

MERCHANT AGREEMENT

Customer Support: 1-800-253-2111 Fax: 1-888-713-7351
Email: orders@paymentsource.ca

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| Merchant Account/Billing Information: | Location Information: |
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| Hereafter referred to as the "Merchant" | <input type="checkbox"/> Same as Merchant/Billing Information |
| Legal Business Name: (Same as void cheque) | Store Name (operating as): |
| Billing Address: | Store Address: |
| | Site ID (if applicable): |
| City: | City: |
| Province: Postal Code: | Province: Postal Code: |
| Main Contact: | Store Contact: |
| Phone: Fax: | Phone: Fax: |
| Mobile: | Mobile: |
| Additional Contact Information (please list authorized personnel that can request information and make changes to your account): | |
| Name: | Email: |
| Name: | Email: |
| GST/ HST Number: | PST Number (if applicable): |

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| Existing Merchant: <input type="checkbox"/> No <input type="checkbox"/> Yes; Merchant ID: | Existing Location: <input type="checkbox"/> No <input type="checkbox"/> Yes; Location ID: |
| Change of Ownership Date (if applicable): | Account Initialization: <input type="checkbox"/> \$50.00 one-time fee: WAIVED |
| Rate Schedule (refer to Schedule A): | Apply Convenience Fee: <input type="checkbox"/> Yes: \$1.00 |
| Gift Card Program (GCP) including Long Distance POSA: <input type="checkbox"/> No <input type="checkbox"/> Yes: \$1.50 per week (includes auto-replenishment of all cards) | Rack Type for Gift Card Program: <input type="checkbox"/> Not Required <input type="checkbox"/> Counter - 18 Peg (free) <input type="checkbox"/> Floor – 64 Peg (\$100.00 one-time fee) |
| Mini Suite Program (if selected no to GCP): <input type="checkbox"/> No <input type="checkbox"/> Yes: \$9.95 shipping charge per order | Rack Type for Mini Suite Program: <input type="checkbox"/> Not Required <input type="checkbox"/> Counter - 18 Peg (\$35.00 one-time fee) |

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| Distributor: | Sales Person: |
| Referred By: | Source: |
| Type: <input type="checkbox"/> Dial Terminal <input type="checkbox"/> IP Terminal <input type="checkbox"/> Web App | Static IP? <input type="checkbox"/> No <input type="checkbox"/> Yes: |
| Shipping Details(special instructions)/Additional Notes: | |

By submitting this completed Merchant Agreement, ("Agreement") the Merchant hereby grants permission to Payment Source Inc. ("The Company") to acquire a credit report and contact credit references from time to time, including the Merchant's bank. The Company and the Merchant agree to the clauses on the overleaf, on the Direct Payment Service Enrollment Authorization Form and on Schedule A attached. By accepting and processing the information provided on this Merchant Form, no binding agreement is made between The Company and the perspective Merchant. The Company reserves all rights, in its sole discretion, to approve or deny any person or entity from becoming a Payment Source Merchant. *Unless otherwise specified, Billing Delivery will default to Web Report.

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| Name: (Please Print) | Signature | Date (Month/Day/Year) |
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Term and Termination

The Agreement shall commence as of the date on the Agreement and shall remain in effect until termination by the Merchant or Company. All Company assets are to be returned in good working order, including, but not limited to racks, cards, and terminal equipment within 30 days of termination. The Company may terminate this Agreement immediately or suspend performance here under upon the occurrence of i) an event of default or in the event any PAD debit "bounces" due to insufficient funds or Merchant intervention ii) in the event The Company determines it is necessary in order to protect The Company's business or good name iii) merchant fails to achieve minimum sales targets as set from time to time by The Company iv) merchant is in breach of any other provision of this Agreement and fails to remedy such breach within seven (7) days after receiving notice from The Company of such breach. Upon termination, Merchant shall cease selling the products and return to The Company all equipment and supplies, return all Point of Presence Materials, and pay all sums due under this Agreement. If Merchant fails to do so in a timely fashion, The Company shall be entitled to charge the merchant for any equipment or displays not returned or returned in a damaged state.

Obligations of The Company

During the term of this Agreement, The Company shall:

- (a) give to the Merchant such assistance as is required by the Merchant;
- (b) provide timely delivery of products and services;
- (c) provide business hours support to the Merchant;
- (d) provide best practice information relating to products and services and Fraud and AML procedures;
- (e) provide settlement of payments and associated reporting.

Obligations of the Merchant

During the term of this Agreement, the Merchant shall:

- (a) use its best efforts to advertise and promote the products, including installation of terminal upon receipt;
- (b) use the forms provided by The Company from time to time to market and sell the products;
- (c) understand that, if applicable, they are enrolled in the Gift Card Program Fee (GCPF) which includes auto replenishment of gift, financial, and long distance cards. The GCPF of \$1.50 (one dollar and fifty cents) will be charged to the Merchant weekly;
- (d) understand that a weekly non usage fee of \$2.50 (two dollars and fifty cents) will be charged if weekly sales do not total \$10.00 (ten dollars) or more (excluding Webstore or Web Services Merchants);
- (e) agree that they will only apply the convenience fee to appropriate products as described on the voucher;
- (f) ensure that all staff are trained on The Companies service, including, but not limited fraud and anti-money laundering warnings;
- (g) refrain from ever providing PIN information over the phone, regardless if the caller says they are employed by The Company or the Product Vendor;
- (h) acknowledges that any product, whether PIN (personal identification number) or POSA (point of sale activation), once activated cannot be refunded;
- (i) be responsible for all transactions printed using The Companies services, including but not limited to transactions obtained fraudulently, or through theft;
- (j) refrain from damaging, altering, modifying, repairing or servicing the Terminal without the previous written consent of The Company;
- (k) remain fully responsible for the repair or replacement costs associated with damage to the Terminal that is due to (but not limited to) neglect or misuse;
- (l) refrain from selling, distributing or promoting products that are in direct competition with The Company products;
- (m) be responsible for any and all taxes, deductions and remittances it is required to make under Canadian law in connection with the sale of products. Merchant agrees to save harmless and indemnify The Company from and against all claims, charges, taxes, penalties or demands which may be made by any government authorities with respect to Merchant's compliance or lack thereof with Canadian law;
- (n) agree to be included any online store locator. You have the right to be removed from the store locator by contacting Customer Service;
- (o) agree that if you have provided The Company with a valid email address, you have given the Company consent to send electronic messages regarding your service, including but not limited to product updates, server maintenance updates, newsletters, fraud warnings, and other notifications. You have the right to be removed or opt-out from non-service oriented electronic messages by contacting Customer Service;
- (p) accepts that all reporting and invoicing is accessible only through The Company's secure web portal and/or via email. You can subscribe to our fax invoice service for \$2.50 per week.

Product Payment

Merchant hereby authorizes The Company or its authorized third party to originate a Pre Authorized Debit ("PAD") debit to Merchant's account, as provided by the Merchant for all obligations of Merchant under this Agreement. In the event that The Company incurs any charges due to the failure of a PAD debit to properly process or in the event that Merchant does not have sufficient funds in its account to permit the PAD debit to go through, Merchant shall immediately, upon demand, reimburse The Company for all such charges and expenses incurred together with a \$35.00 administrative fee. Notwithstanding the foregoing, the failure of a PAD debit to properly post to Merchant's account shall entitle The Company to immediately suspend service or terminate this Agreement. If there is any discrepancy between the POS terminal transaction reports and the transaction reports generated by the Server, the Server reports shall be considered correct and accurate.

Product Offering

The Company reserves the right from time to time to (i) discontinue or to limit its production or deliveries of any products; (ii) change any product commissions as found on the Schedule A; (iii) alter the design or the construction of any products; (iv) add new and additional products and (v) to replace its hardware, software and service providers with alternative products and services, provided however that The Company shall not so significantly exercise such right in connection with the products and/or services so as to negatively impact the ability of the Merchant to sell the products. The company maintains ownership of all hardware and software and reserves the right to remove the equipment at any time.

Representation, Warranties and Covenants

The Parties represent and warrant to each other as follows:

- (a) each party has the power to and is authorized to enter into this Agreement;
- (b) that nothing in this Agreement shall be construed as authority by The Company for the Merchant to act as an agent of The Company except for the sales and promotion of the product as provided herein and the Merchant hereby expressly undertakes and agrees that it will not incur any debt or obligation on behalf of The Company;
- (c) neither party will enter into another Agreement the carrying out of which would interfere with this Agreement;
- (d) each party shall maintain confidential and secure all material and information that is the property of the other Party.

Indemnity

The Merchant will indemnify, defend and save harmless The Company, its officers, directors, agents, servants and sub-licensees against any claims, losses or damages resulting from the Merchant's breach of any representations, warranties or covenants contained in this Agreement.

Limitation of Liability

In no event shall The Company be liable to the Merchant or to any other person or entity for any claims, actions, loss or damage including, without limitation, loss of revenue or profit or savings, lost or damaged data, or other commercial or economic loss or any indirect or incidental, special or consequential damages whatsoever even if The Company has been advised of the possibility of such damages. Notwithstanding anything else in this Agreement, The Company's maximum aggregate liability for any cause whatsoever related to this Agreement shall not exceed the aggregate amount of the Commissions earned by the Merchant in the twelve (12) months prior to the claim.

This Agreement shall be made and construed in accordance with the laws of the Province of Ontario and the courts of that province shall have exclusive jurisdiction to entertain any action or settle any dispute arising from this Agreement.

Assignment and Notification

The Merchant shall not be permitted to assign its rights in this Agreement to any other person or party without the prior written consent of The Company having been obtained. The Company shall be permitted to assign its rights in this Agreement to any other person or party without prior written notice to The Merchant. No modification or amendment to this Agreement shall be valid or effective unless set forth in writing.

DIRECT PAYMENT SERVICE AUTHORIZATION FORM

- Instructions:**
1. Fill in all applicable fields
 2. Sign where necessary
 3. Attach a void cheque and fax to 1-888-713-7351 or email to orders@paymentsource.ca

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| Legal Business Name (Same as on void cheque): | | |
| Store Name (operating as): | | Merchant ID: |
| Billing Contact Name: | | Site ID (if applicable): |
| Address: | | |
| City: | Province: | Postal Code: |
| Phone Number: | Fax: | Mobile: |
| Billing Email: | | |
| Existing Retailer: <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, effective date of bank change: | | |

AUTHORIZE Payment Source Inc. (PSI) (THE COMPANY)

Address: 365 Evans Ave, Suite 305 **City:** Toronto **Province:** Ontario **Postal Code:** M8Z 1K2

To Debit My/Our Account*

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|---|-----------------|------------------------|
| Bank: | Transit: | Account Number: |
| Name of Financial Institution: | | |
| * Please provide copy of void cheque (preprinted business cheques only), personal cheque (only for sole proprietor), or bank letter (on bank letterhead, signed and stamped by branch manager/employee) | | |

For all funds owing for products and services purchased from The Company that have been invoiced for, but not yet collected to a maximum of once daily.

DIRECT PAYMENT SERVICE TERMS AND CONDITIONS

1. I/WE will notify The Company in writing of any changes in the account information or termination of this authorization at least thirty (30) days in advance of the change.
2. I/WE agree that termination of this authorization does not affect my/our obligation to pay for goods or services contracted for/with The Company.
3. I/WE agree to pay all amounts due to The Company as invoiced according to the products/services provided by The Company as per the obligations of Merchant under this Agreement.
4. I/WE agree to pay a \$35 fee to be charged at The Company's sole discretion in each event that an attempt to collect funds in accordance with this authorization is unsuccessful due to insufficient funds (NSF) or an action by the retailer or retailer's financial institution to prevent such collection.
5. My/Our financial institution will treat each debit as if I/WE had personally issued a written direction authorizing The Company to debit the amount(s) specified to my/our account and need not verify that payments are drawn in accordance with this authorization.
6. I/WE understand the following billing periods include but are not limited to:
 - (a) Twice a week:
 - i. Monday to Wednesday, invoiced and billed Thursdays; and
 - ii. Thursday to Sunday, invoiced and billed Monday; or
 - (b) Weekly: Monday to Sunday, invoiced and billed Monday; or
 - (c) Daily: invoiced daily and billed next business day
7. I/WE understand that any debits charged to my/our account will be reimbursed if:
 - (a) the debit was not drawn in accordance with this authorization;
 - (b) this authorization has been terminated; or
 - (c) the debit was posted to the wrong account due to invalid/incorrect account information supplied by The Company by giving notice in writing to my/our branch of account within ninety (90) days of the debit to my/our account.
8. I/WE acknowledge that delivery of this authorization to The Company constitutes delivery to my financial institution.
9. I/WE warrant that all persons whose signatures are required to sign on this account have signed this authorization.
10. I/WE have read and understood the terms of this authorization and acknowledge receipt of a copy thereof.
11. I/WE have certain recourse rights if any debit does not comply with this agreement. For example, I/WE have the right to receive reimbursement for any PAD that is not authorized or is not consistent with this PAD Agreement. For more information on my/our recourse rights, I/WE may contact my/our financial institution or visit www.cdnpay.ca.

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| Name of Account holder: (Please Print) | Signature | Date (mm/dd/yyyy) |
| | | |
| Name of Joint Account holder: (Please Print) | Signature | Date (mm/dd/yyyy) |

* For joint accounts, all depositors must sign if more than one signature is required on cheques issued against account.