant acknowledges that this authorization will remain in effect until the Merchant has revoked it. The Merchant agrees to inform the Company, in writing, at least fifteen (15) days prior to the next payment due date of any changes in the information regarding the Merchant's Bank Account provided above or revocation of this authorization. Revocation of this authorization may result in the termination of the Agreement. Revocation of this authorization 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.

If the payment due date falls on a weekend or holiday, the Merchant understands and agrees that the payment may be executed on the next business day. The Merchant agrees that it does not require advance notice of the amount of a debit before the debit is processed. The Merchant understands that because these are electronic transactions, these funds may be withdrawn from the Merchant's Bank Account as soon as the date an individual transaction is authorized and that it will have limited time to report and dispute errors. In the case of an ACH transaction being rejected for Non Sufficient Funds (NSF), submission error, or other bank related return reasons, the Merchant understands and agrees that the Company may, in its sole discretion, attempt to process the charge again within thirty (30) days. The Merchant has certified that the Merchant's Bank Account identified above is enabled for ACH transactions, and agrees to reimburse the Company for all penalties and fees incurred as a result of the Merchant's Bank rejecting ACH debits or credits due to the Merchant's Bank Account not being properly configured for ACH transactions. The Merchant understands and agrees that, in accordance with the 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. The Merchant understands and agrees that a return item charge may be assessed for each returned ACH debit. The Merchant acknowledges that the Company may assign this Authorization Agreement without Merchant's approval and without prior notice to Merchant.

I certify that I am an authorized representative of the Merchant and that I have the authority to enter into this Authorization Agreement on the Merchant's behalf or otherwise have the authority to act on the account identified in this statement.

AUTHORIZED SIGNATURE

TITLE

PRINTED NAME

DATE
