

CONFIDENTIAL

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CVR-nr. 20016175

Agreement concerning

Nets' approval of terminals

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Appendix 1 Definitions

The undersigned parties

Name

Address

Postal code

City

Country

CVR-no./company registration number or VAT-no./Value-added tax number
(Hereinafter referred to as "the Vendor")

and

Nets Danmark A/S

Lautrupbjerg 10

2750 Ballerup

Denmark

CVR-no. 20016175

(Hereinafter referred to as "Nets")

have entered into the following agreement:

1 General Terms and Conditions

1.1 Purpose of the Agreement

The purpose of this agreement is to define the Parties' rights and obligations in connection with the approval of terminals.

The appendices to the agreement are integral parts of the agreement. In case of disagreement between the agreement and the appendices, the agreement shall take precedence over the appendices.

If the Vendor performs key loading of payment terminals and PIN entry devices, the Vendor must meet the security requirements stipulated in the "Declaration regarding key loading" applicable at any time. The Vendor must annually submit a declaration to NETS in order to verify that the requirements are met.

1.2 Prices and Payment

1.2.1 Test and Verification

When the Vendor wants to have a new terminal approved, NETS shall make a quotation for the performance of the task. The quotation shall contain the number of hours etc. required for NETS' performance as well as an estimate of other costs which are invoiced to the Vendor by NETS, e.g. costs paid to card organisations in connection with testing and approval of the Vendor's terminal. Such costs will be invoiced by NETS at the actual prices. Invoicing shall take place as described in the quotation.

1.2.2 Testing Tools

The Vendor may buy or rent NETS' testing tools, cf. the price list.

1.2.3 Consultancy Services

If the Vendor wishes to avail itself of NETS' services as a test house, or NETS otherwise provide consultancy service or technical analyses to the Vendor, the Vendor will be charged for the actual hours used at the price per hour stipulated in the current price list. Any payments, which NETS has made to card organisations etc. on behalf of the Vendor, will be charged to the Vendor at the actual price. Invoicing shall take place monthly in arrears.

1.2.4 Payment

The due date will appear from NETS' quotations, invoices or the current price list.

In case of non-payment of invoices, any ongoing test and/or verification processes will be discontinued by NETS - and no new processes will be initiated - until amounts due have been paid.

Further information is available in the current price list which is published on NETS' web site.

1.3 Intellectual Property Rights

NETS holds each and any copyright and other intellectual property rights in NETS' documentation and to security and communication procedures developed by NETS, including but not limited to test systems, testing tools, description of syntax, data structures and encryption rules.

1.4 Assignment of the Agreement

NETS is entitled to assign its rights and obligations under this Agreement to any company in the NETS Group without the prior consent of the other party.

Otherwise, neither party shall be entitled to assign its rights and obligations under the Agreement to any third party without the prior written consent of the other party.

1.5 Confidentiality and Publication

The Parties, including their employees, subcontractors, consultants, etc., shall observe unconditional secrecy regarding the business secrets, concepts and relations of the other Party and other confidential information disclosed to the Parties in connection with the preparation, execution and performance of this Agreement. Such information from the other party may solely be used, stored and processed for purposes of performance of the Agreement. Such use, storage and processing shall take place in a safe manner and with at least the same care that the party uses for its own business secrets.

1.6 Termination

Termination: Either party may terminate the Agreement with 12 months' written notice.

Rescission: Either party may rescind the Agreement in writing without notice, if;

- The other Party materially breaches the Agreement and fails to remedy an invoked breach of the Agreement within a reasonable period of time despite a demand in writing, or
- The other party repeatedly breaches the Agreement and fails to remedy the invoked breach within a reasonable period of time despite a demand in writing, or
- The other Party is adjudicated insolvent, files a petition for insolvency proceedings, files for suspension of payments, requests a compulsory composition, moratorium or similar insolvency law concept as an expression of anticipated breach, unless the estate according to bankruptcy law is entitled to enter into the agreement and wishes to do so.

Consequences of Termination: Irrespective of the manner and the reason for termination of the Agreement, the Vendor shall return any testing tools and other material, which have been handed out by NETS to the Vendor in connection with the Agreement.

NETS shall close those IP-addresses by means of which the Vendor is communicating with NETS' systems.

When the Agreement is terminated, NETS shall remove the Vendors terminal(s) from its list of approved terminals. This means that the Vendor is no longer allowed to sell, provide or in any other way distribute terminals even if such solutions were previously approved by NETS.

1.7 Choice of Law and Venue

1. The Agreement shall be governed and construed in accordance with Danish law.
2. The parties shall seek to solve any disputes arising out of or relating to this Agreement by negotiation.
3. If the dispute is not solved within 14 days after a request for negotiation was submitted by one of the parties, the dispute may be brought before the ordinary Danish courts with the Copenhagen Maritime and Commercial Court as the first instance.

1.8 Sub-contractors

1. The Vendor shall be liable for services provided by its sub-contractors in the same manner as the Vendor is liable for its own services.

1.9 Liability and Exclusion of Liability

1. The liability of the Parties shall be governed by the general rules of Danish law, unless otherwise provided by the Agreement.
2. NETS shall not be held liable for any indirect or consequential loss or for the Vendor's loss of goodwill and contracts, loss of profits of interest.
3. NETS shall only be liable for direct losses caused by late or deficient performance of the agreed obligations resulting from such party's errors or negligence.
4. NETS shall not be held liable for any loss caused by
 - failure of telecommunications
 - statutory intervention or administrative acts
 - actual or imminent war, riots, civil commotion, sabotage, vandalism (whereas in this context vandalism includes damage caused by computer viruses or hacking) or acts of terror
 - natural disasters
 - strikes, lockout, boycott or secondary action, irrespective of whether the Service Provider or its organisation is the target or instigator of such action, and irrespective of the cause of the dispute, including situations when the action affects only parts of the functions of the Service Provider, or
 - other circumstances beyond the party's control

5. NETS' exemption from liability shall in any event be based on the requirement
 - that NETS should not have taken the hindrance in question into account when entering into this Agreement,
 - that NETS should not have avoided or overcome the hindrance or its consequences and
 - that current legislation does not invariably consider NETS liable for the circumstance that caused the loss.
6. In addition, NETS shall not under the same circumstances be held liable for any loss caused by the breakdown of – or lack of access to – the computer systems used by NETS or damage to data in its systems resulting from any of the circumstances referred to above. This exemption from liability shall apply irrespective of whether NETS or an external service provider is responsible for the operation of the systems. In that case, the requirements set out above shall apply correspondingly to the external service provider.
7. NETS' liability to pay damages shall in any case be limited to DKK 50,000 per event of loss.
8. If the Vendor provides incorrect information about the result of its self test, e.g. by failing to notify NETS of substantial errors or shortcomings that were detected during testing, NETS reserves the right to charge the Vendor a penalty of DKK 100,000. The same shall apply if the Vendor wrongly states that any necessary permits and/or approvals have been obtained by the Vendor. In case of such actions on the part of the Vendor, the Vendor shall not be entitled to perform any self test of terminals.

2 Approval process

2.1 Requirements for Development of Terminals

1. The development of the terminal must be based on the requirements specifications prepared by NETS, cf. NETS' web site. The requirements specifications include relevant requirements from NETS as well as the card organisations with which NETS cooperates.
2. Each individual terminal type must undergo an approval process as described in this Agreement.

2.2 Approval by External Parties

1. The Vendor is responsible for performing all necessary tests with e.g. EMVco, telephone companies and sub-contractors and must at the request of NETS provide documentation for the satisfactory results of such test.
2. The Vendor is responsible for the Product being capable of operating in the environments in which the Product is installed.
3. EMVco approval

The Vendor is responsible for having the Product approved for EMV Level 1 and 2 at a Test House accredited by EMVco.

If NETS supplies the PSAM, NETS will be responsible for having the PSAM functionalities approved for EMV Level 2.

4. PED approval

The Vendor is responsible for having the PED PCI approved and maintained according to current PCI SSC PED specifications.

Furthermore, the Vendor is responsible for having the PED evaluated by NETS and/or PNC-SAC. The PNC-SAC approval is necessary if the PED is intended for usage in other Nordic countries.

2.3 Description of the Terminal

1. The Vendor must provide specifications etc. to NETS concerning each individual terminal type, cf. NETS' web site for the process requirements applicable at any time.
2. In case of changes to existing terminal types the Vendor must also provide specifications etc. describing the changes made, cf. NETS' web site for the process requirements applicable at any time.

2.4 Quotation/Price Estimate

1. NETS shall analyse the material provided by the Vendor and prepare a quotation/price estimate including a time schedule for the approval process.
2. Quotations accepted by the Vendor shall be attached as appendices to this Agreement.
3. Basically, NETS shall not be involved in the Vendor's self test of the terminal. If in connection with the test/self test, the Vendor requests services from NETS, such services shall be invoiced as consultancy services, cf. the current price list.

2.5 Test

When the Vendor has completed its development activities, the terminal must be tested as described in the relevant requirements specifications, cf. NETS' web site.

The test may be performed as

1. By the Vendor (self test) or
2. By a test house, e.g. NETS.

2.5.1 Testing procedures

1. The Vendor must provide NETS with the necessary test documentation showing the results of the test, cf. NETS' web site for the process requirements applicable at any time.
2. The Vendor is responsible for using the most recent versions of testing tools (test specifications, test cards, test PSAM's, testing environments etc.) from NETS and relevant card organisations.

2.6 Verification Process

1. When the Vendor has finalised its development work and performed the necessary testing activities, including the required test documentation to NETS, NETS will initiate the verification process, cf. NETS' web site for the process requirements applicable at any time.
2. The Vendor shall provide NETS with the completed terminal as well as any necessary testing tools to be used for NETS' verification of the terminal.
3. If verification cannot be completed due to errors, NETS may return the terminal to the Vendor, upon which the task will be considered closed without approval. A modified terminal will be treated as a new task, i.e. NETS will at the request of the Vendor submit a new quotation/price estimate.
4. The procedure is described in more detail on NETS' web site, which always contains the process requirements applicable at any time.

2.7 Pilot Operations

1. When the verification process has been completed with a satisfactory result, pilot operations of the terminal verified by NETS, cf. the product specification, may be initiated. The requirements to and the scope of the pilot operation are available at NETS' web site.
2. The Vendor is responsible for obtaining the necessary permits and approvals from authorities, card organisations etc. and to enter into relevant agreements with e.g. telecommunication companies.
3. When pilot operations have been completed with a satisfactory result and approved by NETS, the terminal is considered approved by NETS, cf. NETS' web site for the process requirements applicable at any time.
4. If pilot operations are discontinued by NETS due to errors or shortcomings of the terminal, the Vendor must remedy the errors and shortcomings detected before resuming pilot operations, otherwise pilot operations are considered closed without approval. A modified terminal will be treated as a new task, i.e. a new verification process must be performed before pilot operations may be resumed, cf. section 2.6.
5. The procedure is described in more detail on NETS' web site, which always contains the process requirements applicable at any time.

3 Modification of the Terminal

1. The Vendor must notify NETS of any modification of the terminal, both during pilot operations and after approval of the terminal. The Vendor must submit documentation regarding the modifications made, cf. NETS' web site for the process requirements applicable at any time.
2. If NETS finds that the modifications must be tested and verified, NETS shall make a quotation to the Vendor, cf. section 2.4.
3. If a terminal no longer
 - meets substantial requirements to quality or functionality, or
 - meets guidelines stipulated by authorities, NETS or card organisations.

NETS will cancel the product certificate for the actual version of the terminal. The Vendor must make the modifications necessary for a renewal of the certificate. Modifications must be made free of charge to NETS and will be notified by NETS to the Vendor with a reasonable notice.

4. Notice and submission of changed specifications will normally take place 1-9 months prior to the entry into force of the modifications; however, modifications necessitated by security considerations may be notified at a shorter notice.

4 Modifications of Terminals Already Installed

1. NETS will monitor the operational quality of the terminals installed at merchants.
2. NETS is entitled to discontinue operations if errors are detected in a fairly large number of units or in case of serious errors. In such cases, NETS may cancel the product certificate and request the Vendor to modify the hardware or software used, cf. section 3, before operations may be resumed.

5 Consequences of Revocation of Product Certificate

1. If a product certificate has been cancelled or must be updated, the Vendor is no longer allowed to sell terminals or in any other way provide the impression that the terminal is approved by NETS.
2. The Vendor must at a minimum notify any resellers of terminals of the cancellation of the product certificate and that the reseller may not sell additional specimens of the terminal until the necessary modifications have been made and the terminal is approved for the completion of card payments.
3. Furthermore, the Vendor has an obligation to place documentation at the disposal of resellers and customers regarding the approved terminal describing the modifications that need to be made in order that the terminal can still be approved for the completion of card payments.
4. If the modifications necessary cause unreasonable costs to the Vendor, the Vendor may request NETS to cancel the product certificate for the actual version of the terminal. The Vendor must at a minimum notify any resellers of the terminal of the cancelled product certificate and that the reseller is not longer allowed to sell the actual version of the terminal.
5. The Vendor's liability to NETS in connection with the remedy of errors and shortcomings and any costs related thereto is regulated by section 1.9.

6 Entry into Force

The Agreement enters into force when it has been signed by the parties.

Place and date:

Place and date:

The Vendor

NETS A/S

Appendix 1 – Definitions

Card organisations

E.g. MasterCard, Visa, JCB.

Merchant

An entity which has a contractual relationship with card acquirer(s) concerning the acceptance of payments by payment cards.

OTRS

Open Terminal Requirement Specification.

NETS

NETS A/S, the party which on behalf of acquirers prepare requirements specifications for terminals and verifies that solutions developed by vendors meet the requirements stipulated.

PCI SSC

Payment Cards Industry Security Standards Council.

PED

A secure tamper responsive PIN-entry device.

PNC-SAC

Pan Nordic Card Association - Security Advisors Committee.

Product certificate

A product certificate is based on the information provided in the product specification and describes the approved terminal, which may be put into operation.

Product specification

A product specification is based on the information provided in the detailed specification and describes the verified terminal, which is ready for pilot operations.

PSAM

The Purchase Secure Application Module provided by NETS.

TAPA

Terminal Architecture for PSAM Applications.

Terminal

A terminal that is able to accept debit cards, credit cards and pre-paid cards and is open to non-payment applications.

Test

A test covering different test cases (error situations, receipt etc.) which at a minimum represent the requirements set by NETS for development of a terminal.

Test House

An entity accredited by the card organisations to perform testing activities in relation to terminals.

Vendor

An entity that performs one or more of the following tasks: provides terminals to merchants; manufactures terminal hardware; develops terminal software; manufactures PIN Pad hardware, loads the keys into the PIN Pad; or manufactures software for the integration of terminal and cash register.

Verification

A verification covering a selection of test cases (error situations, receipt etc.), which at a minimum represents the requirements set by NETS for development of a terminal - and also covers a TIP (terminal integration process) on behalf of MasterCard, Visa and JCB, meaning that NETS approves the terminal for pilot operations in collaboration with the card organisations.