

TERMS FOR THE PARTICIPATION IN CARD SCHEMES

The following Terms govern the Participation Agreement in Card Schemes between JCC and the Merchant and are part and parcel.

1. DEFINITIONS:

Unless otherwise provided:

- 1.1. **"Merchant Number"** means the reference number given by JCC upon Merchant's registration in the Card Schemes.
- 1.2. **"Split Sale"** means the preparation of two or more Sales Slips for the single Transaction on one account in order to avoid Authorisation.
- 1.3. **"International regulations of Card Schemes"** means each regulation which regulates the functioning of every Card Scheme.
- 1.4. **"Merchant Service Charge (MSC)"** means the amount the Merchant is charged by JCC for the processing of each transaction as this is fixed in the Agreement for the Participation in Card Schemes and which may be amended by JCC from time to time.
- 1.5. **"Authorisation"** means the approval of a Card by JCC or by the Card Schemes for a Transaction that exceeds the Floor Limit.
- 1.6. **"Slip"** means Credit Slip and/or Sales Slip according to every case.
- 1.7. **"Credit Slip"** means the paper record of refunds of certain transactions between the Merchant and a Cardholder which shall be presented by the Merchant to JCC for processing in order to credit the Cardholder's account and debit the Merchant's Account.
- 1.8. **"Sales Slip"** means the paper record of payment of a Card Transaction printed by a Point of Sale Terminal (POS).
- 1.9. **"Stop list"** refers to the communication sent electronically by JCC to inform the Merchant of Card account numbers which are not to be accepted for various reasons in order to update the POS.
- 1.10. **"Business Day"** means any day except Bank Holidays, as specified in the Bank Holidays Law.
- 1.11. **"Bank Cards"** means the designated credit/debit cards issued by Banks or other organizations to Cardholders and any other card that may be designated by JCC to the Merchant.
- 1.12. **"Deposit"** means the transmission of transactions from a POS to JCC for processing.
- 1.13. **"Merchant's Account"** means the Account held with, and authorised by, one of the local Banks and designated by the Merchant, through which all debits or credits shall be processed by JCC after the Merchant's application to participate in the Card Schemes.
- 1.14. **"Law"** means the Processing of Personal Data (Protection of Individual) Law of 2001 (L.138(I)/2001).
- 1.15. **"Card Acceptance Guide"** means all reference materials containing the JCC rules, provided periodically to the Merchant by JCC which describes the procedures that the Merchant needs to follow for the processing and collection of all Card Transactions and which, in every case, are subject to the rules and regulations of the Card Schemes. The Card Acceptance Guide can be found on the JCC website (www.jcc.com.cy).
- 1.16. **"Floor limit"** means the maximum amount fixed by a POS and/or Card, up to which Transactions without Authorisation can be performed.
- 1.17. **"Discounting Fee Rates Table"** means the table defined by each Cyprus Issuing Bank which is involved in the Card Market Installment Plan regarding this service. The Merchant can be informed about the Banks' Discounting Fee Rates Tables from bank announcements, from the local press and from JCC's website (www.jcc.com.cy).
- 1.18. **"Agreement"** refers to the Agreement for the Participation in Card Schemes.
- 1.19. **"Card Transaction"** refers to the Transaction (including a JCC Express Transaction, an Installment Purchase or a DCC Transaction) between the Merchant and a bonafide Cardholder for the sale or rental of goods or the provision of services or any refund thereon by the former to the latter, evidenced by a Sale Slip or a Credit Slip according to each case.
- 1.20. **"Return Transaction"** means the Card Transaction between the Merchant and the legal Cardholder during where the Cardholder receives a credit return as this is recorded on the Credit Slip.
- 1.21. **"Installment Transaction"** means the Card Transactions which are performed with a card issued by a Cyprus Issuing Bank member of the Cyprus Card Market Installment Plan and the Cardholder agrees to pay in monthly installments for the purchase of a good or service according to the Installment Plan.
- 1.22. **"DCC Transaction"** refers to the Transactions conducted in foreign currency and which comply with the provisions of paragraph 9 below.
- 1.23. **"JCC Express Transaction"** refers to the Transactions where the Cardholder's signature or PIN number is not required.
- 1.24. **"Card Schemes"** refers to the 'VISA', 'MASTERCARD' and 'DINERS CLUB INTERNATIONAL-DCI' (includes also DISCOVER) Card Schemes to which JCC is a member, or any other Card Scheme that may be indicated by JCC.
- 1.25. **"Installment Plan"** refers to the installment plan of the Cyprus Market cards in which the Banks mentioned in JCC's website (www.jcc.com.cy) participate.
- 1.26. **"Point of Sale Terminal (POS)"** refers to the electronic point of sale which the Merchant either rents from JCC according to the terms of this Agreement or buys from authorised JCC vendors and which allows the automatic concentration and transmission of Transaction information and granting of Authorisation.
- 1.27. **"DCC Service"** refers to the service which provides the Merchant the possibility to process DCC Transactions.
- 1.28. **"JCC Express Service"** refers to the service which provides the Merchant the possibility to process JCC Transactions.
- 1.29. **"Installment Plan Service"** refers to the service which provides the Merchant the possibility to process Installment Transactions.
- 1.30. **"PCI-DSS: Payment Card Industry Data Security Standard"** refers to the international Card data security board that was created by Card Schemes. PCI-DSS is the international standard that was implemented and includes the necessary security standards regarding Card data and refers to all organizations (including Merchants, Banks, Acquirers, processing Centers, etc) that keep, transmit or store Card data.
- 1.31. **"Merchant Agent"** refers to the term used for a service provider or third party that comes into contact with cardholder information, as part of a service offering to the Merchant. More specifically, a 'Merchant Agent' can be considered as such only if it stores, processes or transmits cardholder data; if so, then the 'Merchant agent' must be registered with Card schemes.

2. THE MERCHANT'S DUTIES

- 2.1. The Merchant shall honor with no discrimination all valid and unexpired Cards presented to him for Transactions. It is understood that the Merchant shall not increase the price or impose any other fee or surcharge upon any customer who uses a Card for payment of any Transaction and shall not establish minimum or maximum number and/or amounts of Transactions as a condition for honoring valid Cards and shall not charge the Cardholder with any fees and/or charges payable by the Merchant under this Agreement.
- 2.2. The Merchant shall comply with all JCC's instructions, and the provisions as outlined in this Agreement and in the Card Acceptance Guide.
- 2.3. The Merchant shall keep the necessary security standards as these are referred by PCI-DSS standard for the protection of Card data. JCC has the right to enforce additional security standards regarding Card data if and when instructed by Card Schemes. In addition JCC may ask from the Merchant to complete yearly a questionnaire that confirms the secure storage of these data, according to PCI-DSS standard.
- 2.4. Whenever instructed by JCC, or whenever the Merchant determines that a Card is altered, disfigured or counterfeit or is listed in the current Stop List, the Merchant shall try to retain the Card using prudence and care to avoid any breach of the peace or any injury to any person or property.
- 2.5. The Merchant shall display advertising materials and stickers which will be periodically provided by JCC for the purpose of advising the public that the designated cards will be honored by the Merchant.
- 2.6. The Merchant shall store all Cardholders' account information that came to his possession. This information is considered confidential and access to it is forbidden to any third party without the authorisation of JCC.
- 2.7. In no case and at no stage of the Transaction shall the Merchant, and by extension, his business systems which are linked to the JCC Card Systems, store his customers' Card details. Card details are the Card numbers, expiry dates and any other data as collected in the course of the Transaction.
- 2.8. The Merchant shall notify JCC immediately in the event of changes which may affect the application of this Agreement including changes to any of the details stipulated in the Merchant's application form pursuant to the Agreement for the Participation in Card Schemes in force between Merchant and JCC (the "Application Form") and or any other changes which may affect the Merchant's Account.

- 2.9. The Merchant shall notify JCC immediately for any agreement that was made with a 'Merchant Agent' as this term is describe above. If the Merchant has any relationships with a 'Merchant Agent', then must contact JCC to provide him with guidance as to the registration process of the 'Merchant Agent' to card schemes.
- 2.10. The Merchant agrees to comply with all laws applicable to its business activities, including, without limitation, any export, import, customs or other restrictions on distributing any goods or services sold by Merchant.
- 2.11. The Merchant is obligated to keep and safeguard all Sales Slips for a period of three (3) years at least, and shall provide JCC within seven (7) days all requested copies and/or originals of slips. Following expiry of three (3) years from the date of issuance of the above Sales Slips the Merchant is destroy them in such a way as to make reading thereof impossible.
- 2.12. In the case of Slips issued regarding overnight stays in hotels and/or the issuing of air tickets and/or car rentals, the Merchant shall keep and safeguard for a period of three (3) years at least, any contracts, account details and customer check in record cards (for hotels) and copies of air tickets (for airline companies). JCC shall reserve the right at all times to check these documents and/or electronic data.

3. PROCEDURES REQUIRED FOR CARD TRANSACTIONS

Transactions shall be performed through the use of a POS Terminal at the time and place of the Transaction except in the cases mentioned in Clause 4.2 according to the following:

- 3.1. The Merchant shall perform all Transactions according to the instructions sent periodically by JCC to the Merchant, the provisions of this Agreement and the Card Acceptance Guide.
- 3.2. The Merchant, before accepting a Card for a Transaction shall make sure that the Card is genuine by checking the security features it contains. If the Card seems to be counterfeit then the Merchant shall refuse to perform/accept the specific Transaction and contact JCC for further instructions.
- 3.3. Each Sales Slip must show the total selling price of products and/or services, the Transaction date, the Authorisation number (if it had been requested for the specific Transaction), the Cardholder's signature (where it is requested), the Card number and expiry date (according to JCC's instructions).
- 3.4. In the event where a sale was not performed after submitting the information through a POS or submitting wrong information, then the Merchant shall cancel the Transaction according to the cancellation procedure (VOID) which is stated in the POS Card Acceptance Guide. The Merchant agrees to perform a return Transaction only in the cases where the Cardholder returns the products or services which had been purchased by Card. For other rectifications which none of the above procedures is applicable the Merchant is obligated to contact JCC.
- 3.5. All Transactions submitted to JCC shall be processed according to the provisions of this Agreement.
- 3.6. The physical presence of the Card by its legal owner is an absolute requirement for the performance of a transaction so that the Card data may be recognized by the Merchant's POS.
- 3.7. The Merchant shall maintain the same policy for returns from Card sales as cash sales without affecting in any way JCC's rights. It is noted that any difference arising between the Merchant's policy and the International Regulations of Card Schemes must be announced to the Cardholder in writing during the Transaction.
- 3.8. No cash refund shall be made on a Card Transaction by paying cash directly to the Cardholder. The refund shall be accomplished by the preparation of a Return Transaction. The Cardholder will receive a copy of the Credit Slip. The Credit Slip will not be used for a cash sale.

4. NON SECURED TRANSACTIONS

- 4.1. Honoring any card should always be made in accordance to clause 3.1 above. The Merchant acknowledges that Transactions performed following any other procedure are **NOT** secured, i.e. there is the possibility that the Cardholder may **not accept** the Transaction and therefore the Transaction amount may be credited back to the Merchant's Account.
Based on the above, the Merchant acknowledges that Transactions which are performed following procedures not advised by JCC, including the **keying in** of a Card number on a POS, the **use of a manual imprinter** to honor cards, the use of the Card for a Transaction where the Cardholder is not physically present as in the case of mail order ("MO"), or telephone order ("TO") are solely in the responsibility of the Merchant. Should the Merchant wish to accept Transactions performed following procedures not advised by JCC, it must additionally record the Transaction data as these are recorded in procedures for non-secured Transactions in the Card Acceptance Guide.
- 4.2. In case of a POS malfunction, of an interruption in telecommunications, of a problem in the International Card Schemes or in JCC, or in the case where, for any reason the Merchant is unable to submit or transmit data from his/her POS, then the Merchant can use the procedures described in the Card Acceptance Guide if he/she wishes to honor Cards and this is done with the sole **responsibility of the Merchant**. The Merchant acknowledges that these Transactions are **not secured**.

5. CHARGES – THE MERCHANT'S ACCOUNT – PAYMENTS

- 5.1. The Merchant will be charged for his registration in the Card Schemes pursuant to the Agreement for the Participation in Card Schemes.
- 5.2. The Merchant will pay JCC fees (MSC), according to the Agreement for the Participation in Card Schemes. JCC will either pay the totality of the sum indicated on every Sales Slip by directly depositing it in the Merchant's Account or with any other way JCC decides, after having subtracted MSC and other charges.
- 5.3. In case where there is a difference between the terms of this Agreement and of any other document concerning the Merchant's Account the terms of this Agreement will apply.
- 5.4. The fact that Authorisation is granted does not affect JCC's rights to revoke payment or otherwise require payment from the Merchant regarding any Transaction. In no event shall the fact that Authorisation was obtained by the Merchant be deemed to be JCC's acceptance that the particular Card Transaction is in fact a valid, authorised or undisputed Transaction entered into by the legal Cardholder.
- 5.5. No Transaction payment shall be considered final since the Transaction is subject to charges pursuant to Clause 5 of this Agreement. JCC is absolutely entitled in those cases that it considers it as appropriate not to accept a Sales Slip to be deposited or to refuse its payment or in case that same Sales Slip has been accepted and paid to charge back to the Merchant the amount appearing on it in any of the following cases:
 - It reasonably deems that this amount cannot be collected from the account of the Cardholder to which it would have been charged
 - The Transaction should not have been allowed
 - The Sales Slip was completed in breach of the terms of this Agreement or the Card Schemes' Regulations
 Without prejudice to the generality of this provision JCC may also charge the Merchant in any of the following cases:
 - 5.5.1. The Account number is invalid.
 - 5.5.2. The Card is expired or it is not yet effective.
 - 5.5.3. The account number of the Card is listed on the Stop List.
 - 5.5.4. The Transaction was made without obtaining an authorisation (where required).
 - 5.5.5. The Sales Slip was not signed (where required) or the signature does not match the signature on the Card or it concerns previous incurred debts.
 - 5.5.6. The Transaction was made in violation of clause 2.9 to this Agreement.
 - 5.5.7. There is any reasonable dispute of claim on behalf of the Cardholder.
 - 5.5.8. The Transaction had been processed before.
 - 5.5.9. There is a Split Sale.
 - 5.5.10. The Card features have not been checked.
 - 5.5.11. The same Sales Slip has been deposited to other financial organizations for payment.
 - 5.5.12. The Transaction concerns another Merchant.
 - 5.5.13. The Sales Slip was not delivered to JCC within the time limit referred to in clause 7.
 - 5.5.14. Refusal or failure of the Merchant to provide JCC within (7) seven days from the date of request, with copies and/or originals of the Sales Slips.
- 5.6. In addition the Merchant shall pay, upon demand:

- 5.6.1. All charges according to clause 7.4 of this Agreement.
 - 5.6.2. Arbitration fees imposed upon JCC by the Card Schemes in order to ascertain the validity of a transaction for which JCC deems the Merchant was responsible.
 - 5.6.3. Charges and fines imposed by the Card Schemes on JCC for non-compliance of or breach of the Card Schemes regulations, for which JCC deems the Merchant was responsible.
 - 5.6.4. Legal and Judicial Fees incurred by JCC for any reason and which concern the Merchant.
- JCC can collect all due fees, payments and Charges including those mentioned in clause 5 of this Agreement by making a direct withdrawal from the Merchant's Account or request a direct payment from the Merchant or by any other way that JCC may decide including the retention of sums from future payments. It is understood that the charges and fees mentioned above can be imposed after the termination of this Agreement or in the case where the Merchant's Account has been closed or does not contain sufficient sums to pay any dues to JCC. In order to preserve the rights of JCC which are mentioned above the Merchant shall sign and deliver to JCC an irrevocably authorization that will give the right to JCC to engage in any actions as to credit and/or debit the Merchant's Account. The irrevocably authorization will be signed on or around the signature date of the Agreement for the Participation in Card Schemes. In order to avoid any doubt the Merchant shall sign the relevant application and authorization indicated by JCC.

6. RESERVES

- 6.1. The Merchant acknowledges and agrees that if JCC, in its sole judgment, considers that the Merchant's activities might damage its interests, and/ or its rights and/or its credibility and/or may cause possible financial damages either to JCC or to the banking industry, JCC will create an initial reserve (the "Initial Reserve") as soon as it is practicable upon Merchant's execution of this Agreement, in order to secure Merchant's obligations hereunder. The Initial Reserve will be held as a security against chargebacks and/or fraudulent Transactions and/or possible penalties imposed by Card Schemes and/or penalties or claims made by any governmental body in respect of a possible breach of its regulations, and/or any other obligations of Merchant towards JCC, pursuant to the provisions of this Agreement or any other Agreement in force between JCC and Merchant. The Initial Reserve will consist of either or both of the following, pursuant to the provisions of the Agreement for the Participation in Card Schemes:
 - 6.1.1. The "Rolling Reserve Amount": the retention by JCC of a percentage determined by JCC in the Agreement for the Participation in Card Schemes, of the total gross sales from all Transactions (less Merchant service charge) on any particular day. JCC will retain the Rolling Reserve Amount for a period set out in the Agreement for the Participation in Card Schemes the "Rolling period for Rolling Reserve" after which the amounts retained will be released to Merchant;
 - 6.1.2. The "Bank Guarantee": The deposit of a financial security by the Merchant with JCC as beneficiary for an amount equal to a percentage of Merchant's anticipated total gross purchases as determined by JCC in the Agreement for the Participation in Card Schemes (the "Bank Guarantee Amount"). The Bank Guarantee Amount may be reviewed and amended on a monthly basis.
- 6.2. JCC reserves the right to withdraw an amount equal to the chargebacks and/or fraudulent transactions from the Bank Guarantee Amount, or the Rolling Reserve Amount. It also reserves the right to request to change the Rolling Reserve Amount, according to the Merchant's chargeback ratio performance and monthly turnover.
- 6.3. JCC will have the right to deduct from, recoup, or offset against the Initial Reserve, any amounts owed by Merchant to JCC.
- 6.4. Upon termination of the Agreement, JCC will retain the Initial Reserve if any, for a period of one year from the date of the last Transaction before returned to Merchant or indefinitely if there was material breach of this Agreement. JCC can hold the Initial Reserve and use it to pay chargebacks or penalties even if the Merchant is liquidated (either by its members or creditors or by the Court in accordance with the provisions of the Cyprus Companies Law (CAP 113) as amended from time to time) or in the instance in which the Merchant is a natural person if he/she is declared bankrupt pursuant to the Bankruptcy Law (CAP 5) and regulations in place as amended from time to time.
- 6.5. JCC may take any other reasonable actions and measures necessary, to be effective immediately, whenever JCC considers that such measures and actions are required so as to protect itself against chargebacks, penalties and credits including, but not limited to, changing Merchant's payment schedule for Transactions or refusing to authorize any or all Transactions.

7. BATCH TRANSMIT AND WARRANTIES

- 7.1. The POS batch transmission shall be made every day. The batch must include valid Transactions between the Merchant and Cardholders. Payments shall be made pursuant to the Agreement for the Participation in Card Schemes. JCC reserves the right to inspect Transactions and delay any payment when it reasonably judges that the Transactions might have been performed incorrectly or in breach of the terms of this Agreement or the Regulations of the Card Schemes. JCC reserves the right to delay indefinitely, part or the full amount of the payment of the Deposit in order to create and retain an Initial Reserve pursuant to the provisions of clause 6 to this Agreement, if, in its sole judgment, it reasonably deems that the risks from the Merchant's activities have increased and such activities may damage JCC's interests..
- 7.2. The Merchant shall have the responsibility to check that the batch has been sent to JCC for processing.
- 7.3. The Merchant warrants that each Sales Slip is a true and correct record of a Transaction and is presenting each Sales Slip for payment, the Merchant also warrants that all goods were delivered and/or all services were performed.
- 7.4. If the Merchant is using outside sources to deliver Goods or Services, such source(s) shall be the Merchant's agents. The Merchant agrees to assume full responsibility and liability for any failure of such source(s) to comply with the Card Acceptance Guide or any rule and regulation of the Card Schemes and for any damages that JCC may suffer. The Merchant agrees that JCC's obligation to reimburse the Merchant for the value of transactions concerning Goods or Services delivered through such agent is limited to the amount of Transactions received by JCC from that agent.
- 7.5. The Merchant warrants that each Transaction shall be presented to JCC for processing within the time limit mentioned in the clause above and that Sales Slips presented to JCC for payment will not be presented for payment to any other financial organization.
- 7.6. The Merchant agrees not to present any Split Sale Transactions to JCC.

8. AMENDMENTS

- 8.1. JCC, may at any time and at its sole discretion, propose an amendment to this Agreement (including its Addenda), its terms, policy, procedures and documents or terminate any service with at least two months' notice from the proposed date of entry into force of the amendment.
- 8.2. Any amendment of this Agreement proposed by JCC shall be considered to have been accepted by the Merchant if he has not notified non-acceptance to JCC prior to the proposed date of entry into force.
- 8.3. Whenever any amendment to this Agreement is proposed by JCC, the Merchant shall be entitled to terminate this Agreement immediately and with no additional charge prior to the proposed date of entry into force of the amendment.
- 8.4. JCC may, at any time during the term of this Agreement, require from the Merchant to create, to its benefit, an Initial Reserve, pursuant to clause 6 to this Agreement, if, in its sole judgment, it considers that the Merchant's activities might damage its interests, or if such Initial Reserve has already been created, to require that the Initial Reserve be increased when it reasonable deems that the risks from the Merchant's activities are increased.
- 8.5. During the term of this Agreement JCC is entitled to:
 - 8.5.1. Re-examine, for verification purposes any information that was given by the Merchant.
 - 8.5.2. Request credit reports and/or otherwise verify the Merchant's current credit standing and funding adequacy.
 - 8.5.3. Inspect the Merchant's premises at any time during the Merchant's business hours and the Merchant agrees to cooperate with any such inspection.

9. USE OF ELECTRONIC POINT OF SALES (POS)

- 9.1. The Merchant declares that he/she was not influenced in any way by JCC regarding the choice of a POS he/she intends to rent and/or purchase but has chosen the POS out of his/her own free will. Commencement date shall be the date the POS is installed and becomes operable at the Merchant's place of business.
- 9.2. The Merchant shall be held responsible for: (a) the provision and supply, at his own expense, of the proper space for the installation of the POS and the proper telephone line, (b) for the proper and necessary electronic settings in order to operate the POS according to the manufacturer's instructions and the instructions of JCC for the installation, programming and operation of the POS.
- 9.3. In the event where the Merchant rents the POS from JCC, the latter shall provide all technical or other support regarding the POS programming. The Merchant shall allow only JCC authorised agents to program the POS. In the event where the POS was purchased by JCC's authorised vendors the Merchant and the vendors have the responsibility of programming the POS.
- 9.4. The Merchant shall solely be responsible to conform to the applied telecommunication regulations including the regulations applied by different telecommunication organizations.
- 9.5. The Merchant shall use the POS to receive authorisation, capture the Cards Transaction information and then transmit all Card Transactions according to the Card Acceptance Guide. The Merchant shall not use the POS for any other purpose other than the specific purpose which it was rented / purchased for and the Merchant shall be responsible for its protection against any damages or causes that could lead to its harm or destruction. The Merchant shall not install or attach any machinery or part to the POS that might interfere with its functions and use and that in case that it is removed (machinery or part) could cause damage to the POS.
- 9.6. If the Merchant does not succeed to obtain Authorisation for a card Transaction through the POS, then he has three options: (a) refuse the Transaction, (b) call JCC to re-examine the specific Card, and (c) to request another authorisation through the POS for a smaller amount. If the Merchant succeeds in obtaining authorisation by exercising the third option, then he is forfeited the right to request authorisation for any other amount, smaller or higher than the authorised one within the next 24 hours from the authorised Transaction.
- 9.7. In the event where the Merchant is renting the POS from JCC, the latter shall ensure that the POS remains in good functional condition by its authorised agents, and be responsible for servicing. Occasionally and during normal business hours, the Merchant shall make the POS available for inspection, service or replacement and permit JCC to inspect the POS' data. In case where the POS is purchased from official distributors then the Merchant shall keep the POS in good functional condition and be responsible for its service and updates.
- 9.8. The Merchant shall notify JCC of any loss, theft, exposure to abuse or unauthorised use of the POS as soon as this comes to his attention.
- 9.9. The Merchant shall notify JCC in a timely manner of any malfunction of the POS and about the place, time and nature of such malfunction.
- 9.10. The Merchant must see to it that the POS is always operated by trained personnel and according to JCC's instructions and the manufacturer's specifications and any other instructions and procedures issued by JCC from time to time.
- 9.11. JCC is at all times the sole owner of the POS in the event where the Merchant is renting the POS from JCC. The Merchant will have no other right than to use it for the purpose rented at his/her place of business or otherwise stated in this Agreement. JCC may at any time attach stickers onto the POS that will indicate the rightful ownership of JCC.
- 9.12. JCC may at all times attach advertising material on the POS whether this is rented or owned by the Merchant.
- 9.13. In the event where the Merchant is renting the POS from JCC, he/she shall be obligated to keep the POS free from any confiscating rights, claims, pretensions, burdens or procedures. The Merchant shall not sublease or suppress the POS or transfer this Agreement to anyone else without JCC's written consent. In the event of POS ownership by the Merchant, the latter should notify JCC in writing for any change in the POS ownership.
- 9.14. Loss or any other damage to the POS or not using it for whatever reason (with the exception of not using it because it is non-functional and is not the Merchant's fault) will not be a cause for a decrease in the rental fee. The Merchant is fully responsible to insure the POS against all risks. In case the POS is lost, stolen, destroyed, sustained damages or became non-functional, the Merchant will be held responsible for the costs and repair. In case the POS cannot be repaired, the Merchant will be held responsible and liable for the residual value of the POS (cost minus depreciation).
- 9.15. Upon termination of this Agreement the Merchant shall return the POS to JCC in the same condition and having the same appearance as when it was delivered to the Merchant, with the exception of normal wear and tear. Regardless of any provisions made in this Agreement the Merchant shall be held liable for any damage caused to the POS until its return to JCC. In case the Merchant does not return the POS to JCC within 15 days from the date of termination of this Agreement JCC shall have the right to charge the Merchant the residual value of the POS.

10. DYNAMIC CURRENCY CONVERSION (DCC)

If the Merchant has chosen to participate in the provision of DCC service then:

- 10.1. The Merchant shall have the right to perform transactions in foreign currency with foreign Cardholders.
- 10.2. The Merchant shall make sure that he/she or his/her employees give the owner of a foreign Card the choice of a Transaction currency for the purchase of a product or service in EURO (€) or in other currencies for which the currency rate is determined by the POS in the respective exchange rate provided to the POS based on the Laiki Bank exchange rate plus mark-up. The choice of a Transaction currency is solely the choice of the owner of the foreign Card with no interference from the Merchant or his/her employees.

11. INSTALLMENT PURCHASES

In the event that the Merchant has chosen to participate in the Installment Purchase Scheme:

- 11.1. The Merchant can perform any Transaction on an Installment basis. The number of installments that can be offered by the Merchant must be in accordance with the Issuing Bank's Discounting Fees Rates Table (This can be found on the JCC website www.jcc.com.cy installment plan) with which the Transaction will take place.
- 11.2. The Merchant has the right to refuse an installment Transaction with Cards from a specific Bank if he/she considers that Bank's Discounting Fees Rates to be excessive.
- 11.3. The way the Installment Plan will be applied (e.g with or without interest) depends entirely on the Merchant's policy as long as this way complies with, and does not contradict the terms of this Agreement and of the Installment Plan. The Merchant shall have the sole responsibility to inform his/her customers orally and by written notices of his/her policy and the policy applied for every period regarding the way the Installment Plan will be applied. JCC shall not be held responsible for any Merchant omission to inform Cardholders and customers accurately regarding the above.
- 11.4. The maximum amount for an Installment Purchase allowed will be checked at the POS level.
- 11.5. The minimum monthly Installment Transaction amount allowed must be in accordance with the policy of each Bank participating in the Installment Scheme and this will be checked at the POS level.
- 11.6. The Merchant agrees that JCC and/or any of the Local Cyprus Issuing Banks which participate in the Cyprus Card Market Installment Plan will have the right to announce publicly using any media including the JCC website (www.jccsmart.com) and/or the Local Cyprus Issuing Banks websites that the Merchant accepts Card payment for Installment Purchases giving also the Merchant's address.
- 11.7. All Installment Transactions are authorised by the Issuing Bank through the POS. Once the Transaction is authorised by the Issuing Bank the Merchant is guaranteed settlement by JCC regardless of whether the Cardholder shall pay the monthly installments or not. In the event of a Chargeback by the Cardholder or his/her Bank or in the event of a fraud investigation involving either the Merchant or the Cardholder, JCC's guarantee for settlement will not apply.
- 11.8. The first Installment Transaction will be generated on the date agreed between the Merchant and the Cardholder. It is understood that such a date shall in any event be set within one (1) month from the Installment Purchase date and then each monthly Installment Transaction will be generated on the same day of each subsequent month. This day has to be between the 1st and the 28th of each month, thus avoiding any problems in the months having fewer days. All the above will be checked by POS.
- 11.9. The Merchant shall have the following two options regarding the method of settlement of his/her Installment Purchases made by him/her:
 - 11.9.1. Full Settlement (less discounting Fees) on the date of the 1st Installment. This means the Merchant will be charged the Discounting Fees associated with the Installment Purchase, according to the Issuing Bank's Installment Plans (Discounting Fees Rates Table). The Discounting Fees will be calculated on the amount that remains after the deduction of the relevant Merchant Service Charge from the Installment Purchase amount.
 - 11.9.2. Settlement on Installment basis on each Installment Transaction Date. This means that the Merchant will receive monthly payments of an amount on the dates agreed upon with the Cardholder according to clause 10.8 above regardless of whether the Cardholder has made the payment or not. The payment will be the monthly Installment amount less the applicable Merchant Service Charge.

Provided that the Merchant has the right to change the Settlement Option at any time by notifying JCC in writing at least three (3) days in advance. The new option chosen will be effective for all Merchant POS terminals and only for future Installment Purchases.

- 11.10. In the event of a Merchant debit as a result of a Chargeback of an Installment Transaction by the Cardholder or the Issuing Bank, the Discounting Fees that the Merchant may have been charged can be partly or fully returned, as the case may be.
- 11.11. The POS terminal will produce a detailed Report of the Installment Purchases performed by the Merchant within a specific day.
- 11.12. The Merchant cannot perform returns regarding Installment Purchases through the POS terminal but should notify JCC in writing.

12. TRANSACTIONS THROUGH JCC EXPRESS

In the event that the Merchant has chosen to provide the JCC Express Service:

- 12.1. The Merchant can perform JCC Express Transactions if (i) the Card used for the Transaction has been issued by a Cyprus Bank and, (ii) the Transaction amount is lower than the Merchant Floor Limit. In JCC Express Transactions the POS shall automatically issue only one receipt. The Cardholder should sign or key in the PIN for every JCC Express Transaction.
- 12.2. In JCC Express Transactions, the POS will automatically recognize the origin of the card presented for payment and will automatically issue a receipt with "JCC Express" written on which will be given to the Cardholder. The POS shall not issue a second receipt for the Merchant.
- 12.3. In JCC Express Transactions the key in of any Card information is not possible through the POS regardless of the nature of the Transaction. Card information reading is possible by inserting the Card in the POS special slot.
- 12.4. The Merchant shall not have the right to refuse any JCC Express Transaction no matter how small the sum of that Transaction may be.
- 12.5. The Merchant agrees that JCC will have the right to announce publicly using any media including the JCC website (www.jccsmart.com) that the Merchant provides the JCC Express Service giving also the Merchant's address.

13. PERSONAL DATA AND JCC PAYMENT SYSTEMS LTD

- 13.1. JCC is held responsible for the safekeeping and processing of personal data which will be collected as a result of this Agreement and this will be done according to the provisions of the Law.

Such data include information regarding the Merchant and/or Transactions performed and/or will be performed by the Merchant and which (i) has been handed and/or will be handed over to JCC when submitting an application or performing a Transaction, and (ii) such data will be or have been obtained by third parties or existing or future organizations which have offered references for you or other parties who are connected in any way with the Merchant.

According to the legislation, data of sensitive nature are information related to racial or national background, political, philosophical or religious creeds, participation in associations, unions and trade unions, health, love life and all relevant information concerning legal proceedings or penalties. In the case where it is necessary to collect such information this information may be used only with the clear consent of the Merchant.

Recipients of such information (except data of sensitive nature) are all authorised JCC personnel who are specially trained for the handling of such information, Banks whether members or not of JCC, its partners and the International Card Schemes.

- 13.2. Confidentiality: According to the provisions of the Law all personal data will be kept as classified and will be treated as confidential. No information shall be disclosed to any third party except in the event where the Law permits it. These are:

- When disclosure takes place after the Merchant's request or consent. The consent need not be in writing if there is a telephone service.
- When the Merchant has declared bankruptcy.
- When disclosure is demanded by Law or court order.
- When disclosure takes place within court proceedings between JCC and the Merchant.
- When disclosure takes place for reasons of public interest or for protecting JCC's interests.

JCC may from time to time use representatives and/or vendors and/or partners to collect and process information. The obligation for the safekeeping of confidentiality shall be extended to representatives and/or vendors and/or partners of JCC and all the processing will be performed under JCC's guidance and will be supported by a written contract.

In the event where JCC will commission other organizations to provide support services the latter shall comply with JCC's confidentiality rules and shall allow JCC to perform controls to verify their compliance to these rules.

Furthermore, JCC may transmit personal information regarding the Merchant to International Card Schemes (like VISA, MasterCard and Diners Club International). In such case JCC shall secure the same level of protection as provided by the Law.

- 13.3. Data security: JCC will take up technical and organizational measures for the safekeeping and guarding of such data and their protection against involuntary or intended destruction, loss, alteration, prohibited publication or access or any other illegal processing.

- 13.4. Use of Personal Information: JCC will be able to safe keep and process the Merchant's personal data either in their natural form or on the JCC computers and will be used for the following purposes:

- For the examination of the Merchant's application for his participation in the International Card Schemes. For these purposes JCC may conduct further investigations. These investigations may include persons who recommend the Merchant or the Central Information Archive for bounced cheques or other archives or other existing organizations or organizations that may be set up in the future or other persons connected in any way to the Merchant.
- To check the Merchant's identity, to prevent fraud and other offences including money laundering.
- To process transactions performed by the Merchant.
- In cases where JCC deems that a specific product or service offered by JCC may be of interest, and in order to inform about this service or product, JCC may contact the Merchant either by mail (ordinary or electronic), by telephone, facsimile or other method in order to provide him with further information regarding the new service or product.
- To study the needs and market trends in order to improve the goods and services offered by JCC.

- 13.5. Access to Personal Data and Processing Officer: The above information for the purposes and use of Personal Data covers JCC's obligations according to the Law. According to the provisions of the Law, the Merchant shall have the right to access details of his/her personal data which JCC has recorded against payment of the relevant fee and the Merchant shall have the right to put forward any objection in accordance to the relevant provisions of the Law at all times.

- 13.6. Statement: By signing this Agreement the Merchant acknowledges that:

- He/She has read and understood the content of this statement and with full knowledge gives his/her consent and acceptance freely for the legal processing of his personal data for the purposes described above.
- He/She agrees that all companies which work together with JCC from time to time shall have access and processing rights of his/her data.
- He/She agrees that data of sensitive nature which have been collected by JCC will be processed for the granting of service(s) for which the Merchant has applied.

14. TERMINATION

- 14.1. JCC may terminate this Agreement upon two months written notice to the Merchant.
- 14.2. The Merchant may terminate this Agreement upon 15 days written notice to JCC unless clause 8.3 is put into operation.
- 14.3. Subject to the remaining terms, this Agreement shall be terminated by JCC without further notice if: (a) the Merchant misrepresents any personal data or information to JCC or information regarding Transactions; (b) all or substantially all of the assets of the Merchant's business are sold, transferred or pledged in any way; (c) a bankruptcy petition is filed by or against the Merchant; (d) there is a substantial change in the Merchant's current credit standing; (e) clause 8.3 is put into operation; (f) it has been noticed that the Merchant was engaged in fraudulent/illegal activities, (g) the Merchant has direct or indirect involvement in activities that are illegal, morally reprehensible or in contravention of either United Nations sanctions or international conventions or treaties, data security policies, including but not limited to terrorism, or a contravention of the general policies of JCC. The Merchant hereby agrees to notify JCC immediately upon occurrence of any event or condition stated above.
- 14.4. Upon termination of this Agreement the Merchant shall return to JCC the POS (if the POS was on a rental basis), all advertising material and any other item supplied by JCC during the term of this Agreement.
- 14.5. Termination of this Agreement shall not affect JCC's rights as to Sales Slips presented prior to termination and JCC shall not be obliged to pay any Pay Slips from the time that the Agreement was terminated including those that have not yet been introduced in JCC's processing system. JCC may retain any

payments pending to the Merchant until any disputes over the validity of the Merchant's transactions by the Cardholders have been settled or until any debts of the Merchant to JCC have been settled.

14.6. The Merchant shall pay to JCC any outstanding commissions, charges and fees payable according to this Agreement immediately after its termination.

14.7. All services offered through the POS cease to exist after termination of the Agreement for the participation in Card Schemes.

15. DURATION

The duration of this Agreement shall be for one (1) year with automatic renewal for each further year.

16. INDEMNIFICATION

16.1. The Merchant shall indemnify and hold JCC harmless from any liability, loss, claim or complaint, including attorneys' fees arising out of: (a) the Merchant's failure to comply with or to enforce any provision of this Agreement; (b) fraud due to Merchant's negligence; (c) Card not presented during the Transaction; (d) non compliance to or violation of Card Schemes regulations or of the Law; (e) any action and/or omission on behalf of the Merchant and/or the Merchant's employees and/or agents.

The Merchant's liability shall remain in force after the termination of this Agreement.

16.2. The Merchant agrees that he/she shall be solely responsible for his/her actions in the event of retaining any Card and the Merchant shall indemnify JCC for any claim arising as a result of retaining any Card.

16.3. In no event shall JCC be held responsible for any damage or loss caused to the Merchant or any of the Merchant's customers linked to the fact that JCC is part of this Agreement.

17. CONFIDENTIALITY

The Merchant shall take all necessary measures to avoid the leakage or disclosure to third parties of information relating to Cardholders, and the names and addresses of Cardholders shall not be copied, reproduced or stored in any way and for any reason. It is made clear that the obligations pertaining to this clause shall apply also after expiry or termination of this Agreement.

18. FORCE MAJEURE

Any delay in the execution or omission in the execution of this Agreement caused by any party shall not constitute violation of this Agreement if and for any time the delay and/or omission are the result of any event, action or accident that go beyond the reasonable control of the affected party and which include and are not restricted to force majeure, government actions or omissions or claims of regulatory authorities, natural destruction, epidemics, earthquakes, floods, fires, storms, torrential rain, typhoons, wars, hostile, military or terrorist acts, rebellions, military or political mutinies, crowd unrest, or political turmoil and disputes, strikes, workers' strife, factory closing down, omissions and destruction of public services, mechanical or electric malfunctions.

19. SIGNATURE RIGHT

The Merchant warrants that the person who signs this Agreement is an authorized person acting on behalf of the Merchant and shall sign and bind the Merchant with the terms of this Agreement.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any party may enter into this Agreement by executing a counterpart.

21. APPLICABLE LAW

21.1. This Agreement is governed by the laws of the Cyprus Republic and the Cypriot courts shall have absolute jurisdiction.

21.2. If every possible effort has been made to solve any dispute between JCC and the Merchant to no avail, the Merchant may lodge a complaint with the Central Bank, which, as the competent Supervisory Authority shall be responsible for organising a proceeding of extra-judicial settlement of disputes.

22. MISCELLANEOUS

22.1. This Agreement binds the Merchant and JCC and their respective heirs, representatives and assigns.

22.2. The Terms and Conditions are part and parcel of the Agreement.

22.3. No term or condition of this Agreement may be waived unless a written waiver is signed by JCC.

22.4. This Agreement binds all the Merchant's outlets with JCC as well as all future outlets.

22.5. This Agreement may not be assigned by the Merchant without the express written consent of JCC.

22.6. Should any provision of this Agreement be determined to be invalid or unenforceable that determination shall not affect the validity or enforceability of any other provision of this Agreement.

22.7. This Agreement is the entire and only Agreement between the Merchant and JCC and supersedes any prior Agreement or written or oral communication.

22.8. This Agreement shall be governed and construed in accordance with the laws of the Republic of Cyprus.

22.9. Each party to this Agreement hereby represents and warrants to the other that it has the full right power and authority to sign and perform this Agreement.

22.10. Unless otherwise stated the singular form in the text may have a plural reference.

22.11. The Merchant accepts to participate in the services he/she has chosen in the Agreement for the Participation in Card Schemes which have the relevant charges.

22.12. The Addenda shall be an integral part of this Agreement

22.13. Any reference to the Provisions of this Agreement includes the Card Acceptance Guide and any other document which may replace or amend these documents from time to time.

22.14. Any delay by JCC to seek any right or remedy shall not be deemed a waiver of such a right unless given in writing and signed by JCC.

By signing this, the Merchant acknowledges that he has read and agrees with the above.

Merchant's Signature: _____

Date: _____

Signatory's Name and Surname: _____