

## General Payment Service Agreement for Clients

### 1. General provisions

- 1.1. The present agreement is concluded between the Client and PAYAPP DIGITAL, UAB (the **PAYAPP**), who provides services while acting as an agent of GlobalNetint, UAB (the **GNI**). GNI is an electronic money institution, authorized under the Law on Electronic Money and Electronic Money Institutions of the Republic of Lithuania and regulated by the Bank of Lithuania to carry out activities associated with electronic money, on-line payments and e-commerce.
- 1.2. Object of the agreement: the present agreement determines the main terms and conditions between the Client and PAYAPP when the Client is registered in the system, an account in Client's name is opened at PAYAPP and the Client uses other services provided by PAYAPP. Conditions of separate services provided by PAYAPP are set under the supplements to the agreement, other agreements and rules which are an integral part of the present agreement. These conditions are applicable to the Client after the Client has been introduced to the terms of the agreement and starts using respective services.
- 1.3. The present agreement is a document of significant importance which shall be carefully examined by the Client before the Client is registered in the system, an account in Client's name is opened at PAYAPP and the Client uses other services provided by PAYAPP. Please read the terms of the present agreement carefully before you decide to agree with them.
- 1.4. The supplements to the agreement are agreements, under which the Client and PAYAPP agree on the usage of respective services specified in the supplements. Conditions set in the supplements are special provisions which prevail over other provisions of the agreement. When the Client starts using services, which have not been used before, the respective additional supplements to the agreement shall apply. In case there is a need in additional identity confirmation or additional documents of the Client are required for the provision of newly selected services, the services shall only be activated after the Client performs all the actions specified by PAYAPP.
- 1.5. Definitions of key terms used in **the Agreement**:

**Acceptable language** – English and Lithuanian.

**Account** – the result of registration in the computer system, during which personal data of the registered Client is saved, a login name is assigned and the rights of the Client in the system are defined.

**Agreement** – an agreement between the Client and PAYAPP which includes the present general payment services agreement and any other conditions and documents (supplements, agreements, rules, declarations, etc.), including but not limited to the information on the websites, which is referenced in the present general payment services agreement.

**Business day** – a day, when PAYAPP provides its services, set by PAYAPP. PAYAPP can set different business days for different services.

**Client** – an individual, a legal person or an undertaking that does not enjoy the status of a legal person but is acting in such capacity and is registered in PAYAPP's system and holds an account. The Client must always be acting for purposes relating to his trade, business, craft or profession.

**Client's representative** – a natural person duly representing the Client. Validity of representation is examined by PAYAPP before establishing business relationship.

**Client identification** – proving the identity of the Client under procedure specified in the system.

**Commission fee** – a fee charged by PAYAPP for a payment operation and/or related services.

**Consent** – a consent of the payer to perform the payment operation.

**Electronic money** – monetary value as represented by a claim on the issuer which is issued on receipt of monetary funds by the electronic money issuer from a natural or a legal person and has the following characteristics:

- (a) stores electronically, including magnetically;
- (b) is issued for the purpose of making payment transactions;
- (c) is received by the persons other than electronic money issuers.

**Electronic money institution (EMI)** - institution, authorized under the Law on Electronic Money and Electronic Money Institutions of the Republic of Lithuania and regulated by the Bank of Lithuania to carry out activities associated with electronic money, on-line payments and e-commerce.

**Payment account** – an account opened in the system in the name of the Client and used to make payments and other payment operations.

**PAYAPP – PAYAPP DIGITAL, UAB** (legal entity code 305397637, registered legal entity address at Upes st. 23 Vilnius, The Republic of Lithuania, email address: [support@payapp.com](mailto:support@payapp.com), data about the company is collected and stored at the Register of Legal Entities of the Republic of Lithuania) is an Electronic money institution's agent, who provides all payment services on behalf of GlobalNetint, UAB (legal entity code 304604766, registered legal entity address at Lvovo str. 25-104, Vilnius, the Republic of Lithuania, email address: [info@globalnetint.net](mailto:info@globalnetint.net)) Electronic Money Institution licence No. 21, issued on 8 December 2017; issuing and supervisory body is the Bank of Lithuania ([www.lb.lt](http://www.lb.lt)).

**Password (passwords)** – any code of the Client created in the system or provided to the Client by PAYAPP for the access to the PAYAPP account or initiation and management of separate services provided by PAYAPP and/or initiation, authorisation, implementation, confirmation and reception of payment operations.

**Party** – PAYAPP or the Client.

**Payer** – a natural (private) or legal person who submits a payment order.

**Payment instrument** – any payment instrument which the system allows to link to the PAYAPP's account and perform payment transfers using this payment instrument.

**Payment order** – an order (payment transfer) from the payer or the recipient to the provider of payment services to execute a payment operation.

**Payment operation** – a money transfer, payment or withdrawal initiated by a payer or a recipient, regardless of the position of the payer and the payee on which the operation is based.

**Payment services** – (i) payment operations, including transfer of money held on the payment account opened in the institution of the provider of payment services of the user of payment services or in another payment institution; (ii) payment operations when money is given to the user of payment services under a credit line: payment operations using a payment card or a similar instrument and/or credit transfers, including periodic transfers; (iii) issuance and/or acceptance of payment instruments; (iv) money remittances; (v) payment operations when the consent of the payer to execute the payment operation is given using telecommunications terminal devices, digital or IT devices and the payment is performed to an operator of telecommunications network or IT system, who is only a mediator between the provider of goods and the user of payment services.

**Payment transfer** – a payment service when money is transferred (electronic money is redeemed) to the payment account of the recipient at the initiative of the payer.

**Personal data** – any information related to the natural (private) person who's identity is known or can be directly or indirectly determined by using personal code (national ID number) and one or more physical, physiological, psychological, economic, cultural or social features specific to the individual.

**Pricing** – prices for PAYAPP's services and operations confirmed by PAYAPP in accordance with the established regulations.

**Recipient** – a natural (private) or legal person indicated in the payment order as a recipient of the payment.

**Service** – the service of issuance and redemption of electronic money and other services provided by PAYAPP.

**Statement** – a document prepared and provided by PAYAPP, which includes information about payment operations executed during the specific period of time.

**Supplement** – an agreement between PAYAPP and the Client on provision and usage of separate services provided by PAYAPP. The supplement can be identified as an agreement, rules, declaration, plan or in any other way. The supplement is an integral part of the present agreement.

**System** – a software solution on PAYAPP's website, developed by PAYAPP and used for provision of PAYAPP's services.

**Unique identifier** – a combination of letters, numbers or symbols which PAYAPP, as a provider of payment services, provides to the user of payments services, and which is used for identification of the user of payment services participating in the payment operation and /or an account of the user used in the payment operation.

## **2. Registering in the system and creating an account**

2.1. In order to start using PAYAPP's services, the Client has to be registered in the PAYAPP's system. PAYAPP has the right to refuse to register the new Client without indicating the reasons,

however, PAYAPP assures that the refusal to register will always be based on significant reasons which PAYAPP does not have to or does not have the right to reveal.

- 2.2. When registering in the system, an account is created for the Client. The account is personal and only its owner, i.e. only the Client, including the Client's representatives, have the right to use it. Once the Client has registered in the system and an account has been created, a Payment account for the Client is opened automatically. The Payment account operates according to the principle described in section 4 and 5 of the present agreement.
- 2.3. The Client shall possess one account only.
- 2.4. The agreement shall enter into force and become valid indefinitely when the Client has been registered in the system, introduced to the terms and conditions of the agreement and expressed its consent to comply with its terms and conditions.
- 2.5. The Client's registration in the system shall not be finalised until it ticks the respective box confirming it has been introduced to the terms and conditions of the present agreement and the agreement has been downloaded to its device.
- 2.6. The Client's registration in the system is a confirmation of the Client that the Client expresses consent with the terms of the agreement and undertakes to adhere to them. By registering in the system, the Client confirms that it holds full legal capacity necessary to establish legal relationship. It is prohibited to use PAYAPP services for legal persons that does not satisfy the aforementioned condition.
- 2.7. The Client confirms that it has provided the correct data when registering in the system and, if there is a need in changing or adding data, the Client will submit correct data only. The Client shall bear any losses that may occur due to submission of invalid data.
- 2.8. In order for PAYAPP to start or continue provision of services, the Client shall confirm the account, provision of a new service or a part of a service and perform Client identification procedure under circumstances and procedures set out in the agreement or in the system. Client identification procedure, confirmation of the account and provision of new services is performed in order to ensure protection of the interests of the Client and PAYAPP.
- 2.9. PAYAPP has the right to demand data and/or documents that would help PAYAPP to identify the Client and its beneficiaries and/or receive significant information necessary for proper provision of PAYAPP's services to the Client. Specific data and/or documents to be submitted shall be indicated in the message to the Client about the necessity to perform the identification procedure.
- 2.10. In order to perform an identification procedure, PAYAPP has the right to demand from the Client to provide original documents and/or their copies and/or copies of documents certified by a notary or any other person authorised by the state.
- 2.11. The Client identification procedure is specified in the AML Policy Principles of PAYAPP that are published on its website.
- 2.12. In separate cases, when performing duties established by the legislation or if it is required due to the type of the document (e.g., the original of the document has to be provided), PAYAPP has the right to demand from the Client to perform the Client identification procedure by a specific method indicated by PAYAPP.

- 2.13. The parties agree that the Client can confirm (sign) documents (e.g., agreements, consents, etc.) by electronic means (including, but not limited to, signing with a qualified e-signature).
- 2.14. PAYAPP has the right to demand additional information and/or documents related to the Client, Client's beneficiaries or Client's representative, or operations executed by them and request the Client or Client's representative to fill in and periodically update the Client's questionnaire. PAYAPP has the right to demand copies of the documents certified by a notary and/or translated at least into one of the acceptable to PAYAPP languages. All documents and information are prepared and provided at the expense of the Client. If the Client does not provide additional information and/or documents within reasonable time set by PAYAPP, PAYAPP has the right to suspend provision of all or a part of the services to the Client.
- 2.15. The Client shall receive a notification about confirmation of the account, provision of a new service or renewed provision of suspended services via the email address, which has been indicated when registering in the system, or via SMS message, if the Client has specified only a mobile telephone number.
- 2.16. The Client is prohibited from having more than one account in the system and providing incorrect data when registering in the system. If the Client provides incorrect data, it is obliged to correct it. If due to inaccurate data the Client has created several accounts, it shall inform immediately PAYAPP about it, so that all created accounts would be merged into one account. In case of a breach of this provision, the Client may be blocked, illegal operations invalidated and the information transmitted to law enforcement institutions, if necessary.

### **3. Prices of PAYAPP's services and settlement procedure**

- 3.1. Prices of PAYAPP's services are stated in the respective section of the present agreement or the supplement dedicated to a specific service.
- 3.2. If PAYAPP reduces the general prices of the services, the new prices will be applied without regard to whether the Client has been informed, but only if the prices have not been changed in the manner stated in section 10 herein.
- 3.3. PAYAPP commission fees are deducted:
  - 3.3.1. for a PAYAPP operation;
  - 3.3.2. if commission fees were not deducted when executing a PAYAPP operation, PAYAPP has the right to deduct them later, but not later than within 1 (one) month after the execution of the payment operation;
  - 3.3.3. the commission fee for the operation is indicated to the Client before the PAYAPP operation (unless otherwise stated in the rules of the particular payment instrument or service).
- 3.4. The Client confirms that it has been introduced to the prices and terms of payment transfers and other PAYAPP's services that are applied and relevant to the Client.
- 3.5. PAYAPP has the right to deduct the commission fee from the client's account's EUR wallet or from any other currency wallet opened by the Client.
- 3.6. The commission fee shall be paid in euros, or in other currency as indicated in the supplement to the agreement or on websites referenced in the present agreement or its supplement.
- 3.7. If the Client has funds in several currency wallets, then PAYAPP can debit a Commission fee from any currency wallet that has sufficient funds. Wallet selection is made in alphabetical order in

accordance with the international abbreviation of currencies in which the Payment account is denominated.

- 3.8. The Client, having failed to pay PAYAPP the remuneration for provided services, at the demand of PAYAPP must pay 0,05% interest for each day overdue.

#### **4. PAYAPP account opening. Terms of issuance and redemption of electronic money**

- 4.1. Under the present agreement, a Payment account is opened for the Client in the system for an indefinite period of time.
- 4.2. Payment account allows the Client to deposit, transfer, keep funds in the Payment account for transfers, local and international money transfers executions, contribution payments, also receive money to the Payment account, settle for goods and services, and perform other operations directly related to money transfers. All PAYAPP's services may only be used by Clients who have performed identification procedures in accordance with the rules established in the system.
- 4.3. Money held on the Client's Payment account is considered electronic money which GlobalNetint, UAB issues after the Client transfers or deposits money to its Payment account. After the Client deposits/transfers money to its Payment account and GlobalNetint, UAB receives the money, GlobalNetint, UAB credits it to the Client's Payment account, at the same time issuing electronic money at the nominal value. The electronic money is credited to and held on the Client's Payment account.
- 4.4. The specific method of depositing/transferring funds to the Payment account is selected by the Client in the account by selecting the "Add money" function, which contains instructions for depositing money for each method of payment.
- 4.5. The nominal value of electronic money coincides with the value of money deposited/transferred to the Payment account (after deduction of standard commission fee applicable to a particular payment method).
- 4.6. Electronic money held on the Payment account is not a deposit and PAYAPP does not, in any circumstances, pay any interest for electronic money held on the Payment account and does not provide any other benefits associated with the time period the electronic money is stored.
- 4.7. The Client can create and have multiple Payment accounts on the same personal account and use them at its discretion (however, the Client can have only one personal account).
- 4.8. At the request of the Client, electronic money held on its Payment account shall be redeemed at their nominal value at any time, except for cases set forth in the agreement when limitations are applied to the account of the Client.
- 4.9. The Client submits the request for redemption of electronic money by generating a payment order to transfer electronic money from its Payment account to any other account specified by the Client or withdraw electronic money from its Payment account by other methods supported by PAYAPP and indicated in the system.
- 4.10. No specific conditions for electronic money redemption, that would differ from the standard conditions for transfers and other payment operations performed on the Payment account, shall be applied. The amount of redeemed/transferred electronic money is chosen by the Client.
- 4.11. No additional fee for electronic money redemption is applied. In the event of redemption of electronic money, the Client pays the usual commission fee for a money transfer or withdrawal

which depends on the method of electronic money transfer/withdrawal chosen by the Client. Standard PAYAPP commission fees for money transfer/withdrawal are applied.

- 4.12. Provided that the Client terminates the agreement and applies with the request to close its Payment account and delete its account from the system, or PAYAPP terminates the provision of Payment account services to the Client and deletes Client's account from the system in cases provided in the agreement, money held on the Client's Payment account shall be transferred to the Client's bank account or to the account in another electronic payment system indicated by the Client. PAYAPP has the right to deduct from the repaid money the amounts that belong to PAYAPP (fees for services provided by PAYAPP and expenses which have not been paid by the Client, including but not limited to, fines and damages incurred by PAYAPP due to a breach of the agreement committed by the Client, which have been imposed by international payment card organisations, other financial institutions and/or state institutions). In the event of a dispute between PAYAPP and the Client, PAYAPP has the right to detain money under dispute until the dispute is resolved.
- 4.13. In case PAYAPP fails to repay the money to the Client due to reasons beyond the control of PAYAPP, the Client shall be notified thereof immediately. The Client shall immediately indicate another account or provide additional information necessary to repay the money (execute a payment).

## **5. Usage of Payment account**

- 5.1. The Client may manage the Payment account via the internet by logging in to its account with its login name and password.
- 5.2. Payment transfers from the Client's Payment account may be executed:
  - 5.2.1. to another user of the system;
  - 5.2.2. to Lithuanian, EU and/or foreign bank accounts (except for banks in foreign countries, payment transfers to which are forbidden: PAYAPP informs the Client about such countries in the system);
  - 5.2.3. to accounts in other electronic payment systems specified in the system.
- 5.3. After the Client has submitted a payment order to perform an international payment transfer, the supplement "Conditions of execution of international payment transfers" is applicable in addition to the present agreement.
- 5.4. Funds may be held on Payment account in different currency. Keeping funds in different currency, the Client undertakes responsibility for possible depreciation of money due to changes in exchange rates. Currency exchange is based on the exchange rate of PAYAPP, which is valid at the moment of conversion and is constantly updated and published on its website.
- 5.5. Opening and maintenance of Payment account is free of charge, except for cases defined in the agreement and its supplements. If no operations have been performed on the account of the Client for at least a year PAYAPP shall communicate to the Client in an agreed form that PAYAPP:
  - 5.5.1. may close its Payment account due to inactivity;
  - 5.5.2. applies commission and specify what commission is applicable;
  - 5.5.3. upon Client's request may close or transfer the account.

- 5.6. A bank or another electronic money transfer system may apply fees for transferring money from Client's Payment account to the Client's bank account, card or a payment account of another electronic payment system, as well as for transferring money from a bank account, card or another electronic payment system to Payment account. Such fees shall be covered by the Client.
- 5.7. Fees for PAYAPP's services are deducted from the Client's Payment account. In case the amount of money on the Payment account is less than the amount of the payment transfer and the price of the PAYAPP service, the payment transfer is not executed.
- 5.8. When a different than SEPA or [TARGET2](#) transfer is performed and the Client transfers money from its Payment account to accounts in banks or other electronic payment institutions, GlobalNetint, UAB is indicated as the payer. Together with the payment transfer the recipient is given the following information which in dependence on technical options can be transferred in one or several of the below indicated ways:
  - 5.8.1. detailed information about the payer – Client is given in the field of the primary payer provided it is supported by the relevant e-banking or payment system;
  - 5.8.2. detailed information about the payer – Client is given in the field of payment purpose.
- 5.9. In case the payer indicates incorrect data of the recipient and the payment order is executed according to the data provided by the payer (e.g. the payer indicates a wrong account number), it shall be considered that GlobalNetint, UAB has fulfilled the obligations properly and shall not repay the transferred amount to the payer. The payer shall directly contact the person, who has received the transfer, on the issue of returning the money.
- 5.10. The Client is obliged to provide a payment order for the execution of the payment transaction in accordance with the instructions specified in the system and valid at the moment of transfer. In case the Client is the recipient, it is obligated to provide detailed and precise information to the payer so that the payment order for the payment transaction in all cases complies with the instructions in the system and valid at the moment of transfer. Before sending a payment order for the execution of a payment transaction or sending information to another payer, the Client is required to check and update the instructions on filling in the account.
- 5.11. If the payer submits an incorrect payment order or indicates incorrect data for the payment transfer, but the payment transfer has not been executed yet, the payer may request to correct the payment order.
- 5.12. If PAYAPP cannot credit funds indicated in the payment order to the recipient due to errors of the payer made in the payment order, but the payer requests to return the funds indicated in the payment order, the payment order may be cancelled and funds may be returned to the payer, but only under a written request of the payer and if the recipient agrees to return the funds to the payer (if the recipient can be identified). In such a case fees for cancellation of the payment order indicated in the system are applied.
- 5.13. In all cases, when PAYAPP receives a payment order but funds cannot be credited due to errors in the payment order or insufficiency of information, and neither the payer nor the recipient has contacted PAYAPP for specification of the payment order or return of the funds, PAYAPP undertakes all possible measures to track the payment operation in order to receive accurate information and execute the payment order. To track the payment operation, the following measures may be used:

- 5.13.1. if PAYAPP has contact details of the payer (email address or phone number), PAYAPP contacts the payer for the payment order specification;
  - 5.13.2. if PAYAPP does not have contact details of the payer and neither the payer nor the recipient contacts PAYAPP regarding the funds indicated in the payment order, PAYAPP contacts the provider of payment services of the payer which has sent the funds indicated in the payment order with a request to contact the payer for the information specification. This measure is applied if there are possibilities to contact the provider of payment services of the payer by electronic means.
- 5.14. In all cases specified in article 5.13, the fee for specification of the payment order indicated in the system is applied by debiting it from the amount of the transfer before crediting the transfer to the account of the Client – recipient.
- 5.15. In case it is impossible to apply neither of the measures listed in clause 5.13 for tracking the payment operation and in other cases when it is still impossible to identify the recipient according to the indicated or corrected data, the funds are stored in PAYAPP system until the payer or the recipient contacts and additional data allowing to credit the funds to the recipient is provided (after debiting the fee for specifying/correcting the payment order from the transferred amount before crediting it to the account of the Client – recipient). Such funds may also be returned to the payer under a written request of the payer. In this case the fee for returning the funds, which is indicated in the system, will be debited from the transferred amount before returning it to the payer.
- 5.16. The Client, having received money that has been credited to its Payment account by mistake or in other ways that have no legal basis, is obliged to notify PAYAPP about it. The Client has no right to dispose of money that does not belong to it. In such cases PAYAPP has the right and the Client gives an irrevocable consent to deduct the money from the its Payment account without the Client's order. If the amount of money on the Client's Payment account is insufficient to debit the money credited by mistake, the Client unconditionally commits to repay PAYAPP the money credited by mistake in 3 (three) business days from the receipt of such request from PAYAPP.
- 5.17. The Client has the right to change limits on payment transfers for the payment account by completing an additional account confirmation in accordance with the procedure established in the system and setting other limits for transfers that will come into force after 12 hours after the additional verification procedures. The Client may set the limits at his own discretion, however PAYAPP has the right to limit the size of the limits. The Client may check the applied limits in the system. The Client will be notified about the limit's entry into force by email.
- 5.18. The Client may check the Payment account balance and history by logging in to the account. There is also information about all applied commission fees and other fees deducted from the Payment account of the Client during a selected period of time.
- 5.19. The Client confirms that:
  - 5.19.1. incoming funds on its Payment account are not obtained as a result of criminal or other illegal activity;
  - 5.19.2. the Client will not use services provided by PAYAPP for any illegal purposes, including actions and operations in order to legalise money received for a criminal or illegal activity.

- 5.20. The Client can manage the Payment account and perform payment operations from the Payment account:
  - 5.20.1. via the internet, by logging in to its personal account;
  - 5.20.2. by payment instruments linked to the Payment account (the supplement “Payment Instruments” is applied after the Client has agreed to conditions of the supplement);
  - 5.20.3. by other instruments indicated by PAYAPP after the Client has agreed to conditions of using such instruments.
- 5.21. Client's confirmations, orders, requests, notifications and other actions performed through websites of third persons or other places by logging in to its Payment account and identifying itself in this way are treated as conclusion of a deal confirmed by electronic signature.
- 5.22. Managing Payment account via the internet:
  - 5.22.1. in order to execute a payment operation via the internet, the Client must fill in a payment order in the system and submit it for execution, electronically confirming in the system its consent to execute the payment order.
  - 5.22.2. submission of the payment order in the system is an agreement of the Client to execute the payment operation and cannot be cancelled (cancellation of the payment order is only possible until the execution of the payment order has been started – status of the payment order and possibility of cancellation are visible on the account of the client).
  - 5.22.3. in case the payment order has been filled in incorrectly, the payment transfer is not executed, unless PAYAPP at its own initiative in exceptional cases corrects the payment order or has a sufficient amount of information to determine the correctness of information to execute the payment order under a regular procedure.

**6. Reception of the payment order, requirements applied to the payment order and refusal to execute the payment order**

- 6.1. Provided the Client is the payer, the payment order is considered received by PAYAPP (calculation of the time period of execution of such payment order starts) on the day of its reception, or, if the moment of reception of the payment order is not a business day of PAYAPP, the payment order is considered received on the nearest business day of PAYAPP.
- 6.2. The payment order was received by PAYAPP on a business day of PAYAPP but not on business hours set by PAYAPP, is considered received on the nearest business day of PAYAPP.
- 6.3. Payment orders inside the PAYAPP system are executed immediately (up to a few minutes, unless the payment operation is suspended due to cases set forth by legal acts and the present agreement), regardless of business hours of PAYAPP.
- 6.4. When payment operation is conducted in EUR in Lithuania or to other member state of EU or EEA, PAYAPP undertakes to ensure that, upon receipt of the payment order, the payment operation is executed at the latest by the end of the next Business Day (when the recipient's account is opened at another financial institution) following the verification procedure of suspicious payment operations and Client's compliance with legal requirements.
- 6.5. When payment operation is conducted in currency other than EUR in Lithuania or to other member state of EU or EEA, PAYAPP undertakes to ensure that, upon receipt of the payment order, the payment operation is executed within a maximum term of 4 (four) Business Days

following the verification procedure of suspicious payment operations and Client's compliance with legal requirements.

- 6.6. When payment operation is conducted in EUR in Lithuania PAYAPP undertakes to ensure that, upon receipt of the payment order, the payment operation is executed on the same Business Day, if the payment order was received before 12 p.m. on the same Business Day following the verification procedure of suspicious payment operations and Client's compliance with legal requirements. When the payment order was received after 12 a.m., PAYAPP undertakes to ensure that, upon receipt of the payment order, the payment operation is executed at the latest by the end of the next Business Day following the verification procedure of suspicious payment operations and Client's compliance with legal requirements.
- 6.7. PAYAPP has the right to record and store any payment orders submitted by any of the means agreed on with PAYAPP, and to record and store information about all payment operations performed by the Client or according to payment orders of the Client subject to the provisions of the Data Protection and Sensitive Data Storage Policies of PAYAPP. Records mentioned in the present clause may be submitted by PAYAPP to the Client and/or third persons, who have the right to receive such data under the basis set forth in the legislation, as evidence confirming the submission of payment orders and/or executed payment operations.
- 6.8. Payment orders submitted by the Client shall comply with requirements for submission of such payment order and/or content of the payment order set by the legal acts or by PAYAPP. Payment orders submitted by the Client shall be formulated clearly, unambiguously, shall be executable and contain clearly stated will of the Client. PAYAPP does not undertake responsibility for errors, discrepancies, repetitions and/or contradictions in payment orders submitted by the Client, including but not limited to, correctness of requisites of the payment order submitted by the Client. If the payment order submitted by the Client does not contain enough data or contains deficiencies, PAYAPP, regardless of the nature of deficiencies in the payment order, can refuse to execute such payment order, or execute it in accordance with data given in the payment order.
- 6.9. PAYAPP has the right to refuse to execute a payment order in case of a reasonable doubt that the payment order has been submitted by the Client or a Client's representative, payment order or the submitted documents are legitimate. In such cases, PAYAPP has the right to demand from the Client to additionally confirm the submitted payment order and/or submit documents confirming the rights of persons to manage the funds held on the Payment account or other documents indicated by PAYAPP in a way acceptable to PAYAPP at expense of the Client. In cases mentioned in this clause PAYAPP acts with the aim to protect legal interests of the Client, PAYAPP and/or other persons, thus, PAYAPP does not undertake the responsibility for losses which may arise due to refusal to execute the submitted payment order.
- 6.10. The Client shall ensure a sufficient amount of money in a relevant currency on its Payment account to execute the payment order.
- 6.11. Before executing the payment, order submitted by the Client, PAYAPP has the right to demand from the Client documents which prove the legal source of money related to the payment order together with any other documentation as per AML Policy and relevant AML laws. In case the Client does not submit such documents, PAYAPP has the right to refuse to execute the payment order of the Client.
- 6.12. PAYAPP has the right to involve third parties to partially or fully execute the payment order of the Client if the Client's interests and/or the essence of the payment order require so. In the

event that the essence of the payment order of the Client requires sending and executing the payment further by another financial institution, but this institution suspends the payment order, PAYAPP is not responsible for such actions of the financial institution but makes attempts to find out the reasons for the suspension of the payment order. PAYAPP has the right to suspend and/or terminate the execution of the payment order of the Client, if required by law or in case it is necessary for other reasons beyond control of PAYAPP.

- 6.13. In case PAYAPP has refused to execute the payment order submitted by the Client, PAYAPP shall immediately inform the Client thereon or create necessary conditions for the Client to get introduced to such notification, except when such notification is technically impossible or forbidden by legal acts.
- 6.14. PAYAPP shall not accept and execute payment orders of the Client to perform operations on the Payment account of the Client if funds on the Payment account are arrested, the right of the Client to manage the funds is otherwise legally limited, or in case operations are suspended by applicable legal acts.
- 6.15. If money transferred by the payment order is returned due to reasons beyond the control of PAYAPP (inaccurate data of the payment order, the account of the recipient is closed, etc.), the returned amount is credited to the Payment account of the Client. Fees paid by the payer for the payment order execution are not returned, and other fees related to the returning of money and applied to PAYAPP can be deducted from the Payment account of the Client.
- 6.16. Payment transfers initiated by PAYAPP may be standard and urgent. The manner of the payment transfer is selected by the Client. If the Client does not select the payment transfer manner, it is considered that the Client has initiated a standard payment transfer.

## **7. Providing and cancellation of the consent, cancellation of the payment order**

- 7.1. The payment transaction is considered authorised only if the payer provides a consent. The consent for payment given to PAYAPP intermediary is considered to be given to PAYAPP. The Client (payer) may provide consent in the manner determined by PAYAPP or agreed upon with the Client. The consent submitted in writing must be signed by the Client or his legal representative. The consent may also be confirmed by electronic signature, password, codes and/or other identity verification means. In all cases stipulated in this clause, the consent shall be deemed duly approved by the Client (payer), having the same legal validity as the paper document (the consent) signed by the Client (his representative), is permissible as a mean of proof in resolving disputes between PAYAPP and the Client in courts and other institutions. The Client shall not be entitled to contest the payment operation executed by PAYAPP if the payment order has been approved by the consent provided in the manner set out in this clause.
- 7.2. The consent of the Client (payer) is submitted prior to execution of the payment operation. Under an agreement between the Client (payer) and PAYAPP the payment operation may be authorised, i.e. such consent of the Client may be given after execution of the payment operation.
- 7.3. The Client agrees that PAYAPP will transfer personal data of the Client to persons directly related to execution of the payment operation, such as international payment card organisations, companies processing information about payments by payment cards, the provider of payment services of the recipient, the operator of the payment system for execution of the payment operation, intermediaries of the provider of payment services of the recipient and the recipient.
- 7.4. The procedure of cancellation of the payment order:

- 7.4.1. a payment order cannot be cancelled after PAYAPP receives it, except for cases provided in the agreement or laws;
  - 7.4.2. if the payment operation had been initiated by the recipient or via the receiver (e.g. a payment via a payment card), the payer cannot cancel the payment order after the payment order has been sent or the payer has given the consent to the recipient to perform the payment operation;
  - 7.4.3. upon expiry of the terms stipulated in clauses 7.4.1-7.4.2 of the agreement, the payment order may be cancelled only in case the Client (payer) and PAYAPP agree on this. In the cases stipulated in clause 7.4.2 of the agreement, the consent of the recipient is also necessary.
- 7.5. PAYAPP has the right, but not an obligation, to check whether the unique identifier given in the payment order received by PAYAPP corresponds to the name and surname (title) of the account owner. In case the mentioned unique identifier is given to PAYAPP to debit money from or credit money to the account, the payment order is deemed executed appropriately if it has been executed by the indicated unique identifier. If PAYAPP verifies the payment order and establishes an obvious discrepancy between the unique identifier provided to PAYAPP and the name and surname (title) of the account owner, PAYAPP has the right to refuse to execute such payment operation.
- 7.6. Provided PAYAPP receives a payment order to transfer money to the payment account of another provider of payment services, such payment operation is performed by PAYAPP according to the unique identifier provided in the received payment order – the account number of the recipient in IBAN format, except when the provider of payment services does not use the IBAN account format. PAYAPP does not hold the responsibility if the unique identifier is not provided in the payment order or it is incorrect, and/or the provider of payment services of the recipient has set a different unique identifier for appropriate execution of such payment operation (crediting of money to the payment account of the recipient).
- 7.7. If necessary and/or required by institutions of another states, PAYAPP has the right to receive an additional information (e.g. name and surname/title of the recipient, a payment code) required for the appropriate execution of the payment order.
- 7.8. When executing payment orders initiated by the Client, PAYAPP shall transmit to the payment service provider the information (including personal data of the Client) specified by the payer in the payment order.

## **8. Prohibited Activities**

- 8.1. Client using PAYAPP services is prohibited from:
- 8.1.1. not complying with the terms of the agreement, the supplements to the agreement, legislation and other legal acts, including but not limited to, anti-money laundering and counters-terrorist financing acts;
  - 8.1.2. violating the rights of PAYAPP and third parties to trademarks, copyrights, commercial secrets and other intellectual property rights;
  - 8.1.3. providing false, misleading or incorrect information to PAYAPP; refusing to provide information or undertake other actions that are reasonably requested by PAYAPP;

- 8.1.4. providing to third parties false, misleading or incorrect information about PAYAPP and cooperation with PAYAPP;
- 8.1.5. executing or receiving transfers of illegally acquired funds, if the Client is aware of or should be aware of it;
- 8.1.6. using services of PAYAPP in a way which causes losses, responsibility or other negative legal consequences or damage to business reputation of PAYAPP or third persons;
- 8.1.7. using PAYAPP's services from countries that are not acceptable to PAYAPP;
- 8.1.8. spreading computer viruses and undertaking other actions that could cause system malfunctions, information damage or destruction and other damage to the system, equipment or information of PAYAPP;
- 8.1.9. undertaking any other deliberate actions which could disturb provision of PAYAPP's services to the Client or third parties or proper functioning of the system;
- 8.1.10. organizing illegal gambling, illegal trading of stocks, indices, raw materials, currency (e.g. Forex), options, exchange-traded funds (ETF); providing of trade, investment or other services on currency exchanges, Forex markets and other electronic currency trading systems; engaging in illegal trades of tobacco products, alcohol, prescription drugs, steroids, weapons, narcotic substances and its attributes, pornographic production, unlicensed lottery, illegal software and other articles or products prohibited by the law;
- 8.1.11. without a prior written consent of PAYAPP providing financial services and/or legally organising trading in stocks, indices, raw materials, currencies (e.g. Forex), options, exchange-traded funds (ETFs), providing trade, investment or other services on currency exchanges, Forex markets and other electronic currency trading systems. In case the Client intends to provide financial services using the account, it must have a valid licence, issued by a member state of the European Union or a third country that has imposed equivalent or substantially similar requirements and is monitored by the competent authorities with respect to compliance with these requirements;
- 8.1.12. without a prior written consent of PAYAPP to organise legal gambling, lotteries, other specially licenced or activities requiring a permit. In case the Client intends to provide the indicated services using the account, it must have a valid licence, issued by a member state of the European Union and monitored by the competent authorities with respect to compliance with these requirements;
- 8.1.13. having more than one account; registering an account by fictitious or someone else's name without having the power of attorney; registering an account using services of anonymous phone numbers or email addresses provided by other individuals or websites;
- 8.1.14. providing services that are prohibited by the law or contradict public order and moral principles;
- 8.1.15. logging in to the system as an anonymous user (e.g. via proxy servers);
- 8.1.16. disclosing passwords and other personalised safety features of payment instruments to third persons and allowing other persons to use services under the name of the client.

8.2. The Client shall reimburse all direct damages, fines and other monetary sanctions applied to PAYAPP due to non-observance or violation of the terms, including but not limited to, clause 8.1 of the present agreement due to fault of the Client.

8.3. The Client is responsible and undertakes to reimburse any losses incurred by PAYAPP, other PAYAPP Clients and third parties due to using PAYAPP's services and violating the present agreement or its supplements by the Client.

## **9. Sending notifications by the parties, communication and consultation of Clients**

9.1. The Client confirms that agrees that PAYAPP notifications will be provided to the Client by placing them on the website of the system and by sending an email, which was indicated by the Client at the time of registration in the system, or by sending it to the address, indicated by the Client at the time of registration in the system, or by sending an SMS message in cases where the Client has indicated only a mobile phone number. The Client acknowledges that PAYAPP notification, submitted in any of the above-mentioned ways, shall be deemed as properly provided. Notifications by post or SMS messages are sent only if the Client has not indicated its email address. If such notifications are not related to the substantive amendment to the agreement, it shall be deemed that the Client received the notification within 24 hours from the moment it was posted on the website of the system or sent to the Client by email or SMS message. If the notification is sent by post, it shall be deemed that the Client received it within 5 (five) business days after it was sent, unless the Client actually receives the notification later than in terms specified in this part of the agreement.

9.2. In case a party of the agreement consists of plurality of persons (holders of a joint account, etc.), PAYAPP has the right to address notifications to any of the persons involved. The person who has received the information shall transmit the information to other persons indicated in the agreement.

9.3. In case PAYAPP notification relates to essential amendments to terms of the agreement, the Client shall be informed 60 (sixty) days in advance. It shall be deemed that the Client has received the notification and the amendments to terms of the agreement come into force within 60 (sixty) days after the notification has been published on the website of the system, sent to the Client by email or via any other mean that had been indicated by the Client during registration (post or SMS message with a link to a respective web page).

9.4. The 60 (sixty) days notification period shall not be applied and notifications shall be provided in accordance with order laid down in clause 9.1, if:

9.4.1. the terms of the agreement are changed due to changes in mandatory requirements of the legislation;

9.4.2. the prices of services are reduced;

9.4.3. the prime cost of provided services increases which leads to increase in prices of PAYAPP services;

9.4.4. a new service or a part of a service appears, which may be used or not used by the Client at its own choice.

9.5. Non-essential amendments of the agreement are style and grammar corrections, paraphrasing and moving a sentence, a clause or a section of the agreement for the sake of better understanding; provision of examples for articles and other changes which do not reduce or limit rights of the Client and do not increase liability of the Client or aggravate its situation.

- 9.6. The Client undertakes to check its email and other instruments for reception of notifications indicated on the account, as well as websites of the system, on a regular basis, i.e. at least once a business day, in order to notice notifications about amendments to the agreement in a timely manner.
- 9.7. All messages of the parties shall be sent in the acceptable language or in language in which the written agreement was presented to the Client to get introduced to.
- 9.8. The Client undertakes to publish on its account and, in case of amendments, immediately update the contact data (telephone number, email address and post address), which PAYAPP could use to urgently contact the Client or Client's representatives. In case the Client does not update the contact data on its account, all consequences due to the failure of PAYAPP to submit notifications to the Client shall fall on the Client.
- 9.9. In order to protect funds of the Client from possible illegal actions of third persons, the Client undertakes to immediately inform PAYAPP in writing about theft or loss of its account information.
- 9.10. The Client can receive a consultation regarding all issues related to the system and execution of the agreement by sending its question via email given on PAYAPP website, contacting the Client support or filling in a request on the account. Client messages related to the present agreement shall be sent to the email address given on PAYAPP website or to the PAYAPP post address indicated in the agreement. All messages shall be sent to PAYAPP regardless of who is the direct provider of PAYAPP services defined in the agreement.
- 9.11. PAYAPP shall notify the Client in advance, in accordance with the procedure stated in clause 9.1. of the agreement, about known and possible technical failures of the system and systems or equipment of third parties involved by PAYAPP in provision of services, which have an impact on provision of PAYAPP services.
- 9.12. PAYAPP may change the solution for technical integration of services without constraint and at any time. Notification about any changes which require corrections in the software of the client shall be sent at least 90 (ninety) days in advance. Changes, required from the side of the Client, shall be made at expense of the Client.
- 9.13. The parties shall immediately inform each other about any circumstances significant for execution of the agreement. The Client shall submit documents confirming such circumstances (e.g. changes in name, surname, signature, address, phone number, other contact data, personal document or persons who have the right to manage funds on the Account, initiation of bankruptcy proceedings against the client, etc.), whether this information has been already transferred to public registers or not.
- 9.14. PAYAPP has the right to demand the documents concluded abroad to be translated, legalised or confirmed with an apostille, except when legal acts state otherwise.
- 9.15. In case the Client has provided to PAYAPP documents which do not comply with requirements set by the legal acts and/or PAYAPP or PAYAPP has reasonable doubts concerning the authenticity or correctness of the submitted documents, PAYAPP has the right to refuse to execute payment orders submitted by the Client, suspend provision of other services and/or demand from the Client to submit additional documents.
- 9.16. The Client has the right to consult valid amendments to the agreement, its supplements and pricing on PAYAPP website at any time.

## **10. Amendments to the agreement**

- 10.1. PAYAPP has the right to unilaterally amend and/or supplement conditions of the agreement according to procedure set forth in clauses 10.2-10.5 of the present agreement.
- 10.2. The Client has no right to unilaterally change and/or amend the conditions of the agreement.
- 10.3. In case the Client does not agree to amendments or supplements to the agreement, it has the right to refuse PAYAPP services and terminate the agreement, notifying PAYAPP thereof 30 (thirty) days in advance.
- 10.4. Using PAYAPP services after the amendments or supplementation of conditions of the agreement have come into force shall deem that the Client agrees with the amendments or supplements of the conditions of the agreement.
- 10.5. Supplements to the agreement are amended according to the procedure laid down in the respective supplement. If no amendment procedure is laid down in the supplement, the procedure of amendment and amendment notification procedure stated in this agreement shall apply.
- 10.6. The parties may agree on additional conditions which are not provided in the agreement or supplements, or other conditions which are not stated in the agreement or supplement, by a separate written agreement. Such agreement shall become an integral part of the agreement. Upon a request of the Client, a draft agreement shall be prepared by PAYAPP and sent to the Client by fax or email (the agreement may also be concluded in a form of a declaration). If the Client agrees with the draft provided, the Client shall sign the draft and forward the scanned copy of the document to PAYAPP by fax or email. PAYAPP has the right to require the Client to send the agreement by post with the original signature of the Client. Such agreement shall enter into force after the signed agreement has been sent to PAYAPP, i.e. the signature of PAYAPP on the agreement is not required and PAYAPP is not obliged to send the signed agreement back to the Client.

## **11. Suspension of service provision. Termination of the agreement (deleting the account)**

- 11.1. PAYAPP, at its own discretion and taking at consideration the specific situation, giving preference to execution of legal acts, applied to the activity of PAYAPP, and interests of the Client, has the right to unilaterally and without a prior notice apply one or several of the following measures:
  - 11.1.1. to suspend execution of transfers;
  - 11.1.2. to suspend provision of all or part of services to the Client;
  - 11.1.3. limit Client's access to the account;
  - 11.1.4. to detain the Client's funds that are a matter of dispute;
  - 11.1.5. to block the Payment account (i.e. fully or partially suspend payment operations on the Payment account) and/or the payment instrument (i.e. fully or partially prohibit to use the payment instrument);
  - 11.1.6. to refuse to provide services;
  - 11.1.7. to return arrested funds from the Payment account of the Client to the primary sender of funds.

- 11.2. Measures indicated in clauses 11.1.1-11.1.7 of the agreement may be applied only in the following exceptional cases:
  - 11.2.1. if the Client essentially violates the agreement or its supplements, or a real threat of essential violation of the agreement or its supplements by the Client arises;
  - 11.2.2. if activities of the Client using Payment account have a potential to harm PAYAPP business reputation;
  - 11.2.3. if the Client fails to complete necessary identification procedures, or submit the required by PAYAPP information, or observe the requirements set forth in section 8 of the agreement;
  - 11.2.4. if due to further provision of services and activity of the Client, justified interests of third parties may be harmed;
  - 11.2.5. if due to objectively justified reasons related to safety of funds on the Payment account and/or the payment instrument, unauthorised or fraudulent use of money on the Payment account and/or the payment
  - 11.2.6. if PAYAPP finds out about theft or loss of the payment instrument, suspects or finds out about illegal purchase or unauthorised usage of the payment instrument, also in case of facts or suspicions that personalised safety features of the payment instrument (including identity confirmation instruments) have become known or may be used by third persons, PAYAPP has reasonable suspicions that funds or the payment instrument may be illegally used by third persons or the Payment account and/or the payment instrument may be used for illegal activity;
  - 11.2.7. if PAYAPP receives substantiated information about liquidation of the Client or bankruptcy case;
  - 11.2.8. in cases specified by legislation;
  - 11.2.9. in other cases stated in the agreement or its supplements.
- 11.3. The measure, specified in clause 11.1.7 of the agreement, may be applied to the Client in the event that PAYAPP has reasonable suspicions that the Client is engaged in fraudulent activities. In this case, at first the funds of the primary payers on the Payment account of the Client are frozen and, if the Client does not perform the necessary actions (complete an additional identification procedure, provide the requested documents) or provide a reasoned explanation of the specified case in time, the frozen funds may be returned to primary payers. This measure is also applied in cases where PAYAPP has a law enforcement order to return frozen funds to the primary payer.
- 11.4. The purpose of limitations set forth in clause 11.1 of the agreement is to protect PAYAPP, other third persons and the Client from potential monetary sanctions, losses and other negative consequences.
- 11.5. PAYAPP shall inform the Client about the measures indicated in clause 11.1 immediately (in one hour). If there is a possibility to return funds of the Client, it will be informed in 2 (two) business days from the moment of suspension of service provision, except for cases when provision of such information would weaken safety measures or is forbidden by legal acts.
- 11.6. In the event of a reasonable suspicion that money laundering, terrorist financing or other criminal activity is being executed through the Client or the Payment account of the Client,

PAYAPP has the right to partially or completely suspend provision of the services to the Client for a period of 30 (thirty) days with the right to extend it unlimited number of times until the charges are fully withdrawn or confirmed.

- 11.7. In case of reasonable suspicion by PAYAPP that the account or Payment account of the Client has been hacked, PAYAPP has the right to partially or completely suspend provision of services to the Client without prior notice. In such case, PAYAPP will inform the Client about the suspension and provide further information on actions that have to be performed by the Client in order to resume provision of services to the Client.
- 11.8. PAYAPP cancels blockage of the Payment account and/or payment instrument (or replaces it with a new payment instrument) when causes for blockage of the Payment account and/or payment instrument cease to exist.
- 11.9. The Payment account and/or the payment instrument may be blocked at the initiative of the Client if the Client submits an appropriate request to PAYAPP and informs PAYAPP that the payment instrument of the Client has been stolen or lost, or funds on the Payment account and/or the payment instrument are used or may be used illegally. PAYAPP has the right to demand from the Client to later confirm the orally submitted request to block the Payment account and/or payment instrument in written or another acceptable to PAYAPP way. If the Payment account and/or the payment instrument has been blocked at the initiative of the Client, PAYAPP has the right to cancel blockage only after receiving a written request from the Client, unless the agreement states otherwise. PAYAPP has the right to replace the blocked payment instrument with a new one.
- 11.10. PAYAPP is not liable for losses incurred by the Client due to suspension of service provision, blockage of the Payment account and/or payment instrument or other actions if those actions have been performed in accordance with the procedures stated in the agreement or its supplements and under circumstances and on the basis specified in the mentioned documents.
- 11.11. Following the procedure set forth by the law, PAYAPP has the right to withhold money of the payment operation for up to 10 (ten) business days or for a longer period of time stated by the law, the agreement or its supplement.
- 11.12. The Client has the right to terminate the agreement unilaterally without appealing to the court, notifying PAYAPP thereof in writing 30 (thirty) calendar days in advance. If the Client terminates the agreement, the issued electronic money is returned to the Client by its chosen mean (indicated in the agreement) in accordance with the limits of payment transfers specified in the present agreement.
- 11.13. PAYAPP has the right to terminate the agreement and its supplements unilaterally and refuse to provide services without indicating the reason, notifying thereof the client 60 (sixty) days in advance by means provided in section 10 of the present agreement. PAYAPP also has the right to terminate the agreement and its supplements unilaterally and refuse to provide services for the reasons stated in clause 11.2 of the present agreement, notifying thereof the Client 30 (thirty) days in advance by means provided in the present agreement.
- 11.14. Under a request of PAYAPP, the agreement and its supplements may be terminated immediately, in case no operations have been made on the account of the Client for more than one year.
- 11.15. In case of termination of the agreement, PAYAPP deducts from the Payment account of the Client money amounts, payable for PAYAPP services provided to the Client, also fines, forfeits,

losses and other amounts paid to third parties or the state, which PAYAPP has incurred due to the fault of the Client. In case the amount of money on Payment account (or accounts) of the Client is insufficient, the Client undertakes to transfer provided amounts to the account of PAYAPP within 3 (three) business days covering all amounts indicated in the present clause. In case PAYAPP regains a part of amounts paid to third parties, PAYAPP undertakes to return the regained amounts to the Client immediately.

- 11.16. Termination of the general agreement does not exempt the Client from appropriate execution of all liabilities to PAYAPP that were applicable towards the Client before the termination.
- 11.17. After terminating the agreement between PAYAPP and the Client, the Client shall choose a mean for redemption of electronic money from the Payment account of the Client. In case the identification level of the Client does not comply with the level necessary to redeem all electronic money, the Client shall choose another identification level and perform required actions to change the identification level. The Client agrees to perform actions necessary to redeem electronic money and understands that by such means PAYAPP aims to reduce the risk of fraud and seeks to comply with anti-money laundering and other legal requirements.
- 11.18. In case after terminating the agreement between PAYAPP and the Client, the Client does not choose a mean for electronic money redemption and/or does not complete an additional identification procedure for increasing the limits, PAYAPP may (but is not obligated to) redeem the electronic money of the Client by the mean of electronic money redemption which is available at the moment of redemption.

## **12. Confidentiality and data protection**

- 12.1. The parties undertake to keep technical and commercial information of each other secret, except for publicly available information which has become known to them while executing the present agreement, and not transfer it to third parties without a written consent from the other party or its legal representatives.
- 12.2. The Client agrees that PAYAPP and GNI (as a data processor and controller) shall manage its personal data with the following purposes:
  - 12.2.1. to provide payment services;
  - 12.2.2. provide service-related information the Client requests;
  - 12.2.3. for marketing purposes\*, e.g. providing customised advertisements and sponsored content and sending promotional communications; assessment and analysis of PAYAPP's and GNI's market, clients, products and services (including asking for Client's opinions on PAYAPP's and GNI's products and services, carrying out Client surveys, running competitions or promotions, as permitted by law);
  - 12.2.4. to understand the way people use PAYAPP's and GNI's online services so that PAYAPP and GNI can improve them and develop new content, products and services;
  - 12.2.5. to protect PAYAPP's and GNI's interests before any court or any other institution;
  - 12.2.6. otherwise with Client's consent.

\* the Clients may opt out of direct marketing communications from PAYAPP and GNI at any time. If it prefers not to receive PAYAPP's and GNI's direct marketing communications, it shall inform PAYAPP by sending an email to [data@payapp.com](mailto:data@payapp.com) or clicking on the opt-out link appearing in the newsletter.

- 12.3. The parties shall take all reasonable measures to guarantee security of personal data received while executing the present agreement. PAYAPP may disclose personal data to the following entities:
  - 12.3.1. companies that provide services for PAYAPP;
  - 12.3.2. banks/companies that provide payment services;
  - 12.3.3. companies assisting with organising competitions/games/promotions;
  - 12.3.4. other carefully selected business partners;
  - 12.3.5. other parties, when so required under law or necessary in order to protect our legitimate interests.
- 12.4. Detail information about personal data management, periods of storage and ect. are described in PAYAPP's Privacy Policy.
- 12.5. The Client undertakes to protect and not disclose any passwords, created by it or provided to it under the present agreement, or other personalised security features of payment instruments to third persons and not to allow other persons to use services under the name of the Client. If the Client has not complied with this obligation and/or could but have not prevented it and/or performed such actions on purpose or due to own negligence, the Client fully assumes the loses and undertakes to reimburse the loses of other persons incurred due to the indicated actions of the Client or its failure to act.
- 12.6. In the event of loss of an account password or other passwords by the Client or the password/passwords are disclosed not due to the fault of the Client or PAYAPP, or in case of a real threat has occurred or may occur to the account of the Client, the Client undertakes to change the passwords immediately or, if the Client does not have a possibility to do that, notify PAYAPP thereof immediately (not later than within one calendar day) by means indicated in section 9. PAYAPP shall not be liable for consequences that have originated due to the notification failure.
- 12.7. After PAYAPP receives the notification from the Client as indicated in clause 12.6, PAYAPP shall immediately suspend access to the account of the Client and provision of PAYAPP services until a new password is provided/created for the Client.
- 12.8. PAYAPP draws the attention of the Client to the fact that the email linked to the PAYAPP account and also other instruments (e.g. mobile telephone number), which under Client's choice are linked to its PAYAPP account, are used as instruments for communication or identification of the Client, therefore, these instruments and logins to them shall be protected by the Client and any changes of the email and instruments must be reported to the PAYAPP within 3 calendar days. The Client is completely responsible for safety of its email passwords and all the other instruments used by it and their login passwords. Passwords are secret information, and the Client is responsible for its disclosure and for all operations performed after the password used by the Client for a relevant account or another payment instrument is entered. PAYAPP recommends to memorise passwords and not to write them down or enter in any instruments where they may be seen by other persons and to change passwords frequently (e.g. once in a few months).
- 12.9. Issues of protection of the Client's personal data are also regulated by the supplement to the agreement "Privacy Policy", that is published in the PAYAPP website and which the Client has read and undertakes to observe.

- 12.10. PAYAPP has the right or a statutory obligation to transmit all collected important information (including personal data) about the Client, Client's representatives and their activity to law enforcement institutions, state authorities (State Tax Inspectorate (VMI), Social Insurance Fund (SODRA), Financial Crime Investigation Service), and other financial institutions as well as supervisory authorities, if such duty is determined by the legislation, and in order to identify whether this agreement and relevant legislation have not been or will not be violated.
- 12.11. The Client is informed that PAYAPP might undertake necessary measures, including but not limited to, submitting requests to third persons directly or via third parties in order to determine identity of the Client and accuracy of other data submitted by the Client (KYC procedure).
- 12.12. PAYAPP points out that in all cases PAYAPP operates only as a service provider for the Client, which sends money to the recipient under the request of the Client (money sender) and does not provide or offer any services to the recipient until it has become a Client of PAYAPP.
- 12.13. PAYAPP has the right to record digital conversations with the Client (over the phone, Skype or other remote ways). The parties agree that telephone conversations and messages transferred via mail, email and other telecommunication instruments may be deemed evidence when settling disputes between the parties. By the present agreement the Client confirms that it has been informed about PAYAPP making records of any telephone conversations with the Client or its representatives. The Client also has the right to record and store telephone conversations and other correspondence.
- 12.14. The Client is informed that its Payment account number and personal data required for the payment transfer may be detected and displayed to another PAYAPP user who intends to make a payment transfer to the Client if another PAYAPP user enters a confirmed identifier of the Client (name, surname, bank account, email address).

### **13. Liability of the parties**

- 13.1. Each party is liable for all fines, forfeits and other losses which the other party incurs due to violation of the agreement by the guilty party. The guilty party undertakes to reimburse direct damage incurred due to such liability to the affected party.
- 13.2. The liability of the Parties is established in accordance with the laws and case law of the courts of the Republic of Lithuania. PAYAPP is not liable for the Client's losses resulted through the Client's fault and/or from lawful actions of PAYAPP.
- 13.3. Nothing in this Agreement shall operate to exclude liability for death or personal injury due to negligence or for fraud or fraudulent misrepresentation or for any statutory liability that cannot be excluded or amended by agreement between the parties.
- 13.4. We shall not be liable for any indirect or consequential losses including but not limited to loss of profit, loss of business and loss of reputation, unless otherwise expressly indicated in the laws.
- 13.5. PAYAPP shall only be liable for direct damages caused by direct and essential breach of the agreement made by PAYAPP, and only for damages which could have been foreseen by PAYAPP at the time of breaching of the agreement;
  - 13.5.1. the amount of compensation for damages caused by violating the agreement by PAYAPP shall not exceed the average of commission fees for the last 3 (three) months paid to PAYAPP by the Client for provided services. This restriction is applied for the total amount of all violations of the month. In case the average of 3 (three) months cannot be calculated, the compensation cannot exceed EUR 2,000 (two thousand euro);

- 13.5.2. in all cases, PAYAPP shall not be liable for non-receipt of profit and income by the Client, loss of reputation of the Client, loss or failure of Client's business, and indirect damages;
- 13.5.3. limitations of PAYAPP liability shall not be applied if such limitations are prohibited by the applicable law;
- 13.5.4. PAYAPP does not guarantee uninterrupted system operation, because system operation may be influenced (disordered) by many factors beyond control of PAYAPP. PAYAPP shall put all efforts to secure as fluent system operation as possible, however, PAYAPP shall not be liable for consequences originating due to system operation disorders if such disorders occur not due to the fault of PAYAPP.
- 13.6. The system may not operate due to reasons under control of PAYAPP and PAYAPP shall not provide any compensation for malfunctions which do not depend on the actions of PAYAPP.
- 13.7. Cases, when PAYAPP limits access to the system temporarily, but not longer than for 24 (twenty-four) hours, due to the system repair, development works and other similar cases, and if PAYAPP informs the Client about such cases at least 2 (two) calendar days in advance, shall not be considered system operation disorders.
- 13.8. PAYAPP is not liable for:
  - 13.8.1. money withdrawal and transfer from the Payment account and for other payment operations with funds held on the Client's Payment account if the Client had not protected its passwords and identification instruments, and as a result they have become known to other persons, and also for illegal actions and operations of third persons performed using counterfeited and/or illegal documents or illegally received data;
  - 13.8.2. consequences arising after PAYAPP legally terminates the agreement, cancels Client's Payment account or limits access to it, also after reasonable limitation/termination of provision of a part of the services;
  - 13.8.3. goods and services purchased using Payment account, and also for other party, which receives payments from the Payment account, not complying with terms of any agreement;
  - 13.8.4. for a failure to fulfil its own contractual obligations and damages in case it was caused due to PAYAPP fulfilling duties determined by the law.
- 13.9. The Client assures that all actions of the Client related to the execution of the agreement will comply with the applicable law.
- 13.10. The Client is fully liable for correctness of data, orders and documents submitted to PAYAPP.
- 13.11. If the payment operation is executed in the currency of a member country to/from a foreign country or in the currency of a foreign country, the Client bears all the losses incurred due to the usage of a lost or stolen payment instrument; illegal acquisition of a payment instrument if the client had not protected personalised security features (including identity confirmation instruments).
- 13.12. The Client bears any losses incurred due to unauthorised payment operations if the Client has suffered the losses as a result of acting dishonestly or due to its gross negligence or intentionally not fulfilling one or several of the duties indicated below:

- 13.12.1. to comply with the rules regulating issuance and usage of the payment instrument provided in the present agreement or its supplements, when using the payment instrument;
  - 13.12.2. if the Client finds out about a loss, theft, illegal acquisition or unauthorised usage of the payment instrument, about facts and suspicions that personalised security features of its payment instruments have become known to or can be used by third persons, the Client shall notify PAYAPP or the subject indicated by PAYAPP immediately, in accordance with the rules regulating issuance and usage of the payment instrument provided in the present agreement and its supplements;
  - 13.12.3. to undertake all possible measures to protect personalised security features of the payment.
- 13.13. The party is relieved from the liability for failure to comply with the agreement in case the party proves that the agreement has not been executed due to circumstances of force majeure which are proven in accordance with the procedure established by the law. The Client shall notify PAYAPP about the force majeure in writing within 10 (ten) calendar days after the day of occurrence of such circumstances. PAYAPP shall notify the Client about force majeure circumstances via email or websites of the system.

#### **14. Settlement of disputes between the client and PAYAPP**

- 14.1. PAYAPP aims to settle all disputes with the Client amicably, promptly and on terms acceptable to both parties, thus, in case of a dispute, clients are encouraged to firstly address PAYAPP directly. Disputes are solved by negotiation.
- 14.2. Disputes between the Client and PAYAPP shall be resolved as follows:
  - 14.2.1. if the Client is a natural person to be considered a consumer (i.e. Client is a natural person who uses the services for the sole purpose of meeting personal, family, or household needs), such Client natural person who believes that PAYAPP violates his rights or legitimate interests shall contact PAYAPP in writing (by email, calling the Client support centre or directly through the account) stating the circumstances of the dispute and Client's claim. The complaint shall contain a reference to circumstances and documents that served as a basis for the complaint. If the Client bases its complaint on documents which PAYAPP does not possess, the Client shall also submit such documents or their copies. In such case the Client shall contact PAYAPP no later than within 3 (three) months from the date when Client became aware or should have become aware of a violation of his rights or legitimate interests;
  - 14.2.2. upon receipt of such Client's referral, PAYAPP undertakes to provide this Client with a comprehensive, reasoned, documented response to the referral no later than within 15 (fifteen) Business Days from the date of receipt of the referral. In exceptional cases, when because of reasons beyond PAYAPP's control it is not possible to provide a response within 15 (fifteen) Business Days, PAYAPP shall send a provisional response to the Client, clearly stating the reasons for the delay in responding to the referral and the term to prepare a final response. In any event, the deadline for submitting the final reply shall not exceed 35 (thirty-five) Business Days from the date of receipt of the request;
  - 14.2.3. the Supervisory Authority is the Bank of Lithuania (<https://www.lb.lt/en/>). If the Client is not satisfied with the response provided by PAYAPP or the response is not provided within the term specified in this Agreement, the Client shall have one year after the

application to PAYAPP to apply to the Bank of Lithuania for consumer dispute resolution to protect the Client's rights or legitimate interests. The Client natural person who is a consumer may apply to the Bank of Lithuania in the following ways:

- 14.2.3.1. via the [Electronic Government Gateway dispute resolution tool](#); or
- 14.2.3.2. by filling in [this Client's application form](#) and sending it to the Supervision Service of the Bank of Lithuania (Žalgirio St. 90, LT-09303 Vilnius, Lithuania, e-mail pt@lb.lt); or
- 14.2.3.3. by filing out a free-form application and sending it to the Supervision Service of the Bank of Lithuania (Žalgirio St. 90, LT-09303 Vilnius, Lithuania, e-mail pt@lb.lt).

More information about disputes with the financial services providers could be found here: <https://www.lb.lt/en/dbc-settle-a-dispute-with-a-financial-service-provider>.

- 14.2.4. it shall be noted that the decision of the Bank of Lithuania on the substance of the dispute is of a recommendatory nature and is not subject to appeal to the court. The Client natural person who is a consumer and PAYAPP retain the right to apply to the courts or any other dispute resolution authority in accordance with the law. It should also be emphasized that non-exercise of the right to apply to the Bank of Lithuania for the settlement of a consumer dispute does not prevent the Client from bringing a sue directly in the court for the protection of his rights and legitimate interests.
- 14.2.5. if the Client is a legal entity or a natural person who is not considered to be a consumer, then such Client who believes that PAYAPP violates his rights or legitimate interests shall have a right to apply directly to competent court. However, PAYAPP endeavors to resolve any disagreement peacefully, expeditiously and under terms acceptable to both Parties. Therefore, in all situations, the Client is encouraged to contact PAYAPP first so arising complaints and disputes could be resolved amicably by negotiation.
- 14.3. If the Client is a natural person to be considered a consumer, such Client shall have the right to receive information on the activities of the Supervisory Authority, submit a proposal, express an opinion or submit a request/complaint to the Supervisory Authority. The request/complaint may be provided to the Supervisory Authority by electronic means of communication with identity verification or without identity verification; by filling in this Client's application form or a free-form application and sending it to the Supervisory Authority (Žalgirio St. 90, LT-09303 Vilnius, Lithuania, e-mail pt@lb.lt or Totorių St. 4, LT-01121 Vilnius, Lithuania, info@lb.lt). More information about provision of request/complaints could be found here: <https://www.lb.lt/lt/kontaktai#group-464>.
- 14.4. Clients (both natural and legal persons) who have reasonable suspicions that PAYAPP's activities violate applicable financial market legislation, Client's rights or legitimate interests shall have the right to complain to the Supervisory Authority (Bank of Lithuania). Written complaints to the Supervisory Authority (Bank of Lithuania) shall be submitted to the Bank of Lithuania with the following requisites: Totorių St. 4, LT-01121 Vilnius, Lithuania, e-mail info@lb.lt or Žalgirio St. 90, LT-09303 Vilnius, Lithuania, e-mail pt@lb.lt.
- 14.5. The complaint shall contain a reference to circumstances and documents that served as a basis for the complaint. If the Client bases its complaint on documents which PAYAPP does not possess, the Client shall also submit such documents or their copies.

14.6. This agreement, its supplements, and relations of the parties that are not regulated by this agreement, including cases when a dispute between the client and PAYAPP falls within jurisdiction of a court of another state, shall be construed and interpreted in accordance with the laws of the Republic of Lithuania.

## **15. Transfer of rights and obligations under this Agreement**

15.3. Client is informed that PAYAPP is seeking to obtain a licence of electronic money institution from the Bank of Lithuania and provide services to the Clients directly (using its own licence).

15.4. By signing this agreement, the Client agrees that, when PAYAPP receives a license of an electronic money institution and starts to provide services independently, all rights and obligations of GNI in relation to the Client (as specified under this Agreement) will be transferred to PAYAPP. The Client's funds held by GNI will be transferred and further held in the Payment account administered by PAYAPP.

## **16. Final provisions**

16.3. Each party confirms that possesses all permissions and licences required under the applicable law that are necessary for the execution of the present agreement.

16.4. Titles of sections and articles of the agreement are intended solely for convenience of the parties and cannot be used for interpretation of the provision of the present agreement.

16.5. The parties are independently liable to the state and other subjects for fulfilment of all tax obligations. PAYAPP shall not be liable for execution of tax obligations of the Client, calculation or transferring of taxes applied to the Client.

16.6. PAYAPP in all cases acts as an independent party of the agreement that shall not control or undertake liability for products and services which are paid for using PAYAPP services. PAYAPP does not undertake liability that the buyer, seller or another party will fulfil the terms of a bargain clinched with the Client.

16.7. The Client does not have the right to assign its rights and obligations arising out of this agreement to third parties without a prior written consent from PAYAPP. PAYAPP reserves the right to assign its rights and obligations arising out of this agreement to third parties at any time without a consent from the Client if such transfer of rights and obligations does not contradict the legislation. PAYAPP informs the Client on such assignment within 10 days after the assignment,

16.8. If any provision of the agreement becomes invalid, other provisions of this agreement remain in force.

16.9. The agreement shall come into force in accordance with clause 2.4 of the present agreement. The Client may save the text of the agreement at the time of registering in the system.

16.10. This agreement is provided in the system in English language. The Client agrees that communication in English is acceptable.

16.11. Links to websites given in the agreement and supplements regulating provision of separate services are integral part of this agreement and are applied to the Client from the moment it starts using the respective service.

2020-05-14