

1. INSTALLATION OF THE PAYMENT TERMINAL

1.1. The Merchant shall himself choose the installation location of the Payment Terminal, and shall prepare this location in accordance with the provisions of the Contract and the in-installation manual. The Merchant shall ensure that all infra-structural elements (such as cables and IT facilities) that are necessary for the installation and functioning of the Payment Terminal are available. If one of these elements would be missing, then KB SmartPay shall have the right to charge a second intervention to install the Payment Terminal.

2. TRANSFER OF OWNERSHIP & RISK

2.1. The Payment Terminal shall be delivered to the Merchant in accordance with the Incoterms (2010) Ex Works (www.iccwbo.org).

2.2. The Merchant shall check whether the delivered Payment Terminal contains any visible defects, and shall notify such defects to KB SmartPay in accordance with the General Conditions.

2.3. In case of a Sale, KB SmartPay shall remain the owner of the Payment Terminal until the sales price has been paid in full. Until that moment, the Merchant shall strictly refrain from:

- encumbering the Payment Terminal in any way (e.g., a pledge) or any other third party right;
- disposing of the Payment Terminal, or making it available to a third party.

The same prohibitions shall apply to the Rental of the Payment Terminal.

2.4. In case of Rental, KB SmartPay shall retain the ownership of the Payment Terminal.

2.5. Even when the Merchant has become the owner of the Payment Terminal and has fulfilled all financial obligations towards KB SmartPay: (i) the software and Chip Security Module (CSM) shall remain exclusively owned by KB SmartPay; and (ii) the SIM-Card used for services invoiced by KB SmartPay shall remain

owned by the telecom operator. At the moment the Contract is terminated, or before that moment at the simple request of KB SmartPay, the Merchant shall return the CSM and the SIM-Card to KB SmartPay, without this giving rise to any compensation for the Merchant.

2.6. In case of Rental, the Merchant shall return the decommissioned or unused Payment Terminal, as well as the SIM-card, without any compensation, on his responsibility and in perfect condition, on KB SmartPay's first request.

3. MAINTENANCE AND USE OF THE PAYMENT TERMINAL

3.1. The Merchant shall use the Payment Terminal as a duly responsible person, in accordance with the instructions set forth in the associated manual.

3.2. In case of Rental, the Merchant shall strictly refrain from subleasing the Payment Terminal, making it available to a third party, or transferring it to a third party for consideration, without KB SmartPay's prior written consent.

3.3. The Merchant shall carefully comply with KB SmartPay's guidelines when the Payment Terminal is being programmed. The Merchant shall ensure that a portable Payment Terminal shall be connected to its charger during the entire period that the Payment Terminal is being programmed.

3.4. In case of Sale, the hardware components of the Payment Terminal shall be covered by a warranty for good functioning. The warranty period shall be equal to twelve months (to be calculated as from the moment the Payment Terminal is delivered), unless another term is set forth on the Order Form. The warranty shall not apply in the situations and for the problems described in clause 6. If the Merchant invokes the Payment Terminal's warranty, he will carefully comply with KB SmartPay's warranty procedure.

3.5. The Merchant shall strictly refrain from modifying or repairing the Payment Terminal without KB SmartPay's prior written consent. KB SmartPay shall have the

right to immediately terminate the Contract for cause, without any notice period or compensation being due (but without prejudice to KB SmartPay's right to be compensated), if this prohibition would be breached by the Merchant.

3.6. The Merchant shall only open the Payment Terminal to the extent strictly necessary for straightforward tasks, such as changing the paper roll. The Merchant shall himself take care of these tasks, and shall himself obtain the necessary supplies.

3.7. In order to allow software updates to be executed, the Merchant shall not shut down the Payment Terminal at night. The Merchant shall strictly comply with the usage guidelines communicated by KB SmartPay.

3.8. In case of a malfunctioning Payment Terminal, KB SmartPay shall have the right to choose to either repair it, or to replace it with a Payment Terminal of the same type, or to replace it with a Payment Terminal with the same functionality (possibly from a newer generation). The Merchant accepts that the replacement device will not necessarily be new.

3.9. The Merchant shall not export a Payment Terminal outside the European Union without KB SmartPay's prior written consent. The Merchant shall also inform third parties who would obtain possession of the Payment Terminal about this prohibition.

4. EET

4.1. In case the EET function is activated on the Payment Terminal, the use of the EET function shall be under the control of the Merchant and the Merchant shall be the sole responsible for the correct use of the Application.

4.2. The Merchant warrants that he shall not use the EET function contrary to the applicable law.

4.3. The Merchant is remain the sole ultimate responsible for the execution of the obligations include in the Laws 112/2016 and 113/2016.

5. LIABILITY

5.1. In case of Rental, it is recommended that the Merchant insures, at his own costs, the Payment Terminal for the purchase price, against any risk of loss, destruction, damage, fire and theft.

5.2. If, in case of Rental, the Merchant needs to compensate KB SmartPay (e.g., because the Payment Terminal was destroyed or stolen), then the value shall be determined on the basis of the Payment Terminal's age.

5.3. KB SmartPay's only obligation in case of a defect of the Payment Terminal for which KB SmartPay is responsible, shall be, at KB SmartPay's option, to either repair or replace the Payment Terminal. This obligation shall not apply when the Merchant failed to notify the defect to KB SmartPay in accordance with the General Conditions.

6. TECHNICAL ASSISTANCE

6.1. Technical assistance (Maintenance) shall be available to the Merchant when so indicated on the Order Form.

6.2. Even if the Merchant did not conclude a technical assistance contract, he can obtain KB SmartPay's technical phone assistance, in consideration for a one-time payment. This fee shall cover the solution of the Payment Terminal's defect, even when multiple phone calls would be required, with a maximum of two weeks. If a physical intervention would be required, then a one-time fee shall be charged per intervention.

6.3. Technical assistance must be explicitly re-quested by the Merchant. In case of any hardware or software malfunctioning of the Payment Terminal, the Merchant shall inform KB SmartPay's customer service by phone as soon as possible.

6.4. Except if otherwise agreed on the Order Form, physical technical interventions shall not take place on weekends and official holidays.

6.5. In case of a technical intervention, the technician shall go to the geographical location where the Payment Terminal is installed, as registered in KB SmartPay's database. If another location for the intervention would be required, then the Merchant shall explicitly communicate this location at the moment the intervention is requested by

him. KB SmartPay shall have the right to charge extra costs when the technician would be dispatched to a wrong location.

6.6. When a technical intervention undertaken by KB SmartPay is outside the scope of the technical assistance, as defined in these Product Conditions, the technician shall draw up a report that will be signed by the Merchant, and of which a copy will be stored by the technician. This report shall be used for the additional invoicing, in accordance with KB SmartPay's applicable rates.

6.7. The Merchant shall grant free access to KB SmartPay's technician, without any additional costs, to the location where the technical assistance needs to be rendered.

7. EXCLUDED INTERVENTIONS

The following hardware, personnel and travel costs associated with interventions that are not included in the technical assistance (or, in case of a Sale, in the warranty), shall be invoiced separately to the Merchant, in accordance with KB SmartPay's applicable rates:

- defects caused by operating errors, or by using the Payment Terminals for improper purposes. This will also include damage caused by treatments to which the device is not resistant, such as electrical power surges, excessive shocks and knocks, liquid immersion, etc;
- physical interventions by KB SmartPay's technician after an unjustified assistance request by the Merchant;
- damage caused by the maintenance or repair of other persons than KB SmartPay's authorized employees or subcontractors;
- interventions for repairing malfunctioning Payment Terminals that were caused by hardware or software not delivered by KB SmartPay, or were caused by poor electrical wiring or poor telecommunication connections;
- damage caused by negligence, burglary, vandalism, sabotage, strikes or war;
- damage caused by lightning strikes, fire, water, collapsing of buildings, or - in general - all accidents and calamities that can damage the Payment Terminal but are outside of KB SmartPay's responsibility;
- damage caused by using poor, malfunctioning or non-ISO compliant cards;

- cleaning and maintenance of the Payment Terminal's surface;
- replacing or delivering accessories or supplies, such as paper and cleaning cards;
- costs of additional services requested by the Merchant;
- replacing malfunctioning batteries;
- defects caused by the installation and use of accessories and supplies that do not comply with the specifications imposed by the manual;
- releasing (setting free) a Payment Terminal and/or its cables during an intervention.

8. DEFINITIONS

- **Chip Security Module (CSM):** the module whose purpose is to safeguard security, and to authenticate the data exchange between the Payment Terminal and the Acquirer's central computer.
- **EET or EET Application:** An application installed on the Payment Terminal enabling the electronic registration of sales as obliged via a mandate issued by the Czech fiscal authority under the laws 112/2016, 113/2016 and decree 269/2016 or any future law, decree or regulation replacing any of these laws of decrees. The mandate requires the Merchant to provide online registration of all sales in scope of the relevant law, both of cash payments and electronic payment transactions.
- **Payment Terminal:** the terminal and the associated accessories made available by KB SmartPay to the Merchant.
- **Rental:** means that a Payment Terminal is being rented from KB SmartPay. For the purposes of these Product Conditions, the provisions regarding Rental shall also apply to hire-purchase, until the moment that the ownership is transferred to the Merchant.
- **Sale:** means that a Payment Terminal is being purchased from KB SmartPay. For the purposes of these Product Conditions, the provisions regarding Sale shall also apply to hire-purchase, as from the moment that the ownership is transferred to the Merchant.
- **SIM-card:** the module whose purpose is to authenticate GSM calls and GPRS communications from the Payment Terminal. The SIM-card can only be used the context of this Contract.