

PAYMILL General Terms and Conditions

1. Service Offer

PAYMILL GmbH (hereinafter – PAYMILL) is a technical service provider in the field of electronic processing of cashless payments via credit card, debit transactions (hereinafter – card transactions) or PayPal on the Internet. For this purpose, PAYMILL has developed a software (hereinafter – PAYMILL application), which can be accessed by the contractual party (hereinafter – merchant) on the Internet to initiate credit card transactions. The important functionality of the PAYMILL application is to receive the transaction data collected by or through the merchant and to forward it to the respective third party, agreed on by the parties, who processes the credit card transactions on behalf of the merchant (hereinafter – payment service provider). The contractual relationships with the payment service providers, necessary for the processing and clearing of credit card transactions, are maintained by the merchant. PAYMILL does not enter into possession of the funds to be transferred (Section 1, Par. 10, No. 9 ZAG [Payment Services Regulation Act]). The PAYMILL application can be accessed by means of an application service providing via a data processing interface established by PAYMILL for this purpose (hereinafter – interface). The merchant's data processing systems are connected to the interface by the merchant in accordance with the documentation about the PAYMILL application available at www.PAYMILL.de and www.PAYMILL.com (hereinafter – documentation). The PAYMILL application, the interface, and the documentation will be referred to collectively as the PAYMILL platform.

2. Subject Matter of the Agreement

2.1 The subject of this contract is to provide the PAYMILL platform to the merchant in accordance with this agreement. The PAYMILL platform has the functionality described in the documentation. The interconnection point for the data to be transferred between the parties is the address of the interface function on the PAYMILL platform in the data processing center.

2.2 The connection of the data processing systems used by the merchant to each of the Internet and the interface is not part of the services to be provided by PAYMILL and falls within the sole responsibility of the merchant.

2.3 PAYMILL's service obligation is limited to the forwarding of data provided via the PAYMILL platform, in unchanged form, to the respective payment service provider and forwarding of data received from the payment service provider for the merchant, in unchanged form, to the merchant. PAYMILL is allowed to involve a third party for the provision of its services. PAYMILL is not responsible for the accuracy and completeness of the data to be transmitted.

2.4 PAYMILL is responsible for the security of credit card data within PAYMILL's area of influence.

This extends to data which PAYMILL stores, processes or transmits for the merchant in the course of service provision, or such data or information where the security of the merchant's saved/processed credit card could be interfered with.

3. Right of Use

3.1 The merchant receives the right of use to the PAYMILL platform limited to the duration of the contract, territorially restricted to the following countries, which is non-exclusive, non-sublicensable, non-transferrable and non-assignable. Countries in scope: Andorra, Austria, Belgium,

Bulgaria, Croatia, Cyprus, Czech Rep., Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK, Vatikan City (State). The right of use is valid for access to the platform via the Internet and for use of the functionalities associated with the PAYMILL platform in accordance with the regulations of this contract and the documentation. The merchant shall be entitled to use the documentation solely for the connection of the utilized data processing system to the PAYMILL platform and to store the data transmitted to the merchant via the PAYMILL platform on its data processing system or a data processing system of a third party authorized by the merchant.

3.2 The right of use granted to the merchant by PAYMILL is limited exclusively to the processing of cashless payments via credit card, electronic debit or PayPal on the Internet. However, the processing of credit card sales requires that the merchant has respective agreements with payment service providers, which entitle the merchant to accept credit cards for payments. Such right is not granted hereby; it can only be agreed separately between the merchant and one or more payment service providers.

3.3 The merchant shall not,

3.3.1 reverse engineer an object code form of a part of the PAYMILL application;

3.3.2 provide to third parties the rights of use to the PAYMILL platform as well as to the individual elements of the PAYMILL platform, whether by renting, lending or by granting sub-licences, unless PAYMILL has previously approved this explicitly in writing.

3.4 Rights other than those mentioned in these conditions are not granted. Paragraph 7 of these terms and conditions shall remain unaffected.

4. Updates / New Releases

4.1 PAYMILL is entitled, at any time, even without the consent of the merchant, to make or order changes to the PAYMILL platform (updates and/or new releases). These changes should be created by PAYMILL in such a way as to not limit the contracted services.

4.2 The merchant shall be obligated to install immediately the provided changes to the PAYMILL platform (updates and/or new releases) to guarantee the contracted services.

4.3 PAYMILL will communicate major updates and/or new releases via letter or email to the merchant in due time.

5. Warranty and Liability

5.1 PAYMILL warrants to the merchant that it is authorized to grant the use set forth in this agreement to the merchant. The merchant shall ensure that the PAYMILL platform is used solely in accordance with this agreement. PAYMILL points out that for technical reasons it is not possible to ensure continuous system availability. PAYMILL is not liable for errors resulting from the provision of telecommunication and/or Internet while establishing the connection to the PAYMILL platform (for example, as a result of line overload).

5.2 The warranty of PAYMILL is limited to fixing interface defects by rectification. PAYMILL is liable only for the replacement of data if the merchant has ensured that it is economically viable to recover the data from data material with reasonable effort. PAYMILL's liability is excluded if damage is related to the use of interface information that is out of date or has been inadmissibly changed by the merchant as compared to the original interface version, or related to the interrupted connection to the PAYMILL platform, unless the merchant can prove that the interruption is based on circumstances PAYMILL is responsible for.

5.3 PAYMILL's liability is further excluded if damage is related to the interrupted connection to the PAYMILL platform, unless the merchant can prove that the interruption is based on circumstances PAYMILL is responsible for.

5.4 PAYMILL is not liable for the accuracy and completeness of data submitted by the merchant, payment service providers and other third parties, and/or taken from public directories, and for data managed by it or any third party. The foregoing limitation of liability applies particularly to information with incorrect or incomplete content, auditory errors, input errors, transfer and transmission errors, identity confusion, especially in consequence of incomplete personal data, incorrect or incomplete information as a result of technical defects, and restrictions or failures of the readiness to provide information for technical reasons.

5.5 In all other cases, PAYMILL is liable for intent and gross negligence in full scope. For other negligent actions, PAYMILL is liable solely for

- personal injury,-
- damage, for which PAYMILL is responsible due to mandatory statutory provisions, and
- damage due to the breach of material obligations, which endangers the achievement of the purpose of this agreement and/or the performance of which enables the proper implementation of this agreement and/or on which the merchant may rely regularly (cardinal obligations). In the event of a breach of cardinal obligations, PAYMILL's liability for simple negligence is limited to damages which are typical in relation to this agreement and foreseeable at the time this agreement was concluded.

5.6 PAYMILL is not liable for damages that occur by force majeure, riots, war and natural events or by other circumstances that PAYMILL is not responsible for (e.g. strikes, lockouts, disruptions of transit, official or administrative orders domestically and abroad).

5.7 PAYMILL's liability for loss of profit is excluded. This does not apply in the case of deliberate actions by PAYMILL.

6. Fees

The respective contractual rules regarding final service agreement costs and fees apply. The merchant may only set off undisputed or legally established claims against claims of PAYMILL. The exercise of a right of lien by the merchant is excluded. Changes of fees shall be communicated to the merchant in a timely manner and come into effect for the next billing date after the receipt of the notification of the change. If the merchant notifies of the cancellation of the contractual relationship prior to that date in accordance with the contractual cancellation provisions, the unchanged costs and fees shall apply to the remaining contract period. Costs and expenses arising from debit payments, which incur charges through lack of funds or the merchant giving wrong account details are to be borne by the merchant.

7. Obligations of the Merchant

7.1 The merchant will refrain from obtaining, itself or through unauthorized third parties, information or data without authorization or intervening in or allowing others to intervene in programs operated by PAYMILL or invading networks of PAYMILL without authorization.

7.2 The merchant must ensure at any time that there are adequate funds for debit payments.

7.3 The merchant must obtain any necessary authorisations from its customers for the required transfers of information within the scope of the services offered by PAYMILL. The merchant is responsible for the legally compliant collation, storage and transmission of its customers' information (in particular personal data) to PAYMILL. The merchant shall

notify its customers about the handling of the information within the scope of a data privacy statement.

7.4 The merchant shall be obligated to inform its customers that its services are charged through the payment service provider. Should the customer or contract partner make claims against PAYMILL arising from the billing relationship, the merchant shall indemnify PAYMILL from all claims or demands internally.

7.5 The merchant shall be obligated to manage passwords and login details for the PAYMILL platform in a secure and confidential manner. The merchant is not permitted to disclose such information or make it available to third parties. If passwords or login data are used by unauthorised persons, the merchant is liable for use contrary to this agreement and any damages or losses caused thereby.

7.6 The merchant shall be obligated to specify all the information requested at the time this agreement is concluded truthfully and completely and to designate a valid and accessible e-mail address to receive messages from PAYMILL during the contractual relationship. This includes details of changes of the merchant master data (bank data, company form, address, contact information, company data) as well as changes of these terms and conditions. The merchant has to inform immediately of any change of e-mail address. If the merchant fails to do so, PAYMILL is not responsible for any difficulties and disadvantages of the merchant.

7.7 The merchant undertakes to notify PAYMILL without delay of the intended suspension of its services, as well as impending insolvency within the meaning of Section 18, Par. 2 InsO (Insolvency Act).

7.8 The merchant undertakes to protect its licensing data (public/private key) and not to pass it on to third parties.

8. Third-party Claims; Information Obligations; Release

8.1 The merchant shall immediately inform PAYMILL of any knowledge about the possible infringement of proprietary rights. Also, PAYMILL will immediately inform the merchant of any copyright infringement. If claims are made or to be expected against the merchant, PAYMILL can change or replace the PAYMILL platform at its cost to an extent reasonable for the merchant. If this or the obtaining of a right of use is not possible with reasonable effort, the contracting party may terminate the agreement extraordinarily in writing without any notice.

8.2 The merchant agrees to indemnify PAYMILL in the internal relationship from all possible claims of third parties based on illegal or uncontractual acts of the merchant or content errors in information provided by the merchant or concerning the Internet domain used by the merchant. This applies in particular to copyright, trademark, privacy, antitrust infringements and other violations of statutory provisions (e.g. StGB [German Penal Code]) or rules and regulations of institutions.

9. Adherence to legal Provisions

9.1 The merchant undertakes to strictly adhere to statutory provisions in its offers. In particular, it will not offer illegal content. In particular, it will not offer any content, services, or similar in violation of § 284 StGB (unauthorized organization of gambling), § 130 StGB (proliferation of the glorification of violence) and § 184 StGB (distribution, acquisition and possession of child pornography publications). In addition, PAYMILL excludes certain product categories from the outset. These categories are as follows:

- Night clubs
- Erotic bars
- Striptease pubs / bars
- Swinger clubs
- Brothels / bars in the red district or shady environments

- Restaurants / bars in the red light district or shady environments
- Arcades/casinos
- Gambling
- Partner negotiations of any kind
- Sales of erotic articles
- Sex shops
- Sale of weapons
- or anything pertaining to the above categories

9.2 The merchant is further obliged not to publish any wrong or misleading information about its offer, in particular when offering paid services on the Internet, to designate them accordingly and not to offer them as “free content”. Furthermore, the merchant is obliged not to spam.

9.3 In the case of violations of the above provisions, PAYMILL is allowed to cancel the contractual relationship with the merchant at any time without any notice period and to interrupt the connection to the PAYMILL platform without prior notice. In the event of a breach of the above provisions, the merchant shall be liable to PAYMILL for the resulting damages and has to indemnify PAYMILL in the internal relationship from any claims of third parties.

10. Duties of Confidentiality and Data Protection

10.1 The merchants and PAYMILL undertake to maintain both secrecy and confidentiality with respect to customer information of the other party. The parties further undertake to keep all of the data and information known as a result of the contractual business confidential, to use only in the context of the existing contract, and not to make accessible to third parties. This does not cover situations in which the respective party is legally obliged to transfer the data.

10.2 PAYMILL is allowed to release the name or business name of the merchant to third parties as a reference. This applies in particular to the

announcement of the offer of the merchant with the logo of the merchant and the mention of its name or company name on websites, in brochures and other documents of PAYMILL. However, this does not result in any publication obligation for PAYMILL. If the referencing or disclosure should not occur, the merchant must inform PAYMILL in writing or by e-mail. The obligation of secrecy in 10.1 remains unaffected.

10.3 The parties further undertake to ensure data protection within the meaning of the applicable data protection regulations and to maintain, as well as to ensure the confidentiality, availability, and the correctness of the data. In particular, the parties are obliged to ensure the protection of their computer systems against unauthorized and accidental destruction, accidental loss, counterfeiting, theft, unlawful use, unauthorized change and copying of data, unauthorized access to the data and other unauthorized edits, as well as against technical failure adequately in accordance with latest technology standards.

11. Duration of the Contract

This agreement has an indefinite term and can be terminated by both parties at any time with a term of one month to the end of the month. The right to extraordinary termination for important reason remains unaffected. PAYMILL is entitled thereto, in particular in the event of unauthorized interventions of the merchant in the PAYMILL platform and violation of the obligations referred to in paragraph 3.3. At contract termination, the merchant has to stop using the PAYMILL platform immediately and return the documentation provided forthwith. For the duration of the contract and the period afterwards, PAYMILL and the partners undertake to treat all received data according to the applicable data protection provisions.

12. Contract Changes

Under these terms and conditions PAYMILL is allowed for the purposes of simplifying and accelerating its business in view of the multitude of contracts with merchants to change this contract, as well as the documentation by unilateral declaration to the merchant in writing or in text form. The change becomes effective when the merchant does not object to the change declaration within 6 weeks after its receipt. PAYMILL undertakes to instruct the merchant in the event of change declaration about the special significance of the merchant's behaviour after receipt of the declaration.

13. Miscellaneous

13.1 The presentation of the services of PAYMILL on the Internet does not represent a binding offer from PAYMILL. This agreement is concluded upon its signature by both parties or, in the event of online conclusion, upon confirmation by the merchant in the provided place for acceptance of these terms and conditions and after corresponding confirmation from PAYMILL.

13.2 PAYMILL has the right to involve third parties in the performance of its obligations arising from this agreement. PAYMILL may require that certain processing steps are carried out directly through such third parties, completely or partially. The merchant is not allowed to involve third parties in the performance of the duties under this agreement without the express written consent of PAYMILL.

13.3 Supplementary agreements, changes or additions must be made in writing or in text form, in cases specified herein, to be effective.

14. Severability Clause

14.1 Should one or several provisions of these general terms and conditions be or become invalid or prove to be unenforceable, this shall not affect the validity of the other provisions. In this case, the contracting parties shall replace the invalid or unenforceable provision by another provision that comes closest to the economically intended purpose. The same applies in the case of a regulatory gap.

14.2 This contract is subject to German law. The place of performance for the services of PAYMILL is the place of the registered office of PAYMILL. Place of jurisdiction for all disputes arising between PAYMILL and the merchant is also the registered office of PAYMILL, or by choice of PAYMILL the registered office of the merchant.