

### 1. THIS DOCUMENT

This document is annexed to the Merchant agreement – Commercial terms (Commercial terms) signed between Bank of Valletta p.l.c. (BOV) and the Merchant.

The Merchant shall submit to BOV all charges incurred through any such Card and shall not attempt to collect directly from the Cardholder or any person or organisation except BOV.

The Merchant shall not impose any minimum or maximum transaction values.

The Merchant is required to notify BOV in writing of any changes in its way of doing business, its product or service offerings or its establishment address.

### 2. TRANSACTION TYPES

The Merchant is only authorised to accept the types of transactions set out in the Commercial Terms.

BOV's approval in writing is required before the Merchant may accept other types of transactions.

Different rules may apply depending on the transaction type.

#### Card Present (CP) Transactions

These are transactions where the Card and the Cardholder are physically present at the point of sale, and payment details are communicated electronically between the card and POS.

#### Card Not Present (CNP) Transactions

These are transactions where the Card and the Cardholder are not physically present on the merchant's premises, but the Merchant receives an instruction from the Cardholder to debit his account. These include,

- Mail Orders
- Telephone Orders
- Fax Orders
- Delayed or Amended Charges
- Internet Transactions

These are a form of Card Not Present (CNP) transactions where the Cardholder gives his Card details to the Merchant over the Internet. Merchants authorised to accept Internet Transactions are also to comply with the requirements set out in Annex A of this Agreement.

The undertaking of CNP Transactions will be solely at the Merchant's risk, regardless of:

- the amount of the transaction; and
- whether any request for authorization or other enquiries have been made to BOV.

BOV can give the Merchant no assurance that any CNP transaction will be honoured or that BOV will not exercise chargeback or other rights of reduction or set-off under this Agreement in relation to such a transaction.

#### CP or CNP Transactions

Prepayments, where part or all of the transaction amount is charged prior to the provision of goods or services, may be either CP or CNP transactions

#### Recurring Transactions

A Recurring Transaction occurs when a Cardholder gives a Merchant the authority to charge fixed amounts at specific intervals over a period of time or until further notice, such as in the case of subscription payments.

The first transaction in the sequence is referred to as a CIT (Cardholder Initiated Transaction) and must be authenticated under SCA in line with the requirements set out in PSD2.

Subsequent payments in the same series are thereafter initiated by the Merchant as MITs (Merchant Initiated Transactions), and do not require SCA if they are appropriately linked to a previously authenticated CIT.

### 3. PROCEDURES

The Merchant may only accept Card payments for goods and services it offers in its normal line of business and as set out in the Commercial Terms. The payments can be processed either electronically or manually depending on the equipment and procedural guidelines provided to the Merchant by BOV. Special rules apply for certain lines of business as outlined below.

BOV will retain ownership of the terminal or other equipment supplied by BOV, at all times. It must be kept securely in the Merchant's possession and must be maintained in good condition.

#### a. Accepting a Card Payment

The merchant must request and obtain bank authorisation for each transaction and obtain the cardholder's consent for the entire amount for which authorisation is being sought.

The Merchant will not present for payment a transaction which has failed any one or more authentication checks. Such authentication checks include but are not limited to Cardholder ID, PIN, CVV2/CVC2 and 3D Secure authentication.

#### b. Authorisations

- i. Authorisation can only confirm the availability of funds and that the Card has not been reported lost or stolen. Authorisation shall not be deemed or construed to be a representation, promise, or guarantee that BOV will accept the transaction and that the Merchant will receive payment, nor that the person making the transaction is the Cardholder.
- ii. Authorisation may not be sought or obtained on behalf of any third party. Authorisation may only be obtained electronically through the EPOS terminal or other electronic device as may be authorised by BOV.
- iii. Where the goods are to be shipped or delivered or the services performed more than thirty (30) days after the original authorisation, the Merchant is to obtain a new authorisation number before shipping or delivering the goods or performing the services.

#### c. The Transaction Receipt

Unless otherwise agreed, the Merchant agrees to use only equipment and stationery, including Transaction Receipts\*, supplied by BOV.

Unless otherwise agreed, the Transaction Receipt shall record:

- i. the truncated card number and the expiry date of the Card;
- ii. the date of the transaction;
- iii. the amount of the transaction, including applicable taxes;
- iv. the authorisation number, where applicable;
- v. the name, address and number of the outlet;
- vi. the Cardholder's signature (if applicable) in case of Card Present transactions;
- vii. the words "Delayed Delivery" if it has been agreed with the Cardholder that the goods or services will not be dispatched or rendered on the date the transaction is made;
- viii. the words "Recurring Transaction" in case of such a transaction;
- ix. the description of the goods (where a manual sales voucher is used).

Unless specifically agreed to with BOV, transactions can be executed only in the national currency.

\* Merchant should only use BOV branded POS rolls with equipment provided by BOV.

#### – 'Card Not Present' and Internet Transactions

The Cardholder must be made aware of any Terms and Conditions or Refund/Cancellation Policies of the Merchant regulating the transaction prior to completing the transaction.

On the Transaction Receipt, the Merchant is to write:

- i. The date upon which the goods or services are delivered or shipped or the services rendered to the Cardholder;
- ii. The words "Mail Order", "Telephone Order", "Internet Order" or similar applicable wording.

A copy of the Transaction Receipt is always to be sent to the Cardholder, whether physically or electronically, or both.

The Merchant is to retain proof that the Cardholder or the Cardholder's agent signed a carrier delivery receipt for goods delivered to the Cardholder's address.

### – Document Retention Periods

Transaction Receipts and other documents supporting the Transaction must be kept for a period of two (2) years from the date from when the goods are shipped or delivered, or the services performed. Such documents may include, but are not limited to Cardholder signed declarations, orders, applications, electronic transaction messages, rental agreements, hotel registration forms and invoices as applicable.

Within this retention period, the Merchant must produce a copy of the relevant documents upon the Bank's request.

If a Transaction is disputed before the expiration of the retention period, all records relevant to the Transaction must be stored until the dispute is finally resolved.

### – Recurring Transactions

The merchant will seek cardholder authentication through 3D Secure for the first transaction in a series of recurring transactions, and any time the transaction amount differs from previous charges.

The Merchant must retain a copy of the written agreement entered between the Merchant and the Cardholder for a period of two (2) years from the date of payment of the last Recurring Transaction and provide it to BOV upon request. If the Recurring Transaction is disputed before the expiration of the retention period, the agreement must be retained until the dispute is finally resolved.

This agreement must include the following,

- Card type and number
- Card expiry date
- Cardholder's name, address, and telephone number
- Document date and recurring payment dates
- Validity period of agreement
- Transaction amount and currency
- A statement as to whether the transaction amount is constant or subject to change. Where the amount is subject to change, the Cardholder must be advised in writing by the Merchant of the exact value at least 4 weeks prior to each transaction being debited to the Cardholder's Account.
- Cardholder signature
- Merchant's name and address
- Description of goods or service
- Acknowledgement by the Cardholder that discontinuation of Recurring Transactions can be made at any time by notifying the Merchant in writing at least 15 calendar days prior to the date agreed with the Merchant for settlement.

The transaction will not be honoured if,

- Cardholder withdrew their authority to charge their account with the Recurring Transaction,
- Cardholder's account was closed before transaction was processed.
- Issuer charged back the initial membership transaction, by mail or phone, and the Cardholder did not expressly renew.
- There is any other valid reason.

If this Agreement is terminated for any reason, the Merchant, at their own cost, shall advise all Cardholders for which they were submitting Recurring Transactions that they will no longer be accepting the Card, and indicate from when.

In the event that the Merchant processes Recurring Transactions for services such as insurance services, the Merchant acknowledges and agrees that BOV undertakes no responsibility on the Merchant's behalf for the collection from or timely remittance of premiums or other dues by the Cardholders and the Merchant agrees to indemnify and hold BOV harmless from and against any claim, loss and/or liability to a Cardholder (or former Cardholder) arising out of the termination of their service coverage including insurance service cover.

## d. Refunds

The Merchant shall not make any cash refund to the Cardholder for return of any merchandise or services previously purchased with their Card. In such cases, the refund shall be made, by crediting the account on which the original transaction was carried out.

*Refund transactions can only be made to reverse previously processed transactions.*

*Gambling Merchants, casinos and gaming parlours must also comply with the requirements set out in the 'Supplemental terms for special merchant categories'*

The Merchant must process a reversal or an adjustment if a Transaction Receipt was processed in error and within 14 days from the transaction.

In the case of refund, the Bank shall not be obliged to reimburse the Merchant with the amount of any commission and/or transaction fee.

### **Cardholder Refund Rights:**

Where a Cardholder's authorisation did not specify the exact amount of the payment transaction, when the authorisation was made (typically known as 'pull' Transactions such as car rental Transactions and accommodation Transactions), and the amount of the transaction exceeded the amount the Cardholder could reasonably have expected taking into account their previous spending pattern, the conditions in their agreement with the Merchant and other relevant circumstances of the case (but not fluctuations in the rates of exchange where applicable), then, provided the Cardholder asks for refund within eight (8) weeks from debit date to the Cardholder's account, BOV will refund the Cardholder's account with the full amount of the Transaction by debiting the Merchant's account.

At BOV's request, the Merchant shall provide factual elements related to the conditions of the Cardholder's Agreement with the Merchant.

No refund will be made if the Cardholder had agreed with BOV for the payment to be made and, where applicable, details of the payment are provided or made available to the Cardholder by any means at least four (4) weeks before the payment is debited to the Cardholder's account.

## e. Delayed or Amended Charges

A Merchant offering accommodation services, services on board a cruise liner, or car rental services, may process delayed or amended charges if the Cardholder has consented in writing to be liable for such delayed or amended charges.

These services may include room, food or beverage charges, taxes, fuel, insurance, rental fees, damage to rental vehicles, parking tickets and other traffic violations, and goods and services purchased aboard a Cruise Line vessel.

(Applicable to MasterCard): The Merchant must obtain a separate authorisation from the Cardholder before processing the delayed or amended charge. Unless a separate authorisation is obtained, the delayed or amended charge will be subject to full recourse in case of dispute.

A delayed or amended charge must be processed to the Cardholder's account within 30 calendar days of the original transaction date.

In these cases, the Merchant must process a 'Card Not Present' transaction and include the words 'Signature on File' on the Transaction Receipt. The Merchant must also send a copy of the Transaction Receipt to the Cardholder's address shown on the rental contract, hotel, or cruiser liner registration, as applicable.

## f. Settlement

Transactions must be submitted to BOV for payment within 3 Bank Business Days of the transaction date. If any payment is received by the Merchant from or on behalf of a Cardholder for any purchase made with the Card, such payment is to be endorsed and sent by the Merchant to BOV immediately.

The submission for payment can be done electronically or manually, in the case of transactions accepted manually.

Any transactions submitted for settlement manually (i.e. by mail, fax, email or any other communication channel outside BOV's standard electronic communication channels) are at the sole risk of the Merchant.

BOV cannot be held liable for transactions received for settlement after more than 3 Bank Business Days from the transaction date, and in such cases, reserves the right to withhold payment until all Cardholder rights to reclaim the funds have expired.

Transactions shall not be submitted for settlement until the goods are delivered into the hands of the Cardholder or shipped or the services are performed.

Provided that the Merchant has generally complied with all terms of the Agreement, including that the transaction data is complete and that the Merchant is permitted to accept such transactions under the Agreement, BOV will credit the Merchant's account with the value of the transactions after deducting from the gross amount of each transaction a commission and/or transaction/service fees as indicated on Page 1 of this Agreement.

In the case of refunds, BOV will either deduct the full amount of the refund from subsequent payments due to the Merchant or bill the Merchant for that refund.

Additional commission and/or transaction fees on refunds may be charged by the Bank.

Upon submission of a transaction for clearance, the rights of the Merchant in respect of that transaction automatically rest with BOV.

All payments BOV receives from Cardholders for transactions will first be used to satisfy any transactions for which BOV does not have recourse. Payments will then be applied to any transactions for which BOV has recourse. If the Cardholder pays BOV for transactions for which BOV has already exercised its right to recourse, BOV will credit the Merchant with the relevant amounts.

The Merchant must maintain a bank account acceptable to BOV for the purpose of receiving payments due from BOV. BOV shall be entitled to debit from that account any sums payable by the Merchant to BOV in terms of this Agreement either by direct debit or otherwise and the Merchant is to retain with its bank an instruction to effect all such debits even after the Agreement has ended for any reason. The Merchant is to give BOV at least 14 days' notice in writing of its intention to change this account or any substitute account. If the Merchant changes the account to any other bank, the Merchant must authorise the new bank to make payments due to BOV under this Agreement.

- "Card Present" Transactions:

Provided that the terms and conditions of this Agreement have been respected, BOV undertakes to pay the Merchant within 3 Bank Business Days from receipt of the transactions and after deduction of the above-mentioned commission, or upon expiry of the Delayed Settlement Period shown on page 1 of this Agreement, whichever occurs later, even if the cardholder would fail to pay, become insolvent, or bankrupt.

- "Card Not Present" and Internet Transactions:

Provided that the terms and conditions of this Agreement have been respected, BOV undertakes to pay the Merchant within 3 bank business days from receipt of the transactions and after deduction of the above-mentioned commission, or upon expiry of the Delayed Settlement Period shown on page 1 of this Agreement, whichever occurs later. However, payment is subject to recourse as Card would not have been sighted at transaction. It shall not be incumbent on BOV to verify whether the Cardholder's complaint is justified or not.

#### 4. PROMOTION, TRADEMARKS AND MERCHANT'S IDENTITY

The Merchant will prominently display all the Card logos accepted at their outlet as well as the latest promotional material made available by BOV. The said promotional material is to be removed by the Merchant immediately at BOV's request or upon termination of the Agreement for any reason whatsoever.

The Merchant has the right to refer to its membership of the International Payment Systems in all its advertising or publications: provided that the Merchant is to submit all such advertising or publications which refers to BOV or to any Card for BOV's prior approval.

This Agreement does not give either BOV or the Merchant any rights in the other party's name, logo, trademarks, trade names, services marks, or similar proprietary designation marks. No use may be made of a party's marks without the prior written consent of that party.

At all points of Cardholder interaction, the Merchant's identity must be clear to the Cardholder so that the Cardholder can readily distinguish the Merchant from any supplier of goods or services to the Merchant or from any other third party.

## 5. SECURITY

Merchants should not complete a transaction if:

- Cardholder behaviour gives rise to suspicion of fraudulent activity.
- The Merchant is for any reason suspicious of an illegal or fraudulent transaction.

BOV reserves the right to freeze funds representing proceeds of transactions carried out pursuant to this Agreement if fraudulent or suspect activity is identified. These funds are to be used to offset future chargeback liability or fraud loss and will be released in the eventuality that no chargebacks arise.

Without prejudice to the foregoing and to the Bank's right to amend any of these general conditions of membership by giving the Merchant seven (7) days' notice as provided above, BOV shall be entitled to withhold from the Merchant any payment due to the Merchant under this Agreement or any other agreement the Merchant may have with BOV, or take any other action deemed appropriate, if in BOV's reasonably exercised judgement, there is a risk that the Merchant will be unable or unwilling to perform his contractual obligations under this Agreement or any other agreement the Merchant may have with BOV.

In particular, but without limitation, BOV shall be entitled to:

- i. change the Merchant's floor limit and/or payment plan;
- ii. suspend or stop payments to the Merchant; and
- iii. introduce additional authorisation procedures. In all cases, BOV shall immediately notify the Merchant in writing of the action BOV has taken, with the exception of (iii) which BOV shall give the Merchant prior written notice.

## 6. RESERVES AND GUARANTEES

BOV may require the Merchant to hold a specified reserve ('the reserve') in its account. This sum shall be retained by BOV as a security against potential chargebacks. This sum may take the form either of an initial deposit or of a percentage of each transaction as may be agreed by BOV and the Merchant. Interest shall be paid on the retained amount if the Merchant holds an interest-bearing account. Moreover, a personal guarantee/s and/or any other guarantee or security may be required from the proprietors of the Merchant as a security against potential chargebacks should the business of the Merchant fail.

BOV reserves the right to use the reserve and/or the personal guarantee and/or any other guarantee or security to pay chargebacks, even if the Merchant declares bankruptcy or insolvency and to retain the reserve and/or the personal guarantee/s and/or any other guarantee or security for a period of six (6) months after the termination of the Agreement.

The Reserve amount is determined on the Merchant agreement – Commercial terms and BOV reserves the right to review this Reserve from time to time.

In addition, and without prejudice to the Reserve:

- i. BOV may retain all or part of the transaction amounts generated by a Merchant over and above any monthly and/or annual transaction capping and/or any maximum transaction capping as provided in the Merchant agreement - Commercial terms or as notified to the Merchant from time to time; and
- ii. as a cover against losses from Chargebacks which cannot be recovered by BOV, BOV may block and retain a percentage or the full amount of the Transactions processed. The retention rate will be directly related to the Chargeback Rate as provided in the Merchant agreement - Commercial terms or as may be amended by the Bank from time to time.

## 7. DISPUTES WITH CARDHOLDERS

The Merchant must supply the goods and services which have been paid for by a Card in accordance with the terms of its agreement with the Cardholder. The Merchant must accept and process all transactions lawfully and in good faith.

BOV will not under any circumstances interfere with or accept responsibility for any disputes arising between the Merchant and a Cardholder in respect of goods or services acquired with a 'Card'. BOV reserves the right to deduct from its settlement the amount under dispute, if this amount, would not have been paid by the Cardholder. In such cases, the Merchant is entitled to undertake all such steps as may be necessary to recover this amount, and the right to obtain payment from the Cardholder will be assigned by BOV to the Merchant.

## Chargebacks

A chargeback means an unpaid transaction which is returned to BOV by a Card issuer. BOV has the right to debit the Merchant or to otherwise recover from the Merchant by any means the amount of a chargeback. BOV's rights to do this are not affected by any arrangement entered between the Merchant and the Cardholder.

Card issuers may refuse to settle a transaction undertaken and processed by a Merchant in any, but not limited to the following cases and events,

- The signature on the Transaction Receipt is different from that on the Card (applies only to magnetic stripe cards)
- The transaction was not authorised by the Cardholder and/or no clear instruction was received from the Cardholder;
- The Transaction Receipt is for any reason incomplete;
- The Card has expired at the time of the transaction;
- The amount charged does not correspond to the value of the goods or services purchased or rendered;
- The sale price is in excess of the authorised floor limit and no authorisation has been obtained from BOV;
- A negative authorisation response was given, or no authorisation number was given or if given, was not properly recorded or authorisation was not properly requested or obtained;
- The Merchant does not follow the acceptance procedure for Chip and PIN Cards as indicated in clause 3.
- The cardholder disputed the transaction because the goods were not received or were defective, or the services were not performed or were inadequate;
- The transaction was made with a counterfeit or altered Card;
- The transaction was for any reason fraudulent, ineligible or illegal;
- The transaction was split into two or more transactions;
- The data pertaining to a 3D Secure transaction is missing, incorrect or incomplete;
- There has been any departure from the terms of this Agreement in relation to that transaction.

BOV may, at its discretion, elect to treat any such transaction as valid.

In case of such disputes, the Cardholder's Issuing Bank may request BOV to provide a copy of the Transaction Receipt. BOV will request this copy and any other documentation, information, or explanation relevant to the transaction from the Merchant in writing. The Merchant is obliged to provide the foregoing within the stipulated time indicated in BOV's request, for onward transmission to the Cardholder's Issuing Bank, in default of which, BOV shall have recourse for the gross transaction amount. (BOV's right of recourse to the gross transaction amount applies to all transactions, including Card Not Present Transactions.)

In addition, BOV shall have the right to recourse if the Merchant's loss to billings percentage exceeds, for any reason whatsoever, five per cent (5%), or such other percentage as BOV shall from time to time notify to the Merchant.

Card Not Present transactions are subject to full recourse; the Merchant is fully liable for such transactions.

## Fines imposed by International Payment Systems

Without prejudice to the provisions of this Agreement, the Merchant shall be liable for all and any fines which may be imposed on the Merchant by an International Payment System in connection with chargebacks and/or fraud as provided in the Merchant agreement - Commercial terms or as may be amended and/or introduced by the International Payment System from time to time.

**These fines are over and above BOV's Chargeback Handling Fee identified in the Merchant agreement - Commercial terms.**

## 8. PROHIBITIONS

The Merchant is prohibited from the following:

- Accepting a Card for goods and/or services which fall outside the nature of the business indicated in the Application Form and/or, in the case of a corporate Merchant, which falls outside its objects clause specified in its Memorandum and Articles, statute or similar document, as well as Page 1 of this agreement.
- Must not submit for payment transactions from any illegal activity or from any country where a specific license is required or originating from a card issued in any sanctioned country as may be listed by OFAC from time to time.
- Accepting a Card for pornographic goods or services or prostitution or for goods or services for which the provision thereof is illegal (e.g. drug trafficking).
- Accepting a Card for sales where the amounts charged do not correspond with the value of the goods or services purchased or rendered.
- Accepting a Card for sales made under a trade or business name, business affiliation and/or industry which is different from that indicated on the Application Form;

- Accepting a Card for damages, penalties, fines, charges, costs or fees of any kind which are beyond the normal value of the goods or services purchased or provided;
- Accepting a Card for amounts which do not represent a bonafide sale of goods or services at the Merchant's outlet.
- Accepting a Card for a transaction which the Merchant knows or should know to be fraudulent or not authorised by the Cardholder.
- Accepting a Card to collect or refinance an existing debt.
- Accepting Cardholder payments for previous Card charges.
- Disbursing funds in the form of cash
- Accepting any cash payments with respect to charges for goods or services that are included on a Transaction Receipt resulting from the use of a Card.
- Processing a transaction for collection of a dishonoured cheque.
- Accepting the Card or submitting transactions for settlement on behalf of another Merchant or other third party.
- Splitting the total amount into smaller amounts, to avoid authorisation. [Exceptions to this rule are:
  - Purchases in separate departments of a multiple department store;
  - Individual airline or cruise tickets issued to each passenger if required by airline or cruise line policy;
  - Partial amount paid by the Cardholder in cash, cheque or both at the same time;
  - Delayed Delivery transactions meaning a single transaction where a Cardholder completes two separate Transaction Receipts. The first Transaction Receipt functions as a deposit for goods or services; the second is to pay the balance due to the Merchant.]
- Retaining Card numbers in full either in paper or in electronic format.
- Reading Card track or Chip data through any hardware other than that provided by BOV.
- Storing any CVV2/CVC2 data in any form for longer than required for the completion of a transaction.
- Presenting for payment a transaction which has failed any of the authentication checks attempted for that transaction type. Such authentication checks include but are not limited to Cardholder ID, Cardholder signature, PIN, CVV2/CVC2 and 3D secure authentication.

(CVV2/CVC2 = Card Verification Value printed on the back of the Card in or next to the signature panel)

### 9. MERCHANT LIABILITY

If the Merchant has more than one owner or principal, liability under the Agreement rests with all parties involved. This includes liability for chargebacks.

For the fulfilment of all obligations under this Agreement, the Merchant shall be responsible for the actions of their employees or agents.

The Merchant is liable for and shall indemnify, and hold harmless BOV, its subsidiaries and any International Payment System from any losses, costs, claims, actions, proceedings and demands (including reasonable legal costs, any penalties or fines imposed by International Payments Systems on BOV and/or any increase in the card issuer interchange fee payable by BOV to card issuers which is attributable to the Merchant's breach of the Agreement as well as chargebacks including chargebacks arising during a 'chargeback window' as imposed by any International Payment System as part of a monitoring programme for merchants identified and listed on global bulletins as having an excessive fraud or chargeback activity) that arise out of or in connection with this Agreement, any transaction or the goods or services relative to the transaction, any promotion or marketing of any goods or services sold by the Merchant, improper activity of the Merchant, any misrepresentation by the Merchant to the Cardholder or any breach of any obligation or duty that the Merchant owes to the Cardholder, any investigations into transactions which are shown to involve fraudulent or criminal activity on the Merchant's part, any breach of, or failure by the Merchant or their employees, agents or contractors to comply with, the Agreement, any act or omission done wilfully or negligently by the Merchant, their employees, agents or contractors as well as any violation by the Merchant, their employees, agents or contractors of any applicable laws or regulations.

The Merchant shall assist BOV as it may require in the handling of any claims or actions brought against BOV by any Cardholder or Card issuer and BOV shall be entitled to settle or otherwise deal with such claims or actions at its sole discretion.

Without prejudice to any other rights which BOV may have, (i) BOV shall be entitled to debit all or any of the Merchant's account/s with BOV with all or any amounts due by the Merchant in terms of this Agreement as mentioned above and/or to set off or combine any liability the Merchant may have to BOV including any sums standing to the credit of any bank account which the Merchant may have with BOV or otherwise against any amount owing by BOV to the Merchant; and (ii) interest on any overdue amounts shall be due at the maximum rate allowed by law from the due date for payment until payment is received.

Any written statement by BOV of the amounts owing under this Agreement shall, in the absence of manifest error, be conclusive and binding on the Merchant.

All and any payments to be made by the Merchant to BOV in terms of this Agreement shall be exclusive of VAT and in Euro, unless otherwise stated.



## 10. EPOS TERMINAL

If the Merchant leases an Electronic Point-of-Sale Terminal ("Terminal") from BOV, such lease shall be regulated by the terms and conditions of the EPOS Terminal Network Rental Agreement, which forms an integral part of this Agreement.

Should the Merchant choose to purchase their own Terminal, BOV will have the right to carry out tests at its sole discretion, on the Terminal to ensure that this complies with latest industry standards.

Furthermore, the Merchant accepts to allow BOV unrestricted access to the Terminal at a reasonable and pre-notified time, to enable the Bank to install Secure Keys required for the safe operation of the Terminal.

Where the Merchant elects to purchase their own Terminal, the Bank will not be responsible for carrying out any other installations, except those specified above, in connection with the Terminal, unless this is agreed to between both parties.

The cost of installation and maintenance of the Terminals shall be borne by the Merchant.

The Merchant also binds themselves to replace the Terminal/s owned by them, at their own cost, should the Bank issue such instructions for the safe upkeep of the system.

The Bank reserves the right to deactivate any Terminal/s that is/are owned by the Bank or the Merchant at its own discretion.

The Merchant must always maintain a clean environment around the Terminal.

The Merchant is to ensure that the entry of a user's Personal Identification Number (PIN) on the Terminal/s is not recorded by CCTV.

Merchants are to ensure that any Cardholder Activated Terminal ("CAT Terminals") are operating on a 24-hour basis.

## 11. DURATION and TERMINATION

This Agreement shall come into effect as at the date written below and shall remain in force until such time as any one of the parties gives the other party written notice of its intention to terminate, without giving any reason, whether in relation to all or any one or more of the Cards. In case of termination by BOV, the notice period shall be of not less than two months: provided that BOV is entitled to exercise immediate termination of the Agreement, whether in relation to all or any one or more of the Cards:

- In the event of material changes in the business line or practices of the Merchant;
- In the event of unauthorised changes to banking details;
- In the event of the Merchant account being inactive for a period of at least 6 months;
- In the event that the Merchants turnover does not exceed the 'Minimum Annual Turnover' as indicated on Page 1, in any 12 month period.
- If the Merchant is in any way or is found to be treating Cardholders unequally;
- If the Merchant is in any way or is found to be offering poor quality goods or services;
- If the Merchant violates the terms and conditions of the Agreement, including (without limit), failure to pay BOV any amount due under this Agreement;
- If the Merchant is in any way or is found to be participating in fraudulent activity;
- If the Merchant is insolvent or bankrupt, or goes into or commences proceedings for liquidation or makes an agreement with its creditors generally;
- If the Merchant is a partnership, and the partnership ends;
- If the Merchant is an individual and they die;
- If the Merchant is a legal entity and control of the Merchant or its business changes;
- If any event or a series of events occur, which in the Bank's opinion may affect the Merchant's ability or willingness to comply with any of their obligations under this Agreement or may damage BOV's reputation or that of any International Payment System;
- For any reason valid at law.

Termination of this Agreement will not affect the liability of any of the parties towards the other party, existing at such date of termination, including but not limited to, any liability on the Merchant's part in respect of chargebacks which are notified to BOV at any time after the Agreement has ended.

If this Agreement is terminated by the Bank for cause, the Merchant may be listed in the card scheme terminated merchant databases, as per Card Scheme rules. The Merchant has the right to request access to, and rectification of, the personal data concerning the Merchant, which is held on these databases.

Queries or complaints regarding the inclusion of the Merchant's data in the Database should be discussed with Bank personnel. If the Merchant is not satisfied with the Bank's reply or no agreement has been reached with the Bank, the Merchant may lodge a complaint with the Data Protection Commissioner.

If this Agreement ends, the Merchant must promptly return to BOV all equipment and materials supplied by BOV and must pay BOV immediately all and any amounts due under this Agreement.

### 12. OTHER MATTERS

In addition to the clause above relating to personal data, the information contained herein and related to the activities of the Merchant can be exchanged by BOV with any member of the Bank of Valletta Group (Bank of Valletta p.l.c. and its subsidiaries), the Group's associates and agents, any person providing an internet payment gateway and with any other member or controlling body of the relative International Payment System.

Subject to the foregoing clause, BOV and the Merchant agree to keep confidential and not disclose to any third party any information received from the other that is not publicly available and the terms of this Agreement including, without limitation, the commission and/or transaction fee indicated in on page 1 of this Agreement. The Merchant shall take all steps necessary to prevent the transfer or disclosure of Cardholder information to any third party and will not use or disclose the names, addresses, account numbers and transactions of the Cardholders, except as otherwise provided in this Agreement. For the avoidance of doubt, the obligations in this clause shall survive the termination or expiry of this Agreement.

The Merchant shall not compile or use any lists of Cardholders, Card numbers, or other information related to the Cardholders other than for the proper performance of its obligations or exercise of its rights under the Agreement.

The Merchant agrees to:

- Provide BOV with details of all transactions as set out in this Agreement or as otherwise notified by BOV. The Merchant must not present or allow anyone else to present to BOV more than one set of transaction data for each transaction.
- Retain in a secure place legible copies of all transaction vouchers, terminal tally rolls, invoices, receipts and other documentation evidencing Cardholder's authority to debit Cardholder's account with the transaction amount. All documents are to be kept for at least 18 months from the date of the relevant transaction and the Merchant is to provide BOV with copies on request.
- If requested, provide BOV with the latest audited and/or management accounts and any other information which BOV may require to assess the Merchant's financial position.
- Notify BOV in writing of any change in circumstances which may affect the Merchant's condition or status or ability to perform its obligations under the Agreement including, but not limited to, any change of address, bank account, nature of business, and any projection or forecast previously provided to BOV.
- Provide such reasonable assistance as BOV may require for the prevention and detection of money laundering or any other fraudulent or criminal activity and for compliance with the Agreement generally. BOV shall be entitled to suspend the processing of, or withhold payment of, or in the event BOV has already credited the Merchant, debit the Merchant with, an amount equivalent to the value of any transaction pending completion of BOV's investigation where BOV has reasonable suspicion of a breach of this Agreement or money laundering or any other fraudulent or criminal activity. BOV may retain such amount until it has concluded its investigations or until BOV is reasonably satisfied that the transaction/s in question is/are no longer subject to chargeback rights or as may be required at law, whichever is longer.
- Assist BOV with any financial or reconciliation query by providing such transaction details and/or other documentation or evidence as BOV may require.
- Co-operate with BOV for BOV to carry out an inspection at the Merchant's premises for the purpose of ascertaining compliance with this Agreement.
- Notify BOV if the Merchant changes the way it undertakes transactions including (without limit) acceptance of point of sale, authorisation method and method of submission to BOV.

### 13. LIMITATION OF LIABILITY

BOV will endeavour to always give a complete service, however it shall not be liable to any person if it is unable to perform its obligations under this Agreement due to the failure of any machine, computer, telephone line or software, whether belonging to or licensed to BOV or not, any industrial dispute or anything which is outside the control of BOV.

Without prejudice to clauses 6, 7, 9 and 13 above, neither BOV nor the Merchant will be liable to the other for any incidental, indirect, consequential, or special damages of any kind, however arising.

The Merchant shall hold the Bank harmless and fully indemnified against any claim, loss or liability incurred by the Merchant because of the inclusion of its data in the Database, unless due to fraud, wilful default or gross negligence by the Bank.

## 14. INFORMATION FROM BOV AND COMMUNICATION WITH THE MERCHANT

If the Merchant is a subscriber to BOV's 24x7 Internet Banking service, information on payments representing transaction proceeds made to the Merchant account by BOV (less commissions and fees) and originating from the transaction batches sent to BOV by the Merchant, will be made available to the Merchant electronically on a weekly basis. If the Merchant requires this information on paper, BOV reserves the right to impose a charge per statement requested.

If the Merchant is not a subscriber to BOV's 24x7, Merchants may receive this information by mail on a weekly basis. A fee may apply as per BOV Tariff of Charges.

The Merchant is responsible for checking this information (whether on paper or electronically) and to contact BOV immediately if the Merchant considers the information to be incorrect in any respect.

Unless otherwise provided any notice period required to be given under this Agreement shall be reasonable and any statement, notice, communication, changes to this Agreement or other document which is required to be given or served by BOV under this Agreement shall be notified to the Merchant either in writing, including, by such electronic means as SMS or email (whether through BOV's 24x7 Internet Banking or otherwise), or where permitted, by publication in the press, at any of the Bank's branches or on the Bank's website [www.bov.com](http://www.bov.com). When mailed, any such document shall, at BOV's option, be sent either to the Merchant's address stated in the Commercial Terms, or at any other address notified in writing by the Merchant to BOV. If the Merchant is a partnership or a company, a document served on any one of the partners or the directors or at the last notified address of the partnership or company will be deemed to have been validly mailed.

## 15. ASSIGNMENT

This Agreement is personal to the Merchant and the Merchant is not entitled, without BOV's prior written consent to assign or transfer or permit the exercise by any person of any of its rights under the Agreement, or transfer or subcontract any of its obligations under the Agreement.

BOV may assign, subcontract, or transfer this Agreement in whole or in part to any of its holding, parent, subsidiary, or affiliate companies or to any International Payment System or the designee of such International Payment System, upon prior written notice to the Merchant, provided that such assignee is fully capable of performing BOV's financial and business obligations hereunder.

## 16. GENERAL

Without prejudice to the other provisions of this Agreement, BOV may, at any time, require the Merchant to provide guarantees or other security for the Merchant's obligations under this Agreement and/or to take up an insurance policy acceptable to BOV to cover all or any of the Merchant's obligations and liability under this Agreement and/or to apply special terms or conditions in relation to the Merchant's acceptance of transactions. BOV may rely on any guarantees or other security provided to BOV now or in the future.

Any failure or delay by BOV in enforcing any right, power or remedy under this Agreement or applicable law shall not be deemed to be a waiver thereof unless in writing and signed by BOV.

If any provision of the Agreement is or becomes illegal or invalid, that provision will be deemed deleted from the Agreement and the remaining provisions shall continue in force.

This Agreement together with the documents referred to in clause 1 of this Agreement form the entire agreement between the parties in relation to the subject matter hereof. Neither of the parties has relied on any verbal or written information provided by the other unless it is set out or expressly referred to in those documents, except that BOV has relied and will continue to rely on all verbal and written information provided by the Merchant in relation to its business or status.

During the duration of this Agreement, the Merchant may at any time request a copy of this Agreement or as may be amended from time to time.

Unless otherwise agreed, the English language will be used for the purpose of interpreting the Agreement and for all communications in connection with the Agreement.

Queries or complaints regarding this Agreement should be discussed with BOV personnel at the Customer Service Centre. The Merchant may lodge a complaint either by phoning BOV's Customer Service Centre on 356 2131 2020 or by writing to The Manager, Customer Service Centre., Bank of Valletta p.l.c., BOV Centre, Triq il-Kanun, Zone 4, Central Business District, Santa Venera, CBD 4060 or on the following email address [csc@bov.com](mailto:csc@bov.com). If the Merchant is still not satisfied with BOV's reply or no agreement has been reached with BOV, the complaint may be directed to the Consumer Complaints Manager at the Malta

Financial Services Authority by writing to the Consumer Complaints Manager, Malta Financial Services Authority, Triq I-Imdina, Zone 1, Central Business District, Birkirkara, CBD 1010, Malta or via e-mail [consumerinfo@mfsa.com.mt](mailto:consumerinfo@mfsa.com.mt). The Merchant may also appeal to the Financial Services Tribunal established under the Malta Financial Services Authority Act (Chapter 330 of the Laws of Malta) within such period and under such conditions as established under the said Act.

### 17. PRINCIPAL AND AUTHORITY TO SIGN

The Merchant has contracted with BOV as principal and not as agent for any person.

The Merchant represents that the individual/s signing the Application Forms and the Agreement has/have authority to do so and to bind the Merchant to the provisions of this Agreement.

### 18. JURISDICTION

This Agreement shall be construed in accordance with the Laws of Malta and any disputes shall be subject to the exclusive jurisdiction of the Courts of Justice of Malta. This clause is for the benefit of the Bank only. As a result, the Bank shall not be prevented from taking action in any other courts in any jurisdiction.

### DATA PROTECTION

Compliance. Each of BOV and the Merchant, acting as a controller, will process the cardholder information in compliance with applicable data protection laws including the EU General Data Protection Regulation 2016/679 ("GDPR") (as amended and replaced from time to time).

Purpose. BOV will only process the cardholder information:

- as required in order to meet our obligations pursuant to the Agreement;
- as required or allowed by law applicable to BOV;
- for fraud prevention or investigation purposes, or other risk management purposes;
- for customer identification and information verification purposes, including in connection with "know your customer", anti-money laundering or anti-terrorism financing purposes;
- in accordance with any card scheme rules;
- to enforce our rights, or the rights of other persons in a financial transaction; or
- to comply with policies applicable to our obligations under the Merchant Agreement, including to protect the security of the cardholder information.

**Transparency:** As a controller of the cardholder information, the Merchant will provide an information notice to data subjects meeting the requirements of data protection laws, including the information referred to in Articles 13 and 14 of the GDPR.

**Assistance:** Each party will provide the other party with such assistance and co-operation as it reasonably requests to enable the requesting party to comply with any obligations imposed on it by data protection laws in relation to the processing of the cardholder information. A party will be entitled to refuse or limit its assistance where the requesting party is in the position to fulfil the obligations without that party's assistance.

**Privacy Policy:** For full details of BOV Privacy Policy, please visit our website at <https://www.bov.com/content/privacy>