

Labaratory of Seven Possibilities UAB

Merchant Service Agreement

This Agreement defines conditions for using materials and services of the site <https://lsp.capital/> (hereinafter referred to as the "Site")

LABORATORY OF SEVEN POSSIBILITIES UAB is a Payment service provider company incorporated in Lithuania, Perkūnkiemio g. 13-91, LT-12114 Vilnius.

hereinafter "**PSP**",

Labaratory Of Seven Possibilities UAB and User (hereinafter referred to individually as a "Party" or collectively as the "Parties") hereby agree that the following terms and conditions, along with any appendix(es), exhibit(s), amendment(s) attached hereto, or those mutually agreed upon in separate writing(s) annexed at a future date, shall govern the services and licenses described herein and are binding on all Parties.

This Agreement shall not be effective until executed by the Parties. This Agreement shall be binding upon the successors, subsidiaries, affiliates, employees, officers, directors, agents, subcontractors and legal representatives of the Parties.

The Parties hereby agree as follows:

1. TERMS AND DEFINITIONS

1.1. "**Payment**" means transaction effected by Payer using Payment Methods offered by PSP, such transaction consists of financial and other corresponding information necessary for PSP to credit Payer's account with the operators of Payment Method.

1.2. "**Payer**" means any person or entity depositing money funds to Merchant for the purpose of fulfillment its monetary obligations towards operators of Payment Method.

1.3. "**Payment acceptance centre**" means any point of Payments acceptance where Merchant is accepting Payments.

1.4. "**Business day**" means a day (other than a Saturday, Sunday or public or national holiday) when banks in Lithuania are open for operations.

1.5. "**Dispute**" means any claim, conflict, controversy, disagreement between the Parties arising out of, or related in any way to, this Agreement (or any agreement, supplement or amendment contemplated by this Agreement), including, without limitation, any action in tort, contract or otherwise, at equity or at law, or any alleged breach (including, without limitation, any matter with respect to the meaning, effect, validity, performance, termination, interpretation or enforcement of this Agreement or any agreement contemplated by the Agreement);

1.6. "**Transaction**" means each Payment accepted and recorded in accordance with clause 3.1 herein.

1.7. **“Fees”** means the fees Company shall pay to PSP according to the terms of this Agreement;

1.8 **“Payment Method”** means the method of performing the Payment, including, but not limited to, virtual currency wallets, debit cards, credit cards, mobile wallets, or any other legal means for performance of payments.

2. SUBJECT OF THE AGREEMENT

2.1. Under the terms of the Agreement Merchant shall accept Payments and execute them using Payment Methods as set out this Agreement and Merchant Commercial Offer.

2.2. PSP provide the following services to the Merchant: processing authorization requests, registration and processing of card payments, settlement of payments and processing of chargebacks from Card Issuers and Cardholders.

3. RIGHTS AND OBLIGATIONS OF THE PARTIES. SETTLEMENT

3.1. PSP has the following rights and obligations:

3.1.1. In consideration of the Fees paid by Company to PSP and performance of Company by its obligations and duties under this Agreement, PSP shall accept, record and execute the Payments the Payers effected through Merchant according to the data which Merchant sends to PSP via the technical integration protocol (API) implemented by the Parties. PSP shall deduct the Payment amount by the Fees as specified in Merchant Commercial Offer.

3.1.2. PSP has the right to suspend powers of Merchant to accept Payments.

3.1.3. PSP shall provide Merchant with all relevant information required for Merchant to fulfill its obligations under this Agreement.

3.2. Merchant has the following rights and obligations:

3.2.1 Merchant shall pay to PSP the Fees in the amount calculated in respect of each Payment amount at the rates specified in Merchant Commercial Offer. PSP shall be entitled to deduct the Fee from the amounts due to Merchant before transferring the same to Merchant.

3.2.2 If, within 3 (three) calendar days after sending the amount to Merchant in accordance with this clause 3.2.2, no notification stating the Merchant’s disagreement with such amount has been received by Merchant, the amount transferred by PSP shall be deemed properly calculated by PSP and accepted by Merchant.

3.2.3 All settlements under this Agreement shall be performed by and in favor of the Parties only. No payments to the benefit of the third parties (including any Affiliates) may be requested and/or performed under this Agreement.

3.2.4 If any of PSP processing partners (bank, e-wallet operator, payment provider, etc) requires the PSP to refund a Payment processed by PSP for Merchant on the grounds established by the regulations of the Credit Card Associations and/or acquiring institution, the Merchant shall return the amount of such transfer to PSP (all charges are to be borne by Merchant).

3.2.5 If the payment was carried out with a bank card and the card issuer/card holder

submits a dispute (hereinafter referred to as “disputed transaction”), the Merchant shall return to PSP the funds (net of all charges) pertaining to the disputed transaction in the amount disputed by a card issuer/card holder. A decision on re-transferring to the Merchant of the amount of the disputed transaction is made on the grounds of the investigation conducted by the acquiring institution and on the basis of information received from the international payment system/card issuer.

- 3.2.6 PSP is entitled to claim from the Merchant reimbursement of amounts referred to in clauses 3.2.4. and 3.2.5. within 180 days from the date of termination of this Agreement, if the Merchant of operational payment activity with FAP, according to the terms of this contract, was completed suddenly and without foundation without prior notice of PSP. But at the same time, PSP reserves the right to increase this period to 540 days, in accordance with the Rules and tariffs of the Visa and Mastercard payment system. In this case, PSP has every reason to require financial compensation from the Merchant, in accordance with the terms of this Agreement and current legislation.
- 3.2.7 PSP will be entitled to withhold the funds that must be returned by the Merchant to PSP in accordance with clauses 3.2.5. and 3.2.6. of this Agreement from the remittance amounts payable by PSP to the Merchant. If the amount of such remittance is insufficient for completing the deductions in full, the Merchant shall transfer to PSP the required amount within three (3) business days from the date of receipt of the PSP’s order by email or the principal address of the Merchant.
- 3.2.8 In the cases referred to in paragraphs 3.2.4, 3.2.5 of this Agreement, PSP has the right to postpone, and not to transfer the amounts under these clauses.
- 3.2.9 PSP has the right to postpone sending to the Merchant of the Payment amounts, for up to 180 calendar days if the Payments raise reasonable suspicions as to their legality, including the cases when PSP is notified by the acquiring institution that payments are fraudulent. But at the same time, PSP reserves the right to increase this period to 540 days, in accordance with the Rules and tariffs of the Visa and Mastercard payment system. Upon the expiration of the indicated period, PSP shall transfer to the Merchant the payment amounts or shall refuse to transfer the amounts based on the decision of the acquiring institution. The Merchant shall be responsible for all the expenses of PSP arising out of or in connection with the return to the card issuer of the payment amount.
- 3.2.10 If the acquiring institution levies penalties against PSP in connection with payments using forged, lost or stolen bank cards, as well as in other cases where a penalty is levied due to the circumstances which are the responsibility of the Merchant, the Merchant shall reimburse PSP (net of any transfer charges) for the amount paid by the PSP in penalties on the basis of documents presented by PSP and confirming the fact that there were penalties levied against PSP. PSP will impose an administration fee of 25% of the imposed fine.
- 3.2.11 The Agreement with PSP may only be used for the approved business model as well as the URLs. Exceeding this will result in a fee of 3% of the completed transaction volume, however not less than USD 5,000. This will be imposed on the Merchant.
- 3.2.12 PSP may change the Fees. In addition PSP shall have the right, upon 3 (three) days written notice, to increase the Fees due to (i) any change by the Payment Providers or (ii) any

changes in rules, regulations or operating procedures of the Associations; or (iii) any additional requirement imposed by any government agency or regulatory authority; or (iv) any increase in communications costs charged to PSP by communications common carriers; or (v) any perceived increase of risk as determined by PSP or (vi) changes in the Services which are made at Merchant's request; or (vii) delays due to Merchant's failure to fulfill its obligations. PSP shall also have the right to increase the Fees for any other reason at any time upon 30 (thirty days) written notice. Such increase shall become effective as of the date stipulated in the notice.

3.2.13 Merchant shall follow PSP's reasonable instructions with regards to the technical integration between PSP and Merchant.

3.2.14 Merchant shall implement all software required to fulfill its obligations under this Agreement.

4. RESERVE AND OTHER SECURITY

4.1. The Reserve Amount shall be:

10% from each transaction (waived) (the "Fixed Reserve"); and

The Reserve Amount is subject to change under the provisions of the Merchant Terms and Conditions.

4.2. Fixed Reserve

The Fixed Reserve shall be held for the duration of the Agreement and for a further 6 months after the agreement (the "Fixed Reserve Runoff Period").

5. FORCE MAJEURE AND LIMITATION OF LIABILITY

5.1. The Parties should not bear responsibility for failure to perform or for improper performance of their obligations under the Agreement if such non-performance was due to force majeure circumstances which are beyond control of the Parties, more specifically: natural disasters, accidents, fires, mass disorders, revolutions, acts of war, imposition of quarantine or any other disasters that are taking place in areas which are confirmed to be under impact of the above said circumstances.

5.2. If any of the Parties is unable to perform its obligations under the Agreement because of force majeure circumstances, such Party within 10 (Ten) calendar days should in writing notify the other Party about occurrence and termination of force-majeure circumstances.

5.3. Relevant documents issued by relevant authorities can be the evidence of occurrence and duration of force-majeure circumstances.

5.4. Neither Party shall be liable in contract, tort (including negligence or breach of statutory duty) or otherwise for any indirect or consequential loss or damage of any kind including punitive or exemplary damages or for any loss of profit or loss of contract, loss of goodwill or reputation, loss of opportunity, loss of revenue or third party loss whether foreseeable or otherwise.

6. DISPUTE SETTLEMENT PROCEDURE

6.1. The Parties should settle all disputes arising in the course of performance of the Agreement or in connection with it by negotiations.

6.2. In all matters that failed to be prescribed by the Agreement, the Parties should follow the laws of the Lithuania.

6.3. For the purposes of The Contracts (Rights of Third Parties) Act 1999, these conditions do not create any right or remedy enforceable by any person other than the Parties. This condition does not affect any right or remedy of a third party that exists or is available apart from that Act.

7. VALIDITY, AMENDMENTS, TERMINATION

7.1. The Agreement should take effect from the date of its signature and should be in effect for a period of one calendar year.

7.2. The Agreement should be considered to be prolonged for an additional calendar year if within 30 (Thirty) calendar days prior to termination of the validity period of the Agreement none of the Parties failed to declare in writing its decision to cancel the Agreement.

7.3. The Party on whose initiative the Agreement is subject to termination should notify the other Party in writing about its intention not later than 30 (Thirty) calendar days prior to the expected date of termination of the Agreement specified in written notification. The said notification should contain the reason for termination of the Agreement.

7.4. All alterations and amendments to the Agreement should be made in writing and signed by the authorized representatives of the Parties.

7.5. All powers of Merchant to accept Payments will be terminated or suspended from the date of termination or suspense of the Agreement.

7.6. Pecuniary obligations of the Parties and liabilities that are establishing responsibility of the Parties for violation terms and conditions of the Agreement should hold true up to their complete performance.

7.7. Either Party may terminate this Agreement immediately: if either Party files a petition for bankruptcy, becomes insolvent, or makes any arrangement or composition with or assignment for the benefit of its creditors, or a receiver is appointed for the Party or its business, or either Party goes into liquidation either voluntarily (otherwise than for reconstruction or amalgamation) or compulsorily; or if either Party violates or fails to comply with any applicable law, regulation or any order by a competent court or government authority; if PSP is required or reasonably likely to be required by any competent authority to cease providing services to Merchant under this Agreement or otherwise.

7.8. Without derogating from any other right to which PSP is entitled under this Agreement, and/or under applicable law, it is hereby agreed that in the event of the termination of this Agreement and/or a notice or intention of termination hereof or upon any breach hereof by User or PSP's reasonable suspicion of a breach or an expected breach (each, a "Termination Event") PSP shall have the right, at its sole discretion, to freeze and withhold any amount due to Merchant (whether hereunder or otherwise, including without limitation any reserve amounts), for a period of up to twelve (12) months from the end of the month of the last approved transaction. PSP shall notify Merchant of such withholding promptly upon such Termination Event.

8. CONFIDENTIALITY AND OTHER PROVISIONS

8.1. The Parties agree that all information, including, but not limited to information, contained in opinions, letters, reports, analytical materials, results of researches, schemes, schedules, specifications, in databases and information systems and other documents, executed by the Parties both in hard copy and in electronic media (further the "Information"), which one Party provides to another Party for the purposes of execution of the present Agreement shall be considered confidential and shall not be disclosed, transferred to any natural or legal person, which is not a Party of the present Agreement.

8.2. The Information can be disclosed upon request of any competent state or authorized by state body or according to a summon, notice, official request or any other legal request of competent judicial or administrative bodies.

8.3. The Parties shall inform in written each other about all changes in their bank details not later than 5 (Five) working days prior to the entry of such changes into the force. Otherwise all payments and notifications made in accordance with the previous details shall be considered as made in due way.

8.4. The Agreement has been made in two copies of identical content and of equal validity, one copy for each of the Parties.

8.5. Any notices required or authorized by this Agreement shall be given in writing by email or hard copy and shall be delivered to the following addresses or at such address as the recipient may have notified to the other Party hereto in email or hard copy writing.