

## General Terms and Conditions Magnius

### 1. DEFINITIONS

In these General Terms and Conditions the following definitions shall apply:

- 1.1 **Account Balance:** the net balance of third-party funds held by the Foundation for the Merchant.
- 1.2 **Acquirer:** financial institution that is authorized for a certain payment method to submit and process Transactions for authorization to the Issuer and receive funds after such authorization.
- 1.3 **Approved Website:** means the url/website used by the Merchant for the sale of goods and/or services the payment of which will be enabled through the services provided in respect of online Transactions as approved and confirmed by Magnius.
- 1.4 **Available Account Balance:** the for the Merchant available part of the Account Balance, formed by the Account Balance minus the Rolling Reserve and any other deductions, as stated in article 8.1
- 1.5 **Chargeback:** a payment chargeback in relation to an authorized transaction that was cancelled or otherwise reversed initiated by the Customer or the Issuer.
- 1.6 **Customer:** the recipient of services or products of the Merchant.
- 1.7 **Extended Fraud Control:** Rule based fraud system integrated in the Platform of Magnius.
- 1.8 **Fees:** the fees payable by the Merchant to Magnius for products and services delivered by Magnius to the Merchant.
- 1.9 **Foundation:** Stichting Derdengelden Magnius, offices at Bargelaan 26 2333CT Leiden, registered in the Trade Register of the Chamber of Commerce with number 65199340.
- 1.10 **Fraud Control:** tool for screening of Transactions processed by Magnius to mitigate and reduce the risk relating to Chargebacks and fraud.
- 1.11 **General Terms and Conditions:** these general terms and conditions and any amendments made thereto in accordance with article 2.2.
- 1.12 **Issuer:** a financial institution that is authorized to issue credit cards or other payment instruments and to forward funds to the Acquirer on behalf of the Customer.
- 1.13 **Magnius:** the private company with limited liability Magnius B.V., with office at the Bargelaan 26 2333CT Leiden, registered in the Trade Register of the Chamber of Commerce with number 64772837.
- 1.14 **Magnius API:** Application Programming Interface for integrating the Magnius Services.
- 1.15 **Magnius App:** mobile application for, among other things, initiating point-of-sale payment via a payment terminal.
- 1.16 **Magnius Dashboard:** web application including associated interfaces, where users can change settings, may require statistics and can request payments of the Available Account Balance or initiate Refunds.
- 1.17 **Magnius Services:** the products and services of Magnius, including but not limited to, processing and collecting services of payments and Fraud Control.
- 1.18 **Merchant:** the company which has concluded a Merchant Agreement with Magnius for the Magnius Services.
- 1.19 **Merchant Agreement:** the agreement, including any attachments and the General Terms and Conditions, between Magnius and the Merchant and evidenced by a written merchant agreement.

- 1.20 **Payment Method Owner**: the owner of a payment method (for example, Currence iDEAL B.V. which owns payment method iDEAL).
- 1.21 **Platform**: the software platforms of Magnius, which Magnius uses when executing the Magnius Services, where under the Magnius App.
- 1.22 **POS Payments**: Point-of-sale payments, which means an in-store payment on a physical payment terminal. .
- 1.23 **Refund**: the possibility for a Merchant of (partially) repaying a Customer for an original payment.
- 1.24 **Rolling Reserve**: by Magnius blocked portion of the Account Balance during a given period.
- 1.25 **Rules**: any and all rules, regulations, policies and procedures applicable to the issuing, use and provision of payment methods and the acceptance of payments made with them.
- 1.26 **Third Party Provider**: Acquirer and/or Payment Method Owner.
- 1.27 **Transaction**: an order from or on behalf of the Customer to make a payment to the Merchant as submitted by Merchant to Magnius for further processing, authorization and settlement.
- 1.28 **Website**: internet website: [http\(s\)://magnius.com](http(s)://magnius.com), including subdomains.

## **2. APPLICABILITY GENERAL TERMS AND CONDITIONS**

- 2.1 The General Terms and Conditions apply to proposals of Magnius, the Merchant Agreement and any other (legal) act between Magnius and the Merchant. The General Terms and Conditions shall even apply between Magnius and the Merchant after expiry of the Merchant Agreement.
- 2.2 Magnius is entitled to amend the Merchant Agreement including the General Terms and Conditions, but shall first publish the amendments on the Magnius Dashboard and/or via e-mail notification. The amendments will take effect one (1) month after publication or sending the notification. If the Merchant continues to use the Magnius Services, it is deemed to have accepted the amended General Terms and Conditions. If the Merchant does not accept the amendments, the Merchant is entitled to terminate the Merchant Agreement as per the date the amendments will take effect by giving prior written notice to Magnius.
- 2.3 The applicability of Merchants or any other general terms and conditions is explicitly excluded.
- 2.4 If any provision of the General Terms and Conditions or the Merchant Agreement is void or becomes annulled or is otherwise invalid or not applicable, the other provisions of these General Terms and Conditions and/or the Merchant Agreement will remain fully in force.
- 2.5 In case of mutual conflict between legal rules, the ranking is as follows;
  - 1. Rules of mandatory law;
  - 2. The written merchant agreement;
  - 3. Attachment (s)
  - 4. The General Terms and Conditions;
  - 5. Rules of non-mandatory law to the extent such rules apply.
- 2.6 The Merchant cannot rely on other communications of Magnius, such as statements on the Website, unless agreed otherwise.

## **3. ESTABLISHMENT OF THE AGREEMENT**

- 3.1 The Merchant Agreement will be concluded upon, after acceptance of the Merchant by Magnius, forwarding a countersigned merchant agreement to the Merchant and providing the details required for the Merchant to integrate with the Platform.

- 3.2 As part of the acceptance process, Magnius will perform a so-called client due diligence-procedure. This procedure will consist amongst others of certain mandatory legal/regulatory tests and also the testing against the acceptance criteria set by Magnius. Magnius is allowed to change those criteria without any notification to the Merchant.
- 3.3 The Merchant is obliged to provide full cooperation and provide all relevant information for the client due diligence procedure, whether or not explicitly requested by Magnius. The Merchant warrants that all information provided to Magnius is true and correct. The Merchant is obliged to inform Magnius of any change in the provided information as soon as the Merchant becomes aware of such change. Magnius has the right to perform a new client due diligence-procedure in that case.
- 3.4 By signing the merchant agreement, the merchant agrees that Magnius can enter into contracts with Third Party Providers on behalf of the Merchant. The Merchant gives an explicit unconditional and irrevocable power of attorney to Magnius for that purpose.
- 3.5 The use of certain payment methods by the Merchant, such as Klarna and credit cards, is subject to the express written acceptance of the Third Party Provider concerned. For some payment methods, the Merchant must directly enter into an agreement with a Third Party Provider. Where reasonably possible, Magnius will facilitate the formation of this/these separate agreement(s), but will not be a party to this/these agreement(s).
- 3.6 A Third Party Provider can decide not to allow the Merchant to use the payment method (any longer). In that case, Magnius will not (or no longer) be obliged to offer the payment method concerned. Magnius can also decide not to (continue to) offer the Merchant a payment method for other reasons (for example, if the Merchant fails to comply with the special conditions which apply to a payment method). Magnius will not be liable for the consequences of a payment method not or no longer available for the Merchant. The above also applies to payment methods which the Merchant requests after signing the Merchant Agreement.

#### **4. MAGNIUS API**

- 4.1 The Magnius Services can be used via the Magnius API connection with the Platform. When using the Magnius API, the Merchant will comply with the API documentation.
- 4.2 The Merchant is responsible for the functioning of his own website, including the connection between the Platform and his own website.
- 4.3 The Merchant manages his connection to the Platform under his sole responsibility. Merchant is aware of the risks associated with using the internet, email and the Magnius Services.
- 4.4 The Merchant is responsible for its integration with, all access to and all use of the Magnius API and must take reasonable steps to keep the Magnius API key safe and to prevent fraudulent access to and use of the Magnius Services by misuse of the Magnius API key. Magnius may revoke or cancel any Magnius API key in case unauthorized use is at hand or suspected.
- 4.5 The Merchant's authorization to connect with the Platform, use the Magnius API or to use the Magnius Services does in no event include any right to:
  - a) remove any copyright, trademark or other proprietary notices from Magnius or any other provider;
  - b) reproduce, modify, prepare derivative works based upon, distribute, license, lease, sell, resell, transfer, publicly display, publicly perform, transmit, stream, broadcast or otherwise exploit the Platform, Magnius API or Magnius Services to the public and/or to any third party;
  - c) decompile, reverse engineer or disassemble the Platform or Magnius API;
  - d) link to, mirror or frame any part of the Platform or Magnius API;
  - e) cause or launch any programs or scripts for the purpose of scraping, indexing, surveying, or otherwise data mining any part of the Magnius interface or unduly

burdening or hindering the operation and/or functionality of any aspect of the Platform or Magnius API.

4.6 Merchant guarantees not to copy, capture or intercept payment details such as credit card numbers or CVM Codes, that are entered on the drop-in-form. If Magnius has reason to believe that Merchant is copying, capturing or intercepting payment details, Magnius has the right to suspend processing of Transactions. Merchant shall fully indemnify and hold Magnius harmless from any losses, claims, costs or damage Magnius incurs because of Merchant's breach of this obligation.

## **5. MAGNIUS DASHBOARD**

5.1 The Merchant accepts the Magnius Dashboard as a channel for communication, also for legal notices, from Magnius to the Merchant. Magnius may decide to use another channel of communication for certain notifications.

5.2 If communication via the Magnius Dashboard is not possible, Merchants will be informed of this, via a back-up communication channel.

5.3 A username and password supplied by Magnius to the Merchant is strictly personal and should be kept secret. The Merchant is fully liable for use or abuse of the account by any third party, regardless of how it obtained access to the account, except for cause of Magnius. The Merchant must notify Magnius of any loss, theft and/or abuse immediately. Magnius has no control obligation in monitoring login sessions.

## **6. MAGNIUS**

6.1 Magnius shall provide the Magnius Services with the care and skill that can be expected of a leading and expert supplier of similar services and in accordance with applicable laws and the applicable Rules including, without limitation, the PCI DSS, and the services documentation. Magnius aims to provide the Magnius Services with maximum availability and accessibility.

6.2 The Platform provides a service to process Transactions originated at the Merchant's website.

6.3 Depending on the specific payment method, Magnius can either act as collecting payment service provider or distributing payment service provider. In the first case, Magnius collects payments for the Merchant (for example iDeal). In the second case, the Merchant receives the payments directly from the Third Party Provider. Magnius is not a party to this;

6.4 The processing of credit card Transactions allocates the responsibility and risk relating to Chargebacks and fraud to the Merchant unless for a certain Transaction Strong Customer Authentication is applied in which case the liability risk remains with the issuer. If it is agreed that Extended Fraud Control shall be provided under the Merchant Agreement, all credit card Transactions processed through Magnius will be screened in order for the Merchant to mitigate and reduce such risks. Depending on the Merchant's use of the Fraud Control, a number of checks is performed in regards of the Transactions, upon which a resulting total score is assigned to each Transaction. The score represents the likelihood of the Transaction being fraudulent, but does under no circumstance give a guarantee that a Transaction is not fraudulent.

6.5 Magnius has the right to refuse or suspend the processing of a Transaction if:

- The submission of a Transaction has incorrect, incomplete or unclear data;
- There is reason to assume that Customer or Merchant is involved in fraudulent acts or the existence of fraudulent use or abuse of the Platform;
- The bank account or the payment instrument of Customer is blocked.
- A third party has levied a (prejudgment) attachment against the Merchant under Magnius.
- A circumstance described under 20.3 below appears or is likely to appear.

- 6.6 Magnius has the right to reject the processing of a Transaction if the result of the Fraud Control or Extended Fraud Control leads to a score above the acceptable limit. Not rejecting the processing of a Transaction does under no circumstance lead to liability of Magnius.
- 6.7 Magnius is entitled to rely on the services of third parties to execute the Merchant Agreement.
- 6.8 Magnius shall only provide the Magnius Services as agreed in the Merchant Agreement to the Merchant.
- 6.9 Any efforts by Magnius made and any work carried out by Magnius in respect of the Magnius Services pursuant to a request or order from a government agency, a Third Party Provider or the Merchant shall, upon notice by Magnius to the Merchant, be calculated and charged to the actual costs of the efforts at an hourly rate of € 150,- (excl. V.A.T).
- 6.10 In case of a (prejudgment) attachment by a third party against the Merchant the additional processing work will be applied at an hourly rate of € 150,- (excl. V.A.T) with a minimum of € 250,- (excl. V.A.T) per case.
- 6.11 Magnius can store and monitor login sessions, conversation information (e-mail and phone), input data and documents added by the Merchant and employees of Magnius.
- 6.12 Magnius shall provide support to the Merchant by giving access to (i) an online support page, (ii) a FAQ section and (iii) a Merchant helpdesk. The Merchant helpdesk can be reached by telephone on Magnius business days during working hours through the number provided on the Website.

## **7. PAYMENTS**

- 7.1 Magnius is only obliged to credit funds for authorized Transactions in the Account Balance if and to the extent it has received settlement from the Third Party Provider.
- 7.2 The Merchant acknowledges and agrees that Magnius is not liable for funds that are not, not fully, not in time settled or otherwise not properly settled by a Third Party Provider.
- 7.3 The Merchant acknowledges and agrees that Third Party Provider may deduct costs, Fees, Chargebacks and other amounts from the value of the authorised Transactions.

## **8. CHARGEBACKS**

- 8.1 A Transaction having the status 'Authorized' does not imply that the payment is guaranteed or that it is already due by the Third Party Provider to the Merchant or Magnius to the Merchant. Authorised Transactions, even in case of POS Transactions, (i) may still appear to be fraudulent, (ii) the payment method used for making the payment may appear to be expired, (iii) appear to be the subject of unauthorised use, (iv) appear to be not sufficiently funded and (v) there may be other reasons under the Rules which may cause an authorised Transaction to not result in settlement of funds (including the possibility of Chargeback) by the Third Party Provider to the Merchant or to Magnius.
- 8.2 The Merchant acknowledges and agrees that the risk that an authorized Transaction eventually does not result in settlement of the Transaction funds or that an onward settlement already transferred must be reimbursed to Magnius, is a commercial risk which shall be solely borne by the Merchant. The Merchant shall reimburse Magnius in full (i) for any Payment which has been made subject to Chargeback or other reversal, (ii) any additional fees, charges, costs or fines charged to Magnius and any (iii) relating service adjustments. For every Chargeback where Magnius is obliged to pay the Chargeback amount, the same amount will be deducted from the Account Balance.

## **9. COVERAGE**

- 9.1 Magnius may require coverage for any (potential) liability to Magnius or a Third Party Provider. The standard coverage can be unilaterally applied by Magnius and consists of one or more of the following forms:

- Delayed onward settlement: When Magnius decides that a delayed onward settlement shall apply, Magnius will retain the onward settlement for the period determined by Magnius in its absolute discretion as indicated in the Merchant Agreement;
  - Rolling Reserve: When Magnius decides that a Rolling Reserve shall apply, Magnius will retain a percentage of the onward settlement for a certain period;
- 9.2 If the standard coverage appears to be or is potentially insufficient to cover for (potential) liability of the Merchant, the Merchant is obliged to provide additional coverage, the type, form and further details to be determined by Magnius, within three (3) days after Magnius' first demand.
- 9.3 The Merchant will not receive interest in connection with any coverage provided.
- 9.4 Magnius shall, for a period of nine (9) months after expiry or termination of the Merchant Agreement have the right to:
- hold and dispose of any funds held as coverage; and
  - require the Merchant to maintain any other form of coverage
- 9.5 Magnius reserves the right to extend the nine (9) months period, if such appears reasonably necessary to cover for any (potential) liability of the Merchant towards Magnius which may occur after the 9 months period.
- 9.6 The Merchant shall not be released from any liability occurring beyond the periods mentioned in clauses 8.4 and 8.5.

## **10. LIEN**

- 10.1 The Merchant agrees to and provides herewith Magnius a first priority lien and security interest on and pledges (i) any of the funds held as coverage or coverage in another form and (ii) any Account Balance in the possession of Magnius or the Foundation for any claim that Magnius or the Foundation has on the Merchant. In addition, the Merchant gives an unconditional and irrevocable power of attorney to Magnius to pledge funds, any coverage or Account Balance in favour of Magnius on behalf of the Merchant and to do everything that serves the (vesting of the) pledge.

## **11. THE FOUNDATION**

- 11.1 The Foundation shall act as administrator of third party funds. The obligations and liabilities of the Foundation are limited to the proper management of third party funds.
- 11.2 By signing the Merchant Agreement, the Merchant agrees that Magnius appoints the Foundation, to the exclusion of all others, as the administrator of the third party funds.
- 11.3 The Merchant does not have an agreement with the Foundation. If the Foundation makes a payment to the Merchant, Magnius' payment obligation towards the Merchant is reduced by an equal amount.
- 11.4 The Merchant hereby irrevocably authorizes the Foundation to pay on behalf of the Merchant to Magnius a Fee or other debt of the Merchant to Magnius (perhaps by offsetting a debit amount). The Merchant hereby also irrevocably authorizes the Foundation to make refunds or payments on behalf of the Merchant as instructed by the Merchant via the Magnius Dashboard or as instructed by Magnius if Magnius is allowed to do so under the Merchant Agreement. This sub-clause is a third party clause which benefits the Foundation.

## **12. FEES**

- 12.1 The Fees for the Magnius Services are included in the Merchant Agreement.
- 12.2 Magnius is entitled to change Fees. A change in Fees is announced at least 14 days in advance. If a Merchant does not accept the changes, the Merchant is allowed to terminate the Merchant Agreement as per the date the changes take effect.

- 12.3 Magnius invoices the connection Fees by Merchant after the signing of the Merchant Agreement.
- 12.4 Magnius invoices the Merchant the monthly Fees and Fees for any delivered options each month and one month in advance.
- 12.5 The standard payment term for invoices is 14 days.
- 12.6 Magnius is entitled to set off at any time and without prior notification (whether or not claimable) Fees, taxes and charges against (whether or not claimable) claims of the Merchant, including claims in relation to the Account Balance, regardless the currency of Fees and counterclaims. For the event a set off is not possible, Merchant authorizes Magnius to collect the monthly Fees and Fees for any delivered options through automatic direct debit. If an automatic direct debit cannot be performed, an administrative Fee of € 17,50 will be charged. Merchant will still transfer the owed Fees by a manual command within 14 days.
- 12.7 The Merchants Transaction Fees are deducted before collected funds are added to the Account Balance.
- 12.8 Magnius and the Foundation are individual creditors in relation to the Fees.
- 12.9 All Fees, taxes and charges invoiced to Magnius by financial institutions commissioned by Magnius or the Foundation but related to the Merchant will be charged to the Merchant in accordance with the above articles.
- 12.10 A copy of the records of Magnius and/or the Foundation shall always provide conclusive evidence against Merchant.
- 12.11 All Fees are exclusive of VAT.

### **13. COMPLAINTS**

- 13.1 All complaints by the Merchant sufficiently related to the use of the Website and/or Magnius Services will be seriously considered.
- 13.2 Within 10 business days, Magnius will make a decision on complaints. If this is not possible, Magnius will within the set deadline, inform the complaint submitter thereof and specify a new deadline.
- 13.3 Magnius shall inform the Merchant of its decision in writing or by e-mail, unless the complaint is made by telephone. In the last case, Magnius may decide to make a decision on the complaint during the telephone call.
- 13.4 Complaints relating to goods and services purchased by Customer of Merchant are not considered by Magnius.
- 13.5 Magnius charges to handle Customer complaints, irrespective of the decision, a minimum of € 3.50 plus the standard hourly rate of € 150,- for extra work.

### **14. INTELLECTUAL PROPERTY**

- 14.1 All intellectual property rights, including, but not limited to all existing and future rights and claims on, or in respect to the use of, copyrights and equivalent rights, chips, trade name rights, trademarks, domain names, patents, design rights and database rights in respect of the Platform, the Magnius API, the Magnius Services or related matters, exclusively lie with Magnius.
- 14.2 Magnius grants, under the conditions as stipulated in the Merchant Agreement, to the Merchant the non-exclusive, non-transferable license to use the Platform, the Magnius API, the Magnius Services. Sub-licenses are not allowed.
- 14.3 No part of the Website and Magnius Services may be reproduced, modified or removed, either for the Merchants own use, without express written permission of Magnius. The intellectual property rights in all texts, images, sounds and software on the Website belong to Magnius or its licensors.

## 15. OBLIGATIONS MERCHANT

15.1 The Merchant gives a power of attorney to Magnius to receive payments from Customers on behalf of the Merchant.

15.2 The Merchant is obliged to check Transactions processed through the Platform for inaccuracies.

15.3 The Merchant acknowledges that, as a minimum, it shall, generally:

- not offer goods or services of which offering, trading, possessing or using is prohibited by law or contrary to the accepting policy of Magnius and the policies of Third Party Providers;
- not sell any goods or services the sale or use of which is prohibited under the laws of the countries in which it offers its goods and provides its services, or where the goods and/or services are purchased and used;
- respect and not infringe the intellectual property rights of third parties with regards to the goods and/or services purchased by its Customers while accepting their payments through the Magnius Payment Services and upon becoming aware of any infringement of such rights to immediately terminate such infringement;
- in order to prevent confusion which might lead to an increase of Chargebacks, notify Customers that their payments will be processed via Magnius and that bank accounts held in the name of Foundation Magnius may be used, which name will be visible on the Customer's statement;
- use the Magnius Services solely and strictly in relation to payments for its own goods and/or services;
- use the Magnius Services solely and strictly in relation to payments made for goods and/or services sold through the Approved Website(s);
- notify Magnius in advance of any expected peak volume, either in respect of the value or the number of Transactions;
- notify Magnius immediately of any changes to the information previously provided to Magnius about the Merchant, its representative, its UBO's, its business, its creditworthiness and any other information that may be deemed relevant in the light of provision of the Magnius Services and the related risks;
- have all the permits and/or authorization required by the applicable legislation to conduct his business;
- be responsible for the calculation and payment of any and all applicable taxes due in respect of the Transactions processed;
- observe any legal restriction on surcharging; and
- cooperate with Magnius when Magnius wishes to investigate any situations of actual or potential fraud, misuse or other non-compliance.

15.4 Merchant guarantees that it has a documented complaints -and escalation procedure.

15.5 Reports of errors or complaints of the Merchant should reach Magnius within 8 days after the day of discovery or exploring of the Merchant or reasonably so ought to be done. Failing in above will expire all rights in respect.

15.6 Publishing services in any other way than the original service is not allowed. When publishing from another URL, than the Approved Website(s), or initiating a Transaction through or indirectly for another publication URL, a fine of € 250,- per notification will be charged immediately. Any claims of Third Party Providers or other third parties are charged to Merchant with a 15% surcharge fee.

15.7 Receiving/facilitating payments for third parties, including group companies, is not allowed. Merchant is the sole contractual partner of Customer and responsible for the handling of complaints and possible refunds at any time.

15.8 The Merchant shall ensure that while using the Magnius Services in respect of payments made by creditcards, the Merchant shall have and maintain the appropriate level of PCI

DSS compliance for the term of the Merchant Agreement. As part of the ensured PCI Compliance, the Merchant shall under no circumstances copy, capture or intercept credit card numbers, CVM codes or other transaction data, that are entered on the drop-in-form. Regulatory use of the Magnius Services is PCI DSS-compliant under Magnius' PCI DSS certification for the drop-in-form.

15.9 The Merchant shall comply with (1) applicable laws, (2) the applicable Rules, (3) any and all of its obligations under (a) the Merchant Agreement, (b) the direct agreement towards the Third Party Provider (if applicable) and (c) the agreements with its Customers. In the event of any inconsistency between any provision of the Merchant Agreement and the Rules, the Rules will prevail.

## **16. CREDITCARDS**

16.1 When using Magnius Services, the Merchant is bound by set limits of Magnius or the Third Party Provider per credit card and/or Customer.

16.2 Upon acceptance of card present credit card payments, the Merchant needs to be PCI compliant. The Merchant shall notify Magnius immediately upon becoming aware of its failure to maintain PCI compliancy.

16.3 Certain services or goods may be subject to a connection fee or monthly fee. These costs are charged to the Merchant.

16.4 A creditcard payment can be revoked by a Customer (chargeback) for 6 months. Costs arising from a chargeback (€ 30 + administration fee) will be charged to the Merchant.

16.5 Merchant can go into defense against a Chargeback, Magnius will endeavor to support the Merchant herein, like explained in the Magnius chargeback guide.

## **17. POS**

17.1 Magnius will use commercially reasonable efforts to enable the Merchant 7 days a week, 24 hours a day to accept POS Payments. Magnius has, inter alia, in case of failure, maintenance or security incidents, the authority to fully or partially limit and/or suspend the acceptance of POS Payments by the merchant, without any liabilities. Magnius will, if possible, give Merchant the opportunity of taking (intent to) knowledge about suspension in advance unless Magnius considers this undesirable in connection with for example (but not limited to) fraud prevention or detection or interests of third parties.

17.2 The Merchant is obliged to use recent anti-virus software, anti-spyware software, firewall software and other technical security tools to protect the use of POS Payments. If the Merchant suspects or discovers the presence of a virus, spyware or unauthorized access by a third party, he must immediately notify Magnius and take all possible measures to mitigate damage.

17.3 Prior to accepting a payment by card as a POS Transaction, the Merchant shall:

- obtain authorization for every Transaction, except when it is not required under the scheme rules;
- verify that the four (4) digits printed above (or under) the embossed card number match the first four (4) digits of the card number. Merchants whose Transactions relate to products that are representative of actual cash and which has stores or represents value, including but not limited to money orders, traveller's cheques, foreign currency, lottery tickets or casino gaming chips shall include the said digits on the Merchant's copy of the relevant receipt;
- verify that the signature on the Transaction receipt matches the name embossed on the face of the card, the Customer's signature on the card and the signature on any identification documents presented;
- verify that the person presenting the card for making the payment is the person whose name is embossed on the face of the card;

- verify that the embossed account number on the face of the card matches the printed number on the back of the card and the account number of the receipt;
- verify that the card, and in particular the signature panel is not visibly altered or mutilated;
- verify that the card has not expired;
- if applicable, that the person presenting the card for making the payment resembles the person depicted in any photograph intended for identification on the card;

17.4 Furthermore, the Merchant must:

- keep the card until the Customer signs the receipt, and
- if the card is not signed or the signature on the receipt differs from that on the card, request identification by the person presenting the card for making the payment. In this case, the name and signature must match the identification documents presented and, upon a mismatch, the Transaction shall be rejected.
- when the card is a chip and PIN card, process the card as prompted by the terminal and the Customer shall be required to input the applicable PIN, when and if prompted by the terminal; and
- request manual telephone authorization when (i) the card is not signed, (ii) the Merchant is suspicious of the Transaction, (iii) the Merchant finds a match with a negative or stop list, or (iv) when the Transaction is processed manually.

17.5 Merchant needs to position the POS terminal following the rules and instructions of Magnius. Merchant must, among other things, position a POS terminal in such a way that the secret code from a customer when entering, is reasonably not visible for merchant and/or third parties. Under no circumstances may the entry of the PIN on the Terminal be recorded on camera.

17.6 Special Point-of-Sale conditions apply to the purchase and usage of POS terminals.

## **18. REFUNDS**

18.1 With a refund, Merchant can return a payment or part of a payment to a customer.

18.2 Merchant can initiate a refund in the Magnius Dashboard.

18.3 Magnius has the right to refuse to process a Refund if:

- The Account Balance is too low for a Refund;
- The bank account of Customer and/or Merchant is blocked.

18.4 Refunds are executed within a business day by Magnius, provided the Account Balance of the Merchant is sufficient, to the Customer of the Refund. The Account Balance of the Merchant must not fall below the Available Account Balance by the Refund, which is determined by any Rolling Reserves or payout threshold.

## **19. INDEMNITIES BY THE MERCHANT**

19.1 The Merchant shall indemnify Magnius and shall keep Magnius harmless for any and all costs (including legal fees) and damages incurred by Magnius in connection with:

- a) a failure (including an alleged failure) by the Merchant to perform its obligations under the Merchant Agreement and to comply with the service conditions;
- b) any Transaction processed under the Merchant Agreement;
- c) any claim by a Customer, a Third Party Provider or any other third party, made by such party due to a failure (including an alleged failure) by the Merchant to perform its obligations under the Merchant Agreement or any other act or omission which is attributable to the Merchant; and
- d) any claim by a Third Party Provider, made due to a failure (including an alleged failure) by the Merchant to perform its obligations under the direct agreement.
- e) any claim by a Third Party Provider under applicable scheme rules in relation to actions or Transactions of the Merchant (such as a Chargeback, fee, fine or penalty).

19.2 The indemnity obligations of the Merchant described in clause 19.1 shall exist irrelevant of whether such costs and damages are incurred in the form of Chargebacks, refunds, or are otherwise claimed for.

19.3 The Merchant shall assist Magnius as Magnius may require in the handling of any claims or actions brought against Magnius by any third party and Magnius shall be entitled to settle or otherwise deal with such claims or actions at the sole discretion of Magnius.

19.4 Any dispute between the Merchant and its Customer about a Transaction shall be resolved solely between the Merchant and such Customer.

## **20. TERM AND TERMINATION**

20.1 Unless otherwise agreed or stated in these general terms and conditions, a Merchant Agreement is established upon evidence by a countersigned Merchant Agreement. The Merchant Agreement is valid for an indefinite period. Either party may, subject to clauses 20.2 and 20.3, terminate the Merchant Agreement giving the other party one (1) month notice.

20.2 A party may terminate the Merchant Agreement with immediate effect by written notice, if the other party:

- a) fails to comply with any of its obligations under the Merchant Agreement which remains uncured after ten (10) days (or such longer period as specified by the party giving the notice or agreed between the parties) written notice thereof;
- b) or any creditor files or threatens to file, a petition for bankruptcy, becomes insolvent, or makes any arrangement or composition with or assignment for the benefit of its creditors, or a receiver is appointed for the other party or its business, or the party goes into liquidation either voluntarily or compulsorily; the foregoing terms should be construed so as to cover similar steps or procedures in any jurisdiction in which the other party is incorporated or where any of its assets are located;
- c) is affected by an event of force majeure, preventing the other party to perform its obligations under the Agreement, or any of them, continues for more than thirty (30) consecutive days.

20.3 Magnius may suspend, without being required to give notice of default, provision of a part or all of the Magnius Services for as long as Magnius may deem reasonable and/or terminate the Merchant Agreement immediately, without incurring any liability towards the Merchant and without limiting any other rights of Magnius under the Merchant Agreement:

- a) if the Merchant no longer meets the acceptance criteria;
- b) if the Merchant is the party facing a situation as described in clause 20.2(b);
- c) if the Merchant fails to comply with applicable laws or Rules;

- d) if the Merchant is the subject of investigations performed or fines levied by a regulator, government authority or competent court;
- e) if the Merchant fails to comply with the scheme rules or is reasonably considered to be acting non-compliantly with the scheme rules or if an event occurs that may put or threaten to put the Merchant in breach of or act incompliantly with any of the scheme rules;
- f) if the Merchant is the subject or is likely to become the subject of penalties levied by a Third Party Provider;
- g) if Magnius reasonably suspects that the Merchant misuses any of the Magnius Services;
- h) if Magnius reasonably suspects that a third party has compromised the Merchant's log-in details;
- i) if Magnius is requested or instructed to do so by a Third Party Provider, a competent court or a regulator;
- j) if a Third Party Provider has reasons to not enter into a direct agreement with the Merchant or if a direct agreement between a Third Party Provider and the Merchant, is terminated;
- k) if Magnius or a Third Party Provider reasonably suspects that Transactions are fraudulent or otherwise irregular or that the Magnius Services are or have been used fraudulently or otherwise irregularly either by the Merchant or a third party;
- l) if Magnius, a Third Party Provider deems the Merchant's conduct could injure Magnius, the Third Party Provider, its reputation, payment services, concepts, systems or confidential information (as defined in the scheme rules);
- m) a Merchant does not pay or Magnius cannot obtain payment of any amount due by the Merchant to Magnius when Magnius has notified the Merchant that payment is overdue and has given a reasonable payment term;
- n) if there is a deviation from or an otherwise notable pattern or change of a pattern, including but not limited to Transaction volumes or values exceeding the expected and/or agreed volume or value or the number of Chargebacks or refunds exceeding thresholds set by the scheme rules;
- o) if there is insufficient coverage for the payments in regards of Magnius Fees, potential liability of the Merchant or service adjustments due by the Merchant to Magnius under the Merchant Agreement; or
- p) if the Merchant has not been processing any Transactions for a period of more than six (6) months.

20.4 Magnius will inform the Merchant as soon as possible if Magnius uses its right of suspension or termination. If possible, Magnius will state the reasons for the suspension or termination. Magnius may attach conditions to the termination of the suspension. Magnius is not obliged to compensate for any damage or loss resulting from Magnius use of its right of suspension or termination. A suspension can be followed by the termination of the Merchant Agreement if the grounds for termination still exist or if the Merchant fails to satisfy the conditions set by Magnius.

20.5 The Merchant shall cooperate promptly in any investigation of fraudulent or otherwise illegal behavior relating to the Merchant Agreement, the Magnius Services, the Merchant's business or otherwise and shall provide Magnius, a Third Party Provider, regulator or any other party performing the investigations with all requested and necessary information. Furthermore the Merchant shall stop such behavior upon Magnius' first demand.

20.6 The suspension of the provision of a part or all of the Magnius Services will, as a minimum, sustain during the period where Magnius, either or not jointly with the Merchant, makes a satisfactory investigation regarding the Transactions and the

Merchant's role and activities. Such suspension may include but shall not be limited to discontinuation of the processing of Transactions, the withholding of all or part of the onward settlement and disabling Merchant's access to the Magnius Dashboard.

## **21. CONFIDENTIALITY, PRIVACY EN NON-COMPETITION**

- 21.1 In relation to Transactions, Magnius shall act as a data processor as meant in applicable privacy legislation and therefor, Magnius will only process the personally identifiable information in accordance with the instructions from the Merchant as part of the Magnius Services. The Merchant's submission of a Transaction to the Magnius API shall constitute instructions to process the personal data contained within the prescribed Transaction data for the purpose of provision of the Magnius Services to the Merchant. The prescribed Transaction data shall only contain personal data if and to the extent necessary for Magnius to provide the Magnius Services.
- 21.2 Magnius shall take appropriate technical and organizational measures in order to secure the confidentiality of personal data and to prevent its unauthorized disclosure. Magnius will restrict the further processing of personal data to the Third Party Provider and Third Party Provider involved in the effectuation of the Transaction.
- 21.3 The Merchant shall in its turn comply with all its obligations in its capacity of controller in accordance with applicable privacy legislation, including without limitation, providing proper notices to its Customers about how personal data may be used and stored and obtaining appropriate consents for the use of the personal data under the Merchant Agreement.

## **22. LIABILITY**

- 22.1 If Magnius is liable in connection with failure to perform its obligations or on any other legal ground, Magnius shall only be liable for direct damage and not for indirect damages. Indirect damage includes, but is not limited to: the loss of goodwill, loss of profits, loss of savings, loss of (investment) opportunities.
- 22.2 A failure in the performance of a Merchant Agreement may not be invoked against Magnius and not against any engaged third party by Magnius (s) in case of force majeure.
- 22.3 If and insofar Magnius is liable to the Merchant, this liability is limited in all cases to an amount equal to the fees the Merchant paid to Magnius in respect of the Merchant Agreement to which the damage relates. In case of an agreement with a duration longer than six (6) months, the liability of Magnius is limited to the fees, excluding VAT, received by Magnius in the last six (6) months.
- 22.4 The liability of Magnius shall, notwithstanding the preceding articles, in all cases be limited to EUR 10.000,- (in words: ten thousand euros) per damage causing incident. A series of incidents counts as one (1) incident.
- 22.5 Any claim against Magnius must be submitted in writing to Magnius by the Merchant within a period of three (3) months after the injurious incident is known by the Merchant, barring a written acknowledgment of the claim by Magnius. If the Merchant fails to do so, its right to claim is expired.
- 22.6 On behalf of and for the Foundation, Magnius excludes any liability for the shortcomings of the Foundation. This sub-clause is a third-party clause which benefits the Foundation.
- 22.7 The provisions of this article also apply to the benefit of all (legal) persons Magnius engages to execute the Merchant Agreement.

## **23. FINAL PROVISIONS**

- 23.1 The applicability of the CISG is excluded.
- 23.2 Title 7B of Book 7 of the Dutch Civil Code and other laws and regulations which implement Directive 2007/64/EC or Directive 2015/2366 of the European Parliament and the Council do not apply to the parties.

- 23.3 Merchant hereby grants permission in advance to Magnius as referred to in article 6: 159 Dutch Civil Code, to transfer an agreement at a time desired by Magnius, to a third party to designated by Magnius. If and to the extent necessary or desirable, Merchant also undertakes to confirm in writing its prior consent. The rights and obligations of the Merchant cannot be transferred by Merchant to another party. If the Merchant wants to assign the Merchant Agreement to another party, this party should apply for its own merchant agreement with Magnius.
- 23.4 The Merchant Agreement, including the General Terms and Conditions, are governed by Dutch law.
- 23.5 All disputes arising from the Merchant Agreement or these General Terms and Conditions shall be in first instance submitted to the district court in Amsterdam, which has exclusive jurisdiction for such disputes.