

UAB "PAYRNET"

TERMS AND CONDITIONS FOR CONSUMERS ELECTRONIC MONEY ACCOUNTS

BACKGROUND

This Agreement: This Agreement is with UAB "PAYRNET", a company incorporated in the Republic of Lithuania (company number: 305264430) with its head office at AltSpace, Islandijos str. 6, LT-01117, Vilnius, the Republic of Lithuania and its registered office at Girulių str. 20, LT-12123 Vilnius, the Republic of Lithuania, (hereinafter referred to in this Agreement as "Payrnet", "we" "us"). We are an Electronic Money Institution ("EMI") and are authorised by the Bank of Lithuania under the Law on Electronic Money and Electronic Money Institutions (license reference 72, issued on 2020-08-28) for the issuing of electronic money and provision of the related payment services.

Our relationship with Creditco: As an EMI, we have appointed Creditco as a distributor of certain of our services. A distributor means a person who distributes or redeems electronic money on behalf of an electronic money institution (as defined in the Law on Electronic Money and Electronic Money Institutions and the Law on Payment Institutions) but who does not provide payment services on behalf of the electronic money institution.

AGREED TERMS

1. OUR TERMS

- 1.1. Interpreting this Agreement. In order to easily understand the terms of this Agreement, please first refer to clause 3 which, amongst other things, sets out the meaning of capitalised terms used in this Agreement.
- 1.2. Why you should read it? Please read this Agreement carefully before you agree to it, as its terms apply to the services provided by us. The Agreement explains many of your responsibilities to us and our responsibilities to you, how and when this Agreement can be terminated and the extent of our liability to you. If there are any terms that you do not understand or do not wish to agree to, please contact us. You should only complete the sign-on procedures and agree to the terms of this Agreement if you agree to be bound by this Agreement.

2. INFORMATION ABOUT US AND HOW TO CONTACT US

- 2.1. **Who we are.** We are UAB "PAYRNET", an EMI as described above.
- 2.2. **Communications between us are to be in Lithuanian or English.** This Agreement is prepared in the official language (Lithuanian) and in English, or, by agreement between you and us, in another language agreed. We shall communicate in the official language (Lithuanian) or in English, or by agreement, in another language agreed between you and us.
- 2.3. **How to contact us.** All queries should be directed towards the Creditco. You can contact the Creditco using details set out in your agreement with them or their website.
- 2.4. **How we may contact you.** If we have to contact you, we will do so as follows: in the first instance via the Creditco except in urgent cases. If we have not been able to contact you through the Creditco or if the matter is urgent we will contact you by writing to you at the email address(es) you provided when agreeing to this Agreement or by using any other contact details you have provided to us or have used in communications with us or with the Creditco.

- 2.5. 'Writing' includes emails. When we use the words "writing" or "written" in this Agreement, this includes emails.
- 2.6. Some of the services we provide are subject to the Law on Payments of the Republic of Lithuania. The law regulates how payments must be transmitted and provides protection for the clients of authorised payment service providers.

3. INTERPRETATION

- 3.1. The definitions set out in this clause apply in this Agreement as follows:

"Agreement" means this agreement and the privacy policy, a copy of which is available on our Website.

"Consumer" means an individual who, in entering into this Agreement, is acting for a purpose other than a trade, business or profession.

"Business Day" means a day when the clearing banks in Vilnius are open for business, excluding Saturdays, Sundays and public holidays in Lithuania.

"Durable Medium" means an instrument which enables you to store information addressed personally to you in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.

"Electronic Money" means electronically stored monetary value as represented by a claim against us.

"Regulations" means the Law on Payments of the Republic of Lithuania No VIII-1370 of 28 October 1999 (as amended) and the Law on Electronic Money and Electronic Money Institutions of the Republic of Lithuania No XIII-1094 of 17 April 2018 (as amended).

"Safeguarded Account" means the bank account(s) belonging to us, which are separate to our own office bank accounts, into which we will receive money from you, or on your behalf, in return for the issuance of Electronic Money.

"Services" means the e-money account services.

"Website" means our website from time to time, currently <https://www.railsbank.com/payrnet> .

- 3.2. Sub-clause, clause and paragraph headings shall not affect the interpretation of this Agreement and references to sub-clauses, clauses and paragraphs are to the sub-clauses, clauses and paragraphs of this Agreement.
- 3.3. Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 3.4. Unless the context otherwise requires, words in the singular shall include the plural, and in the plural shall include the singular.
- 3.5. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and reference to a statute or statutory provision shall include all subordinate legislation made from time to time.

4. TERM AND BECOMING A CLIENT

- 4.1. **How can you agree to this Agreement?** You can agree to this Agreement by checking the box online confirming that you agree to same, or by otherwise confirming your agreement to same or availing of the Services.

- 4.2. **When will you become a client of ours?** You will be bound by this Agreement once you have agreed to it as set out above and this Agreement shall remain in force until terminated in accordance with its terms.

5. SERVICES

- 5.1. As part of the Services, we shall issue you with Electronic Money upon receipt of money from you or a third party on your behalf, store your Electronic Money and redeem Electronic Money both on your express instruction and in accordance with this Agreement and the agreement of the Creditco.
- 5.2. **Our Services do not include the provision of advice.** We do not offer advice under this Agreement on any matter including (without limit) the merits or otherwise of any currency transactions, on taxation, or markets.
- 5.3. **Provision of payment services.** We shall provide you only with the Services as per clause 5.1 above. Creditco shall, under a separate agreement between you and Creditco, provide you with other agreed payment services. For the avoidance of doubt, that separate agreement between Creditco and you for the provision of payment services constitutes the framework agreement between the payment service provider and payment service user, which shall include all the information required under the Regulations. This Agreement therefore does not describe the provision of payment services, for which you shall refer to your agreement with Creditco.

6. ISSUING ELECTRONIC MONEY TO YOU

- 6.1. Where we receive money from you or on your behalf, this money will be held by us in the relevant Safeguarded Account in exchange for the issuance by us to you of Electronic Money. Your funds will not be used by us for any other purpose and in the unlikely event that we become insolvent, your e-money is protected in an EEA-authorized credit institution or the Bank of Lithuania.
- 6.2. When we issue you with Electronic Money, you holding the Electronic Money and us holding the funds corresponding to the Electronic Money is not the same as a bank holding your money in that (i) we cannot and will not use the funds to invest or lend to other persons or entities; (ii) the Electronic Money will not accrue interest; and (iii) the Electronic Money is not covered by the Deposit Insurance Scheme of the Republic of Lithuania or a comparable guarantee scheme in any other country.
- 6.3. You may hold Electronic Money and we may hold funds corresponding to your Electronic Money indefinitely. However, if we hold Electronic Money for you for more than 12 (twelve) months, with no activity on the account during those 12 (twelve) months, we shall use reasonable endeavours to contact you to redeem the Electronic Money and return the corresponding funds to you. If we are unable to contact you, we may redeem the Electronic Money and send the corresponding funds, less any of our costs incurred, to the last known bank account we have on file for you.
- 6.4. You can redeem the Electronic Money you hold with us and receive the corresponding funds into a bank account belonging to you by entering into a payment contract between Creditco and you whereby Creditco commits to executing one or more payments on your behalf pursuant to a request from you to Creditco for Creditco to execute one or more payments and using your own bank details as the recipient of money pursuant to such payments.
- 6.5. When executing the payment under a request from you to Creditco to the recipient, we will also automatically redeem your Electronic Money and send the corresponding amount of funds to the recipient of money pursuant to such payment according to the terms of the relevant payment contract between Creditco and you.

- 6.6. Redemption of your Electronic Money as such will always be free of charge.
- 6.7. We accept no responsibility in the event that you send money to the incorrect account.
- 6.8. We do not accept cash or cheques. We accept monies via a variety of methods of electronic funds transfer to our bank account, the details of which we shall provide to you upon request.

7. GENERAL LIMITATION OF LIABILITY

- 7.1. Where we and another person (such as a payment services provider) are liable to you in respect of the same matter or item, you agree that our liability to you will not be increased by any limitation of liability you have agreed with that other person or because of your inability to recover from that other person beyond what our liability would have been had no such limitation been agreed and/or if that other person had paid his or its share.
- 7.2. Where any loss, liability, cost or expense (a "Loss") is suffered by you for which we would otherwise be jointly and severally or jointly liable with any third party or third parties, the extent to which such Loss shall be recoverable by you from us (as opposed to any third parties) shall be limited so as to be in proportion to the aggregate of our contribution to the overall fault for such Loss, as agreed between all of the relevant parties or, in the absence of agreement, as determined by a court of competent jurisdiction. For the purposes of assessing the contribution to the Loss in question of any third party for the purposes of this clause, no account shall be taken of any limit imposed or agreed on the amount of liability of such third party by any agreement (including any settlement agreement) made before or after such Loss occurred or was otherwise incurred.
- 7.3. We shall not be liable for any bank charges that you may incur in sending funds to or receiving funds from us.
- 7.4. Nothing in this Agreement limits or excludes our liability for death or personal injury caused by our negligence or for any damage or liability incurred by you as a result of fraud or fraudulent misrepresentation by us or to the extent that the liability may not be excluded or limited by any applicable law.

8. COMPLAINTS

- 8.1. If you feel that we have not met your expectations in the delivery of our Services, in the first instance contact the Creditco using the contact email address for complaints set out in the separate agreement between you and Creditco. If the Creditco does not deal with your complaint adequately, please contact us via email to complaints@payr.net.
- 8.2. We have internal procedures for handling complaints fairly and promptly in accordance with the Bank of Lithuania requirements. A copy of our complaints' procedure is available on our Website and may also be submitted to you directly upon request.
- 8.3. We will respond to your complaint in writing or using another Durable Medium within 15 (fifteen) Business Days after the receipt of complaint. In exceptional cases, due to reasons which are beyond our control, we may send you a preliminary response by indicating reasons for delay and the term by which you will receive our final response. In any case the term for provision of final response will not exceed 35 (thirty-five) Business Days after the receipt of complaint. Handling of complaints is free of charge. The claims shall be submitted, handled and responded in Lithuanian or English, unless use of another language is agreed between you and us.
- 8.4. Should you not be satisfied with our final response, or should we fail to respond to you within 15 Business Days from receiving the claim, you shall have a right to apply to the Bank of Lithuania in three different ways: (1) through the electronic dispute settlement facility E-

Government Gateway, (2) by completing a consumer application form and sending it to the Supervision Service of the Bank of Lithuania at Žalgirio str. 90, LT-09303 Vilnius, email: frpt@lb.lt, or (3) by filling out a free-form application and sending it to the Supervision Service of the Bank of Lithuania, Žalgirio str. 90, LT-09303 Vilnius, email: frpt@lb.lt. Whichever way you choose to submit the claim, it must be in the official language of the country, i.e. Lithuanian. You may only apply to the Bank of Lithuania within 1 year after you received from us a response that is not satisfactory, or after the 15 Business Days for responding has passed and we did not respond. Addressing us first is a precondition for you applying to the Bank of Lithuania. The decision of the Bank of Lithuania is not mandatory for us or you and you, even after the dispute was solved by the Bank of Lithuania, shall have a right to apply to the court.

- 8.5. In case you are generally not satisfied with us or our services, where there is no claim or disagreement between you and us, you may always approach the Bank of Lithuania by addressing a complaint to the Bank of Lithuania at Totorių str. 4, LT-01121 Vilnius, email: info@lb.lt, or to the Supervision Service of the Bank of Lithuania, Žalgirio str. 90, LT-09303 Vilnius, email: frpt@lb.lt.

9. ESTABLISHING YOUR IDENTITY

- 9.1. To comply with the requirements of the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania and related regulations, it may be necessary to obtain from you, and retain, evidence of your personal identity in our records from time to time. If satisfactory evidence is not promptly provided to us, we cannot accept you as our customer.
- 9.2. To assist us with meeting our obligations, we may carry out an electronic verification check via third party providers in order to verify your identity. If such searches are carried out, we may keep records of the contents and results of such searches in accordance with all current and applicable laws. You acknowledge that us carrying out an electronic verification check may leave a soft footprint on your credit history.
- 9.3. We are also obliged to report any reasonable suspicions about instructions received, transactions and activities to the regulatory authorities. This may affect our relationship with you so far as confidentiality is concerned. If we are required under legislation (including the Law on the Prevention of Money Laundering and Terrorist Financing of the Republic of Lithuania) to refrain from communicating with you and/or proceeding with your instructions, we can accept no liability for the consequences of being prevented from doing so.

10. TERMINATION

- 10.1. When we may terminate or suspend this Agreement.
- 10.1.1. We can terminate this Agreement at any time:
- 10.1.1.1. if you breach this Agreement; and/or
- 10.1.1.2. if we suspect that you are using the Services for any illegal purposes.
- 10.1.2. We may suspend or terminate your access to the Services where we have reasonable grounds for concern relating to: (i) the security of your account(s), whether or not you have informed us of a security breach; and/or (ii) the suspected unauthorised or fraudulent use of your account(s).
- 10.1.3. If the Creditco notifies us that its agreement with you has terminated, we can terminate this Agreement with immediate effect.
- 10.1.4. If you terminate your agreement with the Creditco or that agreement is terminated, we

can terminate this Agreement with immediate effect.

10.1.5. If our agreement with the Creditco terminates, we will give you not less than sixty (60) days written notice to terminate this Agreement.

10.1.6. We may terminate this Agreement at any time and for any reason by giving you not less than sixty (60) days written notice.

10.2. When you may terminate this Agreement. You can terminate this Agreement at any time and for any reason by cancelling your agreement with the Creditco. We may contact you to confirm your request.

10.3. Effect of Termination. Upon the effective date of termination:

10.3.1. you will no longer be able to avail yourself of the Services;

10.3.2. we shall redeem any Electronic Money we hold for you and send the equivalent funds to a bank account in your name, unless agreed by both parties, less any monies which are due and owing to us. Redemption of your Electronic Money as such will always be free of charge.

10.4. After termination, you may contact us using the contact details set out in clause 2.3 to redeem any Electronic Money you still hold with us.

11. CONFIDENTIALITY

11.1. We undertake that we shall not at any time, disclose to any person any of your confidential information, except in the following circumstances:

11.1.1. to our employees, officers, representatives or advisers who need to know such information for the purposes of exercising our rights or carrying out our obligations under or in connection with this Agreement. We shall ensure that our employees, officers, representatives or advisers to whom we disclose your confidential information comply with this clause; and

11.1.2. as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

12. HOW WE MAY USE YOUR PERSONAL INFORMATION

12.1. **How we may use your personal information.** We will only use your personal information as set out in our privacy policy which is available on our Website.

13. GENERAL

13.1. **Even if we delay in enforcing under this Agreement, we can still enforce it later.** If we do not insist immediately that you do anything you are required to do under this Agreement, or if we delay in taking steps against you in respect of your breach of this Agreement that will not mean that you do not have to do those things and it will not prevent us taking steps against you at a later date.

13.2. **What if something unexpected happens?** We shall have no liability to you under this Agreement or any contract if we are prevented from or delayed in performing our obligations under this Agreement, or from carrying on our business, by acts, events, omissions or accidents beyond our reasonable control, including, without limitation, strikes, lock-outs or other industrial disputes (whether involving us or any other party), failure of a utility service

or transport or telecommunications network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or our default of sub-contractors, provided that you are notified of such an event and its expected duration.

- 13.3. **If a court finds part of this Agreement illegal, the rest will continue in force.** Each of the sub-clauses, clauses and paragraphs of this Agreement operates separately. If any court or relevant authority decides that any of them are unlawful, the remaining sub-clauses, clauses and paragraphs will remain in full force and effect.
- 13.4. **We are not partners, and neither of us may act as the other's agent.** Nothing in this Agreement is intended to or shall operate to create a partnership or joint venture between you and us, or authorise either party to act as agent for the other, and neither party shall have the authority to act in the name or on behalf of or otherwise to bind the other in any way (including, but not limited to, the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).
- 13.5. **We can make amendments to this Agreement.** We shall have the right to make such amendments to this Agreement, via the Creditco, as are necessary to comply with any laws and regulations that are applicable to the performance of our obligations under this Agreement where such laws and regulations are implemented and/or amended after the date of this Agreement. Such amendments may be made at any time upon as much notice as possible to you and shall take effect following such notice, if any. If you object to the proposed amendments, you have the right to terminate this Agreement without charge before the date proposed by us for the entry into force of the changes. You will be deemed to have accepted the proposed amendments unless you notify us and terminate this Agreement before the date proposed by us for the entry into force of the changes. If we receive no objection from you, such amendments shall take effect from the date specified by us but may not affect any rights or obligations that have already arisen and will not be retrospective.
- 13.6. **What happens if you are jointly a client of ours with another person?** Where you comprise two or more people, each person will be jointly and severally liable to us in respect of all obligations contained in this Agreement.
- 13.7. **Can you obtain a copy of this Agreement or additional information?** You may request and we shall provide a copy of this Agreement to you in Durable Medium at any time prior to termination of this Agreement.
- 13.8. **We may transfer this Agreement to someone else.** We may transfer our rights and obligations under this Agreement to another organisation without your consent. We will always tell you in writing if this happens and we will ensure that the transfer will not affect your rights under this Agreement.
- 13.9. **You need our consent to transfer your rights to someone else (except that you can always transfer our guarantee).** You may only transfer your rights or your obligations under this Agreement to another person if we agree to this in writing.
- 13.10. **Nobody else has any rights under this Agreement.** This Agreement is between you and us. No other person shall have any rights to enforce any of its terms.
- 13.11. **Which laws apply to this Agreement and where you may bring legal proceedings.** This Agreement and any disputes or claims arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims) are governed by, and construed in accordance with, the laws of the Republic of Lithuania. You irrevocably agree that the courts of the Republic of Lithuania have exclusive jurisdiction to settle any dispute or claim or other matter that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).