

Payment Terms and Conditions (Merchants)

These payment terms and conditions, including the terms, policies, guidelines and instructions referred to herein, ("**Payment Terms and Conditions**"), the general terms and conditions governing your access to our services ("**General Terms and Conditions**") and all supplementary appendix materials ("**Appendix 1**") constitute a legal agreement between UK Telecom Distribution LIMITED, corporate registration number **SC392803**, with its registered office at **121 Giles Street, Edinburgh, United Kingdom, EH6 6BZ** ("UK Telecom Distribution Limited", "**we**", "**our**" or "**us**") and you, the sole trader, company or other business entity having created an account with us (the "**Merchant**", "**you**" or "**your**"), governing your access to and use of our payment processing services (together, the "**Payment Service**").

By accepting or otherwise agreeing to these Payment Terms and Conditions, you acknowledge that you have read, understood and accept to be bound by these Payment Terms and Conditions. If you do not agree to these Payment Terms and Conditions (or if you do not have the right to bind the company or other business entity you are representing), you are not permitted to access or use the Payment Service, and you should not accept these Payment Terms and Conditions.

Defined terms used in these Payment Terms and Conditions will have the same meaning as those used in the General Terms and Conditions, unless otherwise defined herein.

As a payment facilitator we facilitate the processing of card transactions and, in order for us to do this, we have entered into agreements with acquiring banks ("**Acquirers**"). The Payment Service is, in addition to these Payment Terms and Conditions and the Regulations, governed by the requirements and guidelines established by our Acquirers as well as the requirements and guidelines (together, the "**Card Scheme Rules**") established by Visa Europe Limited, MasterCard Europe S.A., American Express Limited and other applicable card schemes (together, the "**Card Schemes**").

It is important that you understand the risks and liabilities associated with the use of the Payment Service, and we therefore encourage you to read these Payment Terms and Conditions carefully before agreeing to them and before you start using the Payment Service.

If you have any questions or concerns regarding the content of these Payment Terms and Conditions or would like to get a better understanding of how the Payment Service works, please do not hesitate to call us on our Toll Free Phone Number: +44 (0) 800 05 88 241 or contact us via e-mail at: info@uktelecomdistribution.co.uk.

PART 1 – ACCESS TO AND USE OF THE PAYMENT SERVICE

1. REGISTRATION

In order to get access to and utilise the Payment Service, we shall create your UK Telecom Distribution Limited Account as further described in section 1 of the General Terms and Conditions.

In addition to the warranties provided under section 1 of the General Terms and Conditions, you warrant to us that: a) you will use the Payment Service solely for trade, business or professional purposes in the United Kingdom, b) you will not directly or indirectly use the Payment Service in or into any other country unless otherwise agreed with us, and c) you, as a natural person, are at least eighteen (18) years of age.

In order to get access to and utilise the Payment Service, you will be required to provide additional information about you and your business, including your name, registered trade name, registered address, names you are doing business under, business addresses, purpose and nature of your business, a complete description of your products and services and, where applicable, information about beneficial owners and principals of your business. You must also make sure that all information that you provide is and remains accurate, complete and up-to-date. You must inform us of any changes and update or request to update the information in your UK Telecom Distribution Limited Account accordingly without undue delay.

We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your UK Telecom Distribution Limited Account if you provide us with inaccurate, untrue, or incomplete information, or if you fail to comply with any account registration requirements.

If there has been no activity on your UK Telecom Distribution Limited Account for at least two consecutive years and you have a balance on your UK Telecom Distribution Limited Account, we will notify you to the email address registered by you and/or associated with your UK Telecom Distribution Limited Account and give you the option to keep your UK Telecom Distribution Limited Account active or to close your UK Telecom Distribution Limited Account and request a withdrawal of any funds that we hold on your behalf. If you do not respond to our notice within thirty (30) days, we will automatically close your UK Telecom Distribution Limited Account and any funds that we hold on your behalf will be handled in accordance with applicable law and, if permitted, accrue to us.

In order for us to be able to pay out funds credited to your UK Telecom Distribution Limited Account in accordance with section 14, you must designate and, if we so request, verify a bank account held in your name in a bank in the United Kingdom. You authorise us to direct questions to and obtain information from the relevant bank, inter alia when applicable for the purpose of verifying your designated bank account. You agree, upon our request, to take all reasonable measures to assist us in verifying your bank account. In the event that your designated bank account is incorrect or incomplete or if we for any reason cannot verify that the bank account is held in your name, we may de-connect the bank account from your UK Telecom Distribution Limited Account, and you confirm and agree that we will not be under any obligation to pay any funds to you until such time you have provided correct and complete bank account information and we, as applicable, have been able to verify that you are the holder of the bank account.

2. UNDERWRITING

In connection with setting up your UK Telecom Distribution Limited Account and signing you up for the Payment Service, we will perform credit checks and other verifications which may require that you supply such additional information and documentation as is reasonably required in order for us to verify your identity and otherwise to fulfil, and be satisfied that we have complied with all our anti-money laundering, counter terrorist financing and similar regulatory obligations. We may perform additional credit checks and verifications from time to time to determine whether you continue to be eligible for access to and use of the Payment Service. We may also request your permission to do a physical inspection at your place of business and to examine your books and records related to your compliance with these Payment Terms and Conditions. You agree to comply with any such requests without undue delay. You authorise our Acquirers and us to, from time to time, retrieve information about you from, and provide information about you to, third parties, including credit reporting agencies or bureaus and other information providers, and you authorise and instruct such third parties to compile and provide such information to us.

Once we have obtained, collected and verified all your information, we will assess whether you are eligible to get access to and utilise the Payment Service. You agree that we have the right, in our sole discretion, to determine whether or not you are eligible for access to and use of the Payment Service. We will only be bound by these Payment Terms and Conditions once we have determined that you are eligible for access to and use of the Payment Service.

We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your UK Telecom Distribution Limited Account if we determine that you are no longer eligible for access to and use of the Payment Service or if you fail to promptly comply with any requests from us in accordance with the above.

3. OUR ROLE

The Payment Service will enable you to accept and process Card payments from your customers through the use of our point of sale (POS) devices connected to your UK Telecom Distribution Limited Account.

In providing the Payment Service, we will facilitate the processing of Card transactions carried out through the use of the Payment Service on your behalf, credit the funds received by us from such transactions on your UK Telecom Distribution Limited Account and settle such funds (less our fees, charge-backs, reversals, claims and other funds owed to us) to your designated bank account in accordance with these Payment Terms and Conditions. We will hold an amount equal to the balance on your UK Telecom Distribution Limited Account, on your behalf separated from our own funds, but together with amounts held on behalf of other merchants, in a designated client account ("**Client Account**") in a bank in accordance with the Regulations.

You authorise and instruct us to receive, hold and disburse funds in accordance with these Payment Terms and Conditions on your behalf. This authorisation and instruction will remain in full force and effect until your UK Telecom Distribution Limited Account is closed or terminated.

You agree that we may at any time update or modify the Payment Service. We will always attempt to notify you of any such updates or modifications with reasonable notice in accordance with section 19 of the General Terms and Conditions. However, we reserve the right to implement such updates and modifications with immediate effect without prior notice

to you where necessary to maintain the security of our systems or to comply with applicable laws, rules and regulations, including the Card Scheme Rules.

4. SERVICE LEVEL

Although we will use all commercially reasonable efforts to provide the Payment Service 24 hours a day, seven days a week, we do not warrant that the Payment Service will be free from interruptions, delays or errors caused by our systems, acts or omissions of our Acquirers, the Card Schemes or other third party service providers, general Internet failures or force majeure. You must notify us without undue delay by calling our Toll Free Number: **+44(0)8000588241** or by contacting our team at **info@uktelecomdistribution.co.uk** if you experience any interruptions, delays or errors in the Payment Service, and provide all reasonably requested information and assistance in identifying and resolving such interruptions, delays or errors.

From time to time we will perform maintenance and upgrades of the Payment Service, which may result in interruptions, delays or errors in the Payment Service. Although we will do our best to notify you in advance of any planned maintenance in accordance with section 19 of the General Terms and Conditions, we cannot guarantee that such notification will always be provided.

5. CARD SCHEME RULES

By accepting these Payment Terms and Conditions, you confirm and agree that you will comply with the Card Scheme Rules insofar applicable to merchants and available online or provided to you by us, our Acquirers or the Card Schemes. Certain Card Scheme Rules are available to the public at: <https://www.mastercard.us/en-us/about-mastercard/what-we-do/rules.html>, <https://www.visaeurope.com/receiving-payments/>. You confirm and agree that the Card Scheme Rules have precedence over these Payment Terms and Conditions and that, in case of any conflict between a provision in these Payment Terms and Conditions and the Card Scheme Rules, the latter will prevail.

We reserve the right to amend these Payment Terms and Conditions in accordance with section 24 of the General Terms and Conditions, or a shorter time if so required by the Card Schemes, as necessary to comply with the Card Scheme Rules or otherwise address changes in the Payment Service.

6. POS DEVICES

In order to use the Payment Service, you must obtain one of our compatible point-of-sale devices ("**POS**").

Information about available UK Telecom Distribution Limited POS Devices and how they can be rented shall be provided by our team members and can be found on our Website www.uktelecomdistribution.co.uk.

7. RESTRICTIONS AND LIMITATIONS

By accepting these Payment Terms and Conditions, you confirm and agree that you will not use the Payment Service to accept payments in connection with the following businesses or business activities: a) pornography, including sex clubs, escort services, sex-dating, prostitution, magazines, videos or images which exclusively have pornographic content and/or are the only products which are sold, b) time-sharing, such as where the customer can purchase partial ownership of the right to use an accommodation during certain weeks

of the year, c) anonymity services, if the purpose of the service is to cover a person's identity on the Internet, d) virtual currencies which can be converted/exchanged to real money, e) illegal products or services, f) illegal activities, such as illegal sale of prescription drugs/tobacco, illegal gambling, child pornography, offensive adult pornography, sale of counterfeit branded products, violation of intellectual property rights or trademark infringements, g) any type of weapons, h) vouchers with a longer duration than 36 months, or i) sale of products or services which we, in our sole discretion, determine may pose a risk to our business and/or reputation. You furthermore confirm and agree that you will not use the Payment Service to accept payments in connection with the following businesses or business activities without our express written approval, which approval we may withhold or revoke in our sole discretion where we find this to pose a risk to our business and/or reputation: a) private healthcare services, b) gambling and betting services (irrespective of if such gambling and betting services are provided in accordance with all applicable laws and authorised by all applicable regulatory authorities), c) financial services (irrespective of if such financial services are provided in accordance with all applicable laws and authorised by all applicable regulatory authorities), d) gift cards, e) event organisers, or e) transportation and travelling.

In addition to any other obligations, requirements, restrictions or limitations set out in these Payment Terms and Conditions, you confirm and agree that you will not: a) apply a price threshold for accepting a Card, b) apply a higher price or additional fees for the use of a Card in connection with a transaction, unless permitted to do so under any laws, rules and regulations of your specific jurisdiction, c) utilise any credit available on any Card to provide cash advances to customers, d) carry out transactions in territories other than the United Kingdom and in currencies other than GBP, d) discriminate between Cards for any reason, unless permitted to do so under any laws, rules and regulations of your specific jurisdiction, e) submit any Card transaction for processing that does not arise from your sale of products or services to your customer, i.e. you may not submit any Card transaction for processing which is originating from sales or activities offered by other parties, f) submit any Card transaction for processing that you know or should have known to be fraudulent or not authorised by the customer, g) act as a payment intermediary or aggregator or otherwise resell the Payment Service, h) submit for processing any Card transaction representing the refinancing of an existing obligation of a customer, i) require any customer to waive its right to dispute a Card transaction, j) require any customer to disclose his/her PIN at any point during a Card transaction, or k) where a customer uses a chip and PIN Card, print data referencing any customer's PIN on any receipt.

Our Acquirers and the Card Schemes may from time to time impose certain limits with respect to our merchants' annual card transaction volume through the use of the Payment Service. If your annual card transaction volume exceeds these limits we will notify you thereof and give you the option to enter into an extended agreement that includes our Acquirer or the relevant Card Scheme, as applicable, as a party in order to continue using the Payment Service. If you fail to complete such extended agreement or for any reason cannot be accepted under such extended agreement, we may not be able to accept transactions in excess of the aforementioned limits. In such case, we may also be required to suspend your access to and use of the Payment Service and to terminate and close your UK Telecom Distribution Limited Account.

You may not use the Payment Service to carry out Card transactions with your own Cards or any Cards that are issued in your name.

You may not in any way refer to us, our Acquirers or the Card Schemes as having endorsed your products and/or services.

The use of the Payment Service is subject to certain limits relating to daily Card transaction volume as further specified in Appendix 1.

8. ERRORS AND UNAUTHORISED OR ILLEGAL USE

We will assume that you are the sender of any transactions and other instructions to us when sent using your Account Credentials. You must notify us immediately by calling our Toll Free Phone Number: **+44(0)8000588241** or by contacting our customer service team at **info@uktelecomdistribution.co.uk** if you discover or have reason to believe that there has been an error or unauthorised or illegal use of your UK Telecom Distribution Limited Account. You must provide us all information and documentation in your possession as to the circumstances of any such error and/or unauthorised or illegal use of your UK Telecom Distribution Limited Account and take all reasonable steps requested by us to assist in our investigation.

9. ACCEPTED CARDS

The Payment Service can be used to accept Card transactions with most credit, debit and other types of cards (“**Cards**”) bearing the trademarks of the Card Schemes as further specified by our Acquirers. We may remove or add Cards that we accept at any time without prior notice to you. We will only process Card transactions that have been authorised by the applicable Card Scheme or Card issuer, as the case may be.

You understand that you are solely responsible for verifying the identity of your customers and the eligibility of each presented Card used to purchase your products and services and for all reversed or charged back transactions, regardless of the reason for, or timing of, the reversal or chargeback as further described in section 17.

10. FEES

For the use of the Payment Service you agree to pay the fees (“**Fees**”) assessed and calculated by us in accordance with the fee schedule available in your Account.

By accepting these Payment Terms and Conditions, you request and agree that we charge you the Fees (as a blended merchant service charge) assessed and calculated by us in accordance with the fee schedule.

The Payment Service is a payment service exempt from VAT. We reserve the right to amend our fees at any time in accordance with section 24 of the General Terms and Conditions. Fees will be assessed at the time a Card transaction is processed and will be deducted from the funds received by us and credited to your UK Telecom Distribution Limited Account.

11. TAXES

In addition to what is set out in section 10 of the General Terms and Conditions, you understand and agree that we may from time to time be required to report to revenue or tax authorities, as required by law, your name, address and information regarding Card transactions processed by us on your behalf through your use of the Payment Service.

12. PROCESSING CARD TRANSACTIONS

You may use the Payment Service to process card-present transactions (i.e. transactions where both the Card and the customer are present at the time of the transaction) by inserting the Card into the UK Telecom Distribution Limited POS Device and obtaining the customer's

PIN or swiping the Card and obtaining the customer's signature. The Device will prompt you as to what verification is necessary based on a customer's Card. If a customer's Card includes an electronic chip, you must always look to obtain chip and PIN authorisation before obtaining a signature.

You may also be able to use the Payment Service to process contactless transactions (i.e. transactions made using the contactless induction technology in a UK Telecom Distribution Limited POS Device supporting contactless transactions, including a Card, or Smartphone/device transaction using near field communication technology through a UK Telecom Distribution Limited POS Device supporting contactless transactions), however you may not process a contactless transaction with a value exceeding the prevailing amount limit for that transaction set by an Acquirer, a Card Scheme and/or us from time to time.

You must comply with any and all instructions provided by us to you regarding the acceptance and authorisation of Card transactions. You undertake to ensure that all your employees and other eligible representatives who handle Card transactions on your behalf are informed of the content of these Payment Terms and Conditions in advance, and that they have received the training required in order to satisfy the requirements of these Payment Terms and Conditions.

When a Card transaction is made, we will update the transaction information in your UK Telecom Distribution Limited Account confirming that the transaction has taken place and setting out the details of the transaction as further described in section 15.

You must provide customers with a receipt if they request one.

An authorised Card transaction may not be withdrawn by you or your customer after the end of the day on which your customer authorised the transaction.

You agree that you will not provide any false or misleading descriptions of any Card transaction that you submit through the Payment Service and that the descriptions given within itemised transactions will be an accurate and true description of the products and/or services being purchased.

We reserve the right not to authorise or process any Card transaction that you submit through the Payment Service that we believe may be in violation of these Payment Terms and Conditions or any applicable laws, rules or regulations or may expose you or us to harm, including but not limited to fraud or other criminal acts. You authorise us to share information with law enforcement about you, your transactions, or your use of the Payment Service if we reasonably suspect that your UK Telecom Distribution Limited Account has been used for unauthorised, illegal, or criminal purposes.

13. REFUNDS AND RETURNS

You must submit any and all refunds and adjustments for returns of your products or services through the Payment Service to the customer's Card in accordance with the terms and conditions of these Payment Terms and Conditions and the applicable Card Scheme Rules. The Card Scheme Rules require that you will: a) maintain a fair return, cancellation or adjustment policy, b) disclose your return or cancellation policy to customers at the time of purchase, c) not give cash refunds to a customer in connection with a Card transaction, unless required by law, and d) not accept cash or any other item of value for arranging a Card transaction refund.

Full refunds must be for the exact amount of the original transaction including tax and handling charges. The refund amount may not exceed the original sale amount except by an amount equal to any reimbursements to customer for postage costs incurred for product returns. Refunds processed through the Payment Service must be submitted within thirty (30) days of the original transaction. For processed refunds, we will deduct the refund amount (including any applicable fees) from funds owed to you from the processing of other transactions, or funds credited to your UK Telecom Distribution Limited Account. If these funds are not sufficient, you agree to pay all funds owed to us immediately on demand. You are solely responsible for accepting and processing returns of your products or services.

Through the UK Telecom Distribution Limited Account settings, you may select and instruct us to maintain a balance on your UK Telecom Distribution Limited Account specifically for funding refunds or to expedite execution of refunds.

14. PAYOUT OF FUNDS

Funds from a Card transaction credited to your UK Telecom Distribution Limited Account will not be paid out to your designated bank account until the transaction is deemed completed. A Card transaction will be deemed completed when we have received the funds from the relevant Card Scheme or Acquirer, as the case may be, on the Client Account. Once we have verified your designated bank account (if applicable), we will initiate payout of funds (less our Fees, Chargebacks, refunds, reversals, claims and other funds owed to us) to your designated bank account on the business day immediately following the business day on which we received the funds on the Client Account, unless otherwise set out in these Payment Terms and Conditions.

You may instruct us to defer or delay payout of funds to your designated bank account. Payout of funds to your designated bank account is subject to certain limits as further specified in Appendix 1.

Payouts to your designated bank account are executed, at least in part, by third party financial institutions and we will not be responsible or liable for the ultimate credit of funds to your designated bank account once we have paid out the funds to your designated bank account. Furthermore, we will not be responsible or liable for any funds that, due to incorrect or incomplete bank account information provided by you have been paid to a bank account that is not held in your name.

We reserve the right to temporarily suspend and/or delay payouts to your designated bank account and/or restrict access to any funds credited to your UK Telecom Distribution Limited Account where we need to conduct an investigation or resolve any pending dispute relating to your UK Telecom Distribution Limited Account and/or as necessary to comply with the Card Scheme Rules, applicable law or court order or if otherwise requested by law enforcement or any governmental authority.

15. TRANSACTION INFORMATION

You may access your transaction information by logging into your UK Telecom Distribution Limited Account. You will also be able to access downloadable reports. The transaction information will also show all Fees incurred, any other amounts charged to your UK Telecom Distribution Limited Account in the relevant period and information on payouts to your designated bank account.

We will provide you with information regarding Card transactions with a reference enabling you to identify the transaction, the amount of the transaction in the currency in which your UK Telecom Distribution Limited Account is credited and the amount of the Fee for the transaction. By accepting these Payment Terms and Conditions, you request and agree that we may aggregate this information by brand, application, payment instrument categories and rates of interchange fees applicable to the transaction, as applicable, and that we make this information available to you periodically, at least once per month, via your UK Telecom Distribution Limited Account in a format making it possible for you to store and reproduce the information in unchanged form.

16. RESERVE

We reserve the right to designate an amount of funds that you must maintain in your UK Telecom Distribution Limited Account and/or accrue a reserve on your behalf (a “**Reserve**”) to secure the performance of your payment obligations under these Payment Terms and Conditions. We may require and/or hold a Reserve for any reason, including if you have a high rate of Charge backs, refunds, or other indications of performance problems related to your use of the Payment Service.

The Reserve will serve as security to cover anticipated Charge backs, refunds and/or unfulfilled products or services or credit risk based on your processing history, and we will have the right to collect and set off from the Reserve all amounts that you owe us under these Payment Terms and Conditions. You authorise and instruct us to make any withdrawals or debits from the Reserve, without prior notice to you, to collect and set off amounts that you owe us under these Payment Terms and Conditions.

17. CHARGEBACKS

Any amount referable to a Card transaction may be reversed or charged back to your UK Telecom Distribution Limited Account (each, a “**Chargeback**”) if the transaction: a) is disputed in any way, b) is reversed for any reason by the Card Scheme, our Acquirers, the cardholder or the Card issuer, c) was not authorised or we have reason to believe that it was not authorised, and/or d) is presumed to be illegal, suspicious or in violation of these Payment Terms and Conditions.

For any Card transaction we determine may result in a Chargeback, we have the right to withhold the likely amount of the Chargeback in a Reserve. We may recover the amount of any Chargeback and any associated fees, fines, and/or penalties assessed by the Card Schemes or our Acquirers from funds credited to your UK Telecom Distribution Limited Account or any other funds due to you under these Payment Terms and Conditions. If we believe that a Chargeback is likely with respect to any Card transaction, we may withhold the amount of the potential Chargeback from payments due to you under these Payment Terms and Conditions until such time that: a) a Chargeback is assessed due to a customer’s complaint, in which case we will retain the funds, b) the period of time under applicable law or regulation by which the customer may dispute the transaction has expired, or c) we determine that a Chargeback on the transaction will not occur. If we are unable to recover funds related to a Chargeback for which you are liable, you will pay us the full amount of the Chargeback immediately on demand. You agree to pay all costs and expenses, including without limitation attorneys’ fees and other legal expenses, incurred by or on behalf of us in connection with the collection of all balances unpaid by you.

If we determine that you are incurring an excessive amount of Chargebacks or that Chargebacks related to you are too frequent, we may establish controls or conditions governing your UK Telecom Distribution Limited Account, including without limitation: a)

create a Reserve in an amount reasonably determined by us to cover anticipated Chargebacks and related fees, penalties or fines, b) suspend your access to and use of the Payment Service, and/or c) terminate and close your UK Telecom Distribution Limited Account.

You agree to assist us when requested, at your expense, to investigate any transaction processed through the Payment Service. You further agree that we may share information about a Chargeback with your customer, the customer's financial institution and your financial institution in order to investigate and/or mediate a Chargeback. You acknowledge that your failure to assist us in a timely manner when investigating a transaction, including providing necessary information and documentation within ten (10) days of our request, may result in an irreversible Chargeback. We reserve the right, upon notice to you, to charge a fee for mediating and/or investigating Chargeback disputes.

18. YOUR PRIVACY AND SECURITY

In addition to what is set out in section 12 of the General Terms and Conditions, you acknowledge that we are required to report your business name and the name of your beneficial owners and/or principals to the MATCH listing maintained by MasterCard and accessed and updated by American Express, the VMAS database upheld by Visa, if applicable, pursuant to the requirements of the Card Scheme Rules. You specifically consent to the fulfilment of the obligations related to such listing and reporting, and you waive and agree to hold us harmless from all claims and liabilities you may have as a result of such listing and reporting.

We are responsible for protecting the security of Card information in our possession. We have implemented administrative, technical and organisational procedures to protect Card information that is stored in our servers from unauthorised access and accidental loss, modification or disclosure. However, we cannot guarantee that unauthorised third parties will never be able to defeat those measures or use such information for improper purposes.

19. YOUR ADDITIONAL WARRANTIES

In addition to any other warranties set out in these Payment Terms and Conditions and in section 15 of the General Terms and Conditions, you warrant to us that: a) you are eligible to register for and use the Payment Service and have the right, power, and ability to enter into and perform these Payment Terms and Conditions, b) any Card transaction submitted by you through the Payment Service will represent a bona fide sale by you, c) any Card transaction submitted by you through the Payment Service will accurately describe the products or services sold and delivered to your customer, d) you will fulfil all of your obligations to each customer on behalf of whom you submit a Card transaction and will resolve any customer dispute or complaint directly with the customer, e) you and any Card transactions submitted by you through the Payment Service will comply with all laws, rules and regulations applicable to your business and the Payment Service, f) except in the ordinary course of business, no Card transaction submitted by you through the Payment Service will represent a sale to any principal, partner, proprietor, or owner of your business, and g) you will not use the Payment Service, directly or indirectly, for any fraudulent undertaking or in any manner so as to interfere with the use of the Payment Service.

20. YOUR ADDITIONAL LIABILITY AND INDEMNIFICATION

In addition to what is set out in section 16 of the General Terms and Conditions, you are responsible for all Chargebacks, reversals, refunds, fees, fines, penalties and other liabilities incurred by a third party or us caused by your access to and use of the Payment Service

and/or arising from any breach by you of any provision of these Payment Terms and Conditions. You agree to reimburse such third party or us for any and all such liability.

Notwithstanding the above or any other provision of these Payment Terms and Conditions and in addition to what is set out in section 16 of the General Terms and Conditions, you agree to defend, indemnify, and hold us, our Acquirers, the Card Schemes and each of our respective directors, agents, affiliates and representatives harmless from and against any claim, cost, suit, demand, loss, liability, damage, action, proceeding judgment, penalty, interest and expense (including without limitation reasonable attorneys' fees) arising out of or relating to: a) any actual or alleged breach by you of any provision of these Payment Terms and Conditions, including without limitation any violation of the Card Scheme Rules, b) your wrongful or improper use of the Payment Service, c) any Card transaction submitted by you through the Payment Service, and d) third party indemnity obligations we incur as a direct or indirect result of your acts or omissions (including indemnification of any Acquirer or Card Scheme).

In the event you are liable for any amounts owed to us, we may immediately collect such amounts from funds credited to your UK Telecom Distribution Limited Account or any other funds due to you under these Payment Terms and Conditions. If there are insufficient funds to cover your liability, you agree to reimburse us immediately on demand through other means.

21. OUR LIABILITY

Subject to sections 17 and 18 of the General Terms and Conditions, we are liable to ensure that Card transactions initiated through the Payment Service are properly transferred to the customer's (cardholder's) payment service provider and that Card transactions carried out through the Payment Service are executed properly, provided that: a) the transaction has been authorised by the customer (cardholder), b) the transaction complies with the terms of these Payment Terms and Conditions, and c) you have complied with your obligations under these Payment Terms and Conditions. Subject to sections 17 and 18 of the General Terms and Conditions, we are further liable to ensure that funds credited to your UK Telecom Distribution Limited Account are paid out to your designated bank account in accordance with section 14, provided that we have received such funds from the relevant Card Scheme or Acquirer, as the case may be, on the Client Account.

If an authorised Card transaction is not executed properly or not executed at all, we will, upon your request, use reasonable endeavours to trace the transaction and attempt to rectify any errors that you or we discover and notify you of the result. If the error results in your receipt of less than the amount to which you were entitled, we will credit your UK Telecom Distribution Limited Account for the difference. If the error results in your receipt of more than the amount to which you were entitled, we will debit the extra funds from your UK Telecom Distribution Limited Account. We will only attempt to correct transactions that you process incorrectly if you notify us of such error without undue delay and no later than sixty (60) days of when the error first appeared on your electronic transaction history.

PART 2 – OTHER LEGAL TERMS

22. BUSINESS CUSTOMER

By accepting these Payment Terms and Conditions, you confirm that you are signing up for the Payment Service as a business customer and not as a consumer (being a natural person acting for purposes other than his/her trade, business or profession).

23. TERM AND TERMINATION

These Payment Terms and Conditions are effective upon the date you agree to it and will remain in force until terminated by you or by us.

In addition to what is stated in section 23 of the General Terms and Conditions, we may terminate these Payment Terms and Conditions or your use of the Payment Service or suspend or close your UK Telecom Distribution Limited Account without prior notice to you: a) upon request of a Card Scheme or an Acquirer, b) if our agreement with an Acquirer or Card Scheme expires or terminates for any reason, c) if we are de-registered as a payment facilitator by a Card Scheme or an Acquirer, d) if in our reasonable opinion, your activities or actions are damaging or may damage our image or reputation or the image or reputation of a Card Scheme or an Acquirer, e) if you have signed up for the Payment Service as a company or other business entity and there is a change of control of such company or other business entity, or f) if owners or other persons associated with you appear on European or American sanction lists (such as OFAC's SDN list and the EU's list of economic sanctions or list of terrorists).

Any funds credited to your UK Telecom Distribution Limited Account and held by us on your behalf at the time your UK Telecom Distribution Limited Account is suspended or closed will be paid out to you in accordance with section 14, unless otherwise set out in these Payment Terms and Conditions.

Any termination of these Payment Terms and Conditions or closure or suspension of your UK Telecom Distribution Limited Account does not relieve you of your obligations under these Payment Terms and Conditions and we may elect to continue to hold any funds deemed necessary pending resolution of any other terms or obligations defined in these Payment Terms and Conditions, including but not limited to Chargebacks, Fees, refunds, reversals, or other investigations or proceedings.

24. PERSONAL GUARANTEE AND OTHER SECURITY

If you have signed up for the Payment Service as a company or other business entity, you confirm and agree that we may require a personal guarantee from an owner, director, principal or other representative of your business or the establishment of a bank guarantee or provision of other suitable security for the due performance of your payment obligations under these Payment Terms and Conditions. If we require a personal guarantee, bank guarantee or other form of security we will specifically inform you. You agree that we will determine the extent of such guarantees or other security. We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your UK Telecom Distribution Limited Account if you fail to deliver such guarantees or other security upon our request.

25. AUDIT RIGHTS

You confirm and agree that we may require you to allow us, or a third party designated by us, to conduct an audit of your business and facilities in order to ensure your compliance with these Payment Terms and Conditions and the Card Scheme Rules. We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your UK Telecom Distribution Limited Account if you fail to allow us, or a third party designated by us, to conduct such audit upon our request.

APPENDIX 1

TRANSACTION LIMITS

Below you will find how much money you can accept every day. The limits depend on the method used for card holder verification, e.g. whether your customer enters their PIN, uses swipe and sign, or touch ID — and whether you have a private* or business account:

Chip and PIN (incl. contactless) or Touch ID

Private account*

£2,000 limit per 24 hours

£350 limit per card and transaction

Business account

£5,000 limit per 24 hours

£500 transaction limit per card and transaction

Chip & Signature

Private account*

£500 limit per 24 hours

£250 limit per card and transaction

Business account

£3,000 limit per 24 hours

£400 limit per card and transaction

Magnetic stripe & Signature

Private account*

£100 limit per 24 hours. This is also the limit per card and transaction.

Business account

£3,000 limit per 24 hours

£400 limit per card and transaction

More information:

- The minimum amount for a single transaction is £1

DEPOSIT LIMITS

Chip + PIN

A maximum of £30,000 can be deposited per day. Any outstanding payments are delivered in a second deposit the following business day.

Chip + Signature

A maximum of £10,000 can be deposited per day. All outstanding payments are delivered in a second deposit the following business day.

Magstripe + Signature

A maximum of £10,000 can be deposited per day. All outstanding payments are delivered in a second deposit the following business day.