

NANOPAY™ TERMS OF SERVICE AGREEMENT

Last updated: December 1, 2018

THIS TERMS OF SERVICE AGREEMENT (“TERMS OF SERVICE” OR “AGREEMENT”) IS A CONTRACT BETWEEN YOU (THE “MERCHANT”, “COMPANY” OR A “BUSINESS”) AND NANOPAY CORPORATION USA (“NANOPAY”, “We” or “Us”). BY SIGNING UP FOR THE NANOPAY (“BUSINESS-TO-BUSINESS) B2B PORTAL WEB APPLICATION (THE “SERVICE”), YOU ARE AGREEING TO BE BOUND BY THE TERMS OF SERVICE, WHICH, TOGETHER WITH ANY DOCUMENTS INCORPORATED BY REFERENCE, WILL GOVERN YOUR ACCESS TO AND USE OF OUR SERVICE REGARDLESS OF YOUR MEANS OF ACCESS AND USE OF THE SERVICE.

THESE TERMS OF SERVICE APPLY TO ALL TRANSACTIONS ACCESSING OR USING NANOPAY’S SOFTWARE OR SERVICES. ANY MERCHANT, COMPANY, BUSINESS CUSTOMER THAT SEEKS TO SEND FUNDS TO ANOTHER COUNTRY, E.G., SUCH AS SENDING PAYMENTS IN CANADA DOMESTICALLY, OR SENDING FUNDS INTERNATIONALLY FROM COUNTRIES LIKE CANADA AND THE UNITED STATES TO COUNTRIES LIKE INDIA OR THE UNITED KINGDOM SHOULD CAREFULLY READ AND ADHERE TO THESE TERMS OF SERVICE.

NANOPAY RESERVES THE RIGHT TO UPDATE AND CHANGE THESE TERMS OF SERVICE FROM TIME TO TIME BY POSTING UPDATES AND CHANGES TO THE SERVICE AND BY SENDING YOU AN EMAIL ADVISING YOU OF THE UPDATES AND CHANGES. ALL CHANGES ARE EFFECTIVE IMMEDIATELY WHEN WE POST THEM AND APPLY TO ALL ACCESS TO AND USE OF OUR SERVICE. YOUR CONTINUED USE OF OUR SERVICE FOLLOWING THE POSTING OF REVISED TERMS OF SERVICE MEANS YOU ACCEPT AND AGREE TO THE CHANGES. YOU ARE EXPECTED TO CHECK THIS PAGE FROM TIME TO TIME SO THAT YOU ARE AWARE OF ANY CHANGES, SINCE, AS NOTED ABOVE, THESE CHANGES ARE BINDING ON YOU.

YOU MUST READ, AGREE WITH AND ACCEPT ALL OF THE TERMS AND CONDITIONS CONTAINED IN THIS TERMS OF SERVICE AGREEMENT, BEFORE YOU MAY BECOME A CUSTOMER OF THE SERVICE.

1. Terms we use in this Agreement

- (a) “Customer” means an entity that has an Account with the Service.
- (b) “nanopay Account” or “Account” means a business account accessible through the Service where you can access your profile information, fund your account with Fiat Currency, view your Account balance, transaction history, send invoices and initiate payments.
- (c) “Payee” means an entity whose bank account is to be credited with the invoiced amount.
- (d) “Payor” means an entity whose bank account is to be debited with the invoiced amount.

- (e) "Verified Bank Account" means that we have taken reasonable steps to confirm that you have legal control of the bank account you use to initiate or receive payments into and out of your nanopay Account.

2. Use of Electronic Communications

- (a) You agree and consent to receive electronically all communications, agreements, documents, notices and disclosures (collectively, "Communications") that we provide in connection with your Account and your use of the Service. Communications may include:
 - (i) agreements and policies, you agree to (e.g., this Terms of Service, the nanopay Privacy Policy, and any user or customer agreement you sign before accessing and using this Service), including updates to these agreements or policies;
 - (ii) transaction confirmations, receipts, account statement and history; and
 - (iii) other notices we are required to communicate to you from time to time.
- (b) We will provide you these Communications by posting them on the nanopay website and/or by emailing them to you at the primary email address listed in your nanopay profile. A Communication will be considered to have been received by you twenty-four (24) hours after it is posted on the nanopay website or emailed to you.

3. The Service

- (a) nanopay provides a software platform (the "B2B Portal Web Application" or the "Service") that allows Eligible Participating Businesses to: set up Accounts; link those Accounts to a Verified Bank Account; send and receive invoices to other Customers; and receive and make payments against those invoices within the Service.
- (b) You may enable the liquidity setting feature of the Service. This feature allows Customers to establish rules for Account management.
- (c) You may also designate invoices you may want to pay, as described in (i), below. If you use this feature to enable real time payments you understand, acknowledge and agree that these payments can only be made if you have a sufficient balance in your Verified Bank Account. You also acknowledge that these payments are final and irrevocable upon receipt in the Payee's Account.
- (d) Payments against invoices can be made by Standard Payment.
 - (i) Standard Payment

Alternatively, the Payor may initiate a payment from a Verified Bank Account. This method is not a real time payment and Payors are advised to allow between three (3) and five (5) business days for the payment to be posted to the Payee's account.

A completed payment through this method consists of two steps:

- A. First, a debit (withdrawal) is made by nanopay from the Payor's bank account against a specific invoice. This is an initiation by the Payor of a Pre-Authorized Debit (PAD), according to Payor's Authorization for Pre-Authorized Debits (Business PADs) Agreement
 - B. Second, when the debit is confirmed as received by nanopay, a credit payment is initiated to be deposited to the Payee's bank account for the corresponding invoiced amount, including any applicable fees, as described in section 4. (For avoidance of doubt, the Payor will pay the fee for the Service.) Your nanopay Account will display your account and transaction details, including Payee and Payor information. However, your financial institution's account statement will not display such information.
- (e) All payments are denominated in Canadian or US dollars, or, when requested or required, another national currency.
- (f) The Service is restricted to Eligible Participating Businesses in good standing

4. Fees

You agree that we can charge fees for your use of the Service. A fee may be charged to both Payer and Payee for each transaction according to the applicable fee schedule.

If nanopay is required by applicable law to remit an amount for or on account of any taxes in respect of any services provided under these Terms of Service and has not collected such tax from you for remittance to the relevant tax authority, then you will pay nanopay the amount of such tax (including any related amount for interest and penalties) within ten (10) days of nanopay's written request.

5. Eligibility

The Service is currently offered only to Businesses such as corporations, co-operatives, partnerships or sole proprietorships registered and operating in Canada and the United States, which hold verifiable bank accounts with Canadian Licensed Financial Institutions and United States Licensed Financial Institutions (an "Eligible Participating Business"). nanopay reserves the right to limit the availability of the Service at any time, to any business, person or geographic area. By using this Service, you represent that you meet these requirements and that you agree to be bound by these Terms of Service. To be very clear, if a Customer does not meet all of these requirements, the Customer must not access and use the Service.

6. nanopay Account Opening:

- (a) You must be 18 years or older or at least the age of majority in the jurisdiction where you reside or from which you use this Service.
- (b) To access and use the Services, you must register for an Account by providing your Business's full legal name, current address, phone number, a valid email address, and any other information indicated as required. We will also ask for ownership information. We may reject your application for an Account, or cancel an existing Account, for any reason, in our sole discretion.
- (c) You acknowledge that we will use the email address you provide us as the primary method to communicate with you. It is your responsibility to keep your email address up to date.
- (d) You acknowledge that if nanopay sends you an electronic Communication but you do not receive it because your primary email address on file is incorrect, out of date, blocked by your service provider, or you are otherwise unable to receive electronic Communications, nanopay will be deemed to have provided the Communication to you.
- (e) You can update your primary email address or street address by contacting the nanopay helpdesk at support@nanopay.net and asking for their assistance. If your email address becomes invalid such that electronic Communications sent to you by nanopay are returned, nanopay may deem your Account to be inactive, and you will not be able to use the Service until we receive a valid, primary email address from you.
- (f) You are responsible for adding nanopay to your email address book so that you will be able to receive the Communications we send to you.
- (g) You are responsible for maintaining adequate security and control of any devices and all IDs, passwords, personal identification numbers (PINs), or any other codes that you use to access your Account and the Service ("Access Credentials"). You are solely responsible for any and all activity that occurs under your Account, including any activity that occurs as a result of sharing your IDs (you should never share your user credentials) your Access Credentials with unauthorized individuals or failing to keep them confidential or secure. You are responsible for keeping your bank account, phone number, mailing address, email address and other contact information up-to-date in your nanopay account profile.
- (h) Customers are also responsible for providing nanopay with accurate remittance instructions and/or information. If a transaction fails because a Customer has not provided nanopay with accurate information, nanopay, its officers, directors, employees, contractors, and its service providers will not be responsible for the failed transaction and consequential damages arising therefrom.
- (i) A breach or violation of any term in the Terms of Service, as determined in the sole discretion of nanopay, will result in an immediate termination of your services.
- (j) Subject to section 4(i), the Business signing up for the Service will be the contracting party ("Account Owner") for the purposes of our Terms of Service and will be the person

signing on behalf of the Business and who is authorized to use any corresponding account we may provide to the Account Owner in connection with the Service.

- (k) For avoidance of doubt, if you are signing up for the Service on behalf of your employer, your employer will be the Account Owner. If you are signing up for the Service on behalf of your employer, then you represent and warrant that you have the authority to bind your employer to the Terms of Service.

7. Identity and Bank Account Verification

- (a) You authorize nanopay, directly or through third-parties to make any inquiries we may reasonably consider necessary to validate your identity or verify your business so that nanopay can fulfill all its obligations under applicable law. This may include asking you for further information that will allow us to identify you or verify your business. It may require you to submit documents or take steps to confirm ownership of your business, email address, phone or device or financial instruments. We may verify your information against third-party databases or through other sources such as credit reporting services. We may have a legal requirement to verify some or all of your information. nanopay reserves the right to close, suspend or limit your access or your employer's access to your Account or the Service in the event we are unable to obtain the necessary information or are unable to verify the information you have provided or associated with the business.
- (b) For you to use the Service, we will also verify the bank account information you provide us. Verifying the status of your account means that we will take reasonable steps to confirm that you or your employer has legal ownership of the bank account you use to initiate or receive payments using the Service. If we cannot verify your bank account information to our satisfaction, you will not be permitted to open an Account or use the Service.
- (c) In addition, all Businesses that utilize the Service must provide nanopay with information about themselves such as incorporation information, financial statements (preferably audited but unaudited if paired with the businesses most recent tax returns) and particularly all information showing how the business is owned, i.e., beneficial ownership information. They must also provide identifying information for all of their personnel who are authorized to access the Service and order transactions on it.

8. Acceptable Use of the Service

You may use the Service for activities related solely to the following:

- (a) Invoicing and Related Activity

The Service is a platform for enabling payment of invoices. You agree to submit invoices to your business customers for payments through the Service for the sale of goods or services and will not invoice or otherwise request payment for prohibited transactions, or illegal goods or services (or as third-party debt collection).

(b) Invitation to Use the Service

You may invite businesses with whom you have relationship with to register with the Service. To participate in the Service, that business will be required to accept these Terms of Service and any other conditions set by nanopay and its partners, e.g., AscendantFX, at their sole discretion. In communicating with other businesses, you are responsible for complying with any applicable anti-spam or other tele-marketing legislation such as Canada's Anti-Spam Legislation ("CASL") and the United State's CAN-SPAM Act.

(c) Communication with nanopay

You may use the Service to communicate with us from time to time as required.

9. Payor's Authorization for Pre-Authorized Debits (Business PADs)

Payors will also be required to sign the applicable pre-authorization debits agreements (commonly known as PADS) depending upon whether they are located in Canada or outside of Canada.

10. Protective Actions

Under certain circumstances, we may take Account-level or transaction-level actions. These actions may include limitations, holds or reserves. You acknowledge that we have the sole discretion to take these and other actions. Unless otherwise noted, if we take any of the actions described below, we will provide you with notice of our actions. To request information in connection with an account limitation, hold or reserve, follow the instructions in the email notice you receive.

Our decision about holds, limitations and reserves may be based on confidential criteria that are essential to our management of risk and regulatory compliance and the protection of nanopay, our customers or the Service. We may use proprietary fraud and risk modeling when assessing the risk associated with your Account. In addition, we may be restricted by regulation or a governmental authority from disclosing certain information to you about such decisions. We have no obligation to disclose the details of our risk management or security procedures to you.

(a) Holds

- (i) Under certain circumstances, we may put a hold on either the transaction or account-level of your Account. When nanopay places a temporary hold on a payment, the money is not available to either the Payor or the Payee. nanopay reviews many factors before placing a hold on a payment, including: account tenure, transaction activity, business type and past customer disputes,
- (ii) When we place a hold on a payment, the funds will appear in your Account with an indication that they are unavailable or pending. We'll notify you, either through your Account or by email, whenever we place a hold.
- (iii) Holds put in place because of a risk assessment will generally remain in place for up to fifteen (15) business days from the date the payment was deposited in your

Account. We may release the hold earlier, but any earlier release is at our sole discretion. The hold may last longer than fifteen (15) business days if the payment is challenged as a payment that should be invalidated and reversed based on a disputed transaction. In this case, we may hold the payment in your nanopay account until the matter is resolved.

(b) Limitations

Limitations prevent you from completing certain actions with the Service, such as withdrawing, sending or receiving money. These limitations are implemented to help protect the nanopay Network, when we notice activities that are not permitted or activity that appears to us as unusual or suspicious. Limitations also help us collect information necessary for keeping your Service open.

We may limit your participation in the Service for a number of reasons, including:

- (i) If we suspect someone could be using your Account without your knowledge;
- (ii) If your bank informs us there have been unauthorized transfers between your Account and your bank account;
- (iii) compliance with regulatory requirements;
- (iv) compliance with any of nanopay's or a financial institution partner's policies, such as AscendantFX;
- (v) if we reasonably believe you have violated these Terms of Service; or
- (vi) if there is any activity we deem to be unusual on your Account.

To remove the limitation and restore your Account, you will need to resolve any issues with the account, often by providing information to us, although there may be certain situations where there is no specific action that you can take to help remove the limitation.

10. Unauthorized, Returned Transactions and Error Resolution

An "Error" means:

- (a) When money is either incorrectly withdrawn from or deposited into your Eligible Bank Account through the Service, or when a transaction is incorrectly recorded in your nanopay Service history.
- (b) You pay an invoice through the Service and the incorrect amount is debited from your Eligible Bank Account.
- (c) An incorrect amount is credited to your Eligible Bank Account through the Service.

- (d) A Service-initiated transaction is missing from or not properly identified in your nanopay Account statement.
- (e) We make a computational or mathematical error related to your nanopay Account.

11. Notification of Errors

If you suspect any of the errors identified in section 11 have occurred, contact nanopay immediately at support@nanopay.net or call Us at 1-416-900-1111.

When contacting nanopay for Errors, please provide your business name, account identification, nature of error, why you believe it to be an Error and the date and amount associated with Error.

12. What is not considered an Error

The following are not considered errors:

- (a) reversals, returns or chargebacks;
- (b) payments made in violation of the terms of this Agreement;
- (c) unauthorized payments;
- (d) fraudulent payments; or
- (e) payments that were received that violated the terms of this Agreement.

13. General Provisions

- (a) Governing Law

This Agreement will be governed by and interpreted in accordance with the laws of the State of New York. You agree to irrevocably submit to the exclusive jurisdiction of the courts of New York of a federal court sitting in New York County, New York for the purpose of any suit, action or other proceeding arising out of this Agreement or your use of the Services and waive any and all objections relating to the exercise of jurisdiction over you by such courts such as, lack of personal jurisdiction, improper venue or *forum non conveniens* to the conduct of any proceeding in any such court

- (b) No Waiver

Our waiver of a breach of any provision of this Agreement will not constitute a waiver of any subsequent breach of that provision or a waiver of any breach of any other provision of this Agreement.

- (c) Indemnification

You agree to defend, at your own expense, indemnify and hold harmless nanopay, its affiliates, agents, licensors and service providers, and its and their respective officers, directors, employee,

contractors, agents, licensors, suppliers, successors and assigns from and against any claims, liabilities, damages, judgments, awards, losses, costs, expenses or fees (including reasonable attorney's fees), and generally to pay all damages and costs due to or arising out of your breach of this Agreement or the documents it incorporates by reference, your violation of any law or the rights of a third party and/or your use of the Service.

14. Intellectual Property Rights
15. The Service and its entire content, features and functionality (including but not limited to all information, software, text, displays, images, and the design, selection and arrangement thereof) are owned by nanopay, its financial institution partners, e.g., AscendantFX, its licensors and other providers of such material and are protected by Canadian, American and international copyright, trademark, patent, trade secret and other intellectual property or proprietary rights laws.
16. If you print, copy, modify, download or otherwise use or provide any other person with access to any part of the Service in breach of these Terms of Service, your right to use the Service will cease immediately and you must, at nanopay's option, return or destroy any copies of the materials you have made. No right, title or interest in or to the Service or any content of the Service is transferred to you, and all rights not expressly granted are reserved by nanopay. Any use of the Service not expressly granted by these Terms of Service is a breach of these Terms of Service and may violate copyright, trademark and other laws.
17. Trademarks
18. The NANOPAY name, logo and related trademarks, trade names and service marks, and other trade indicia owned by the Company are registered and unregistered marks in Canada, the United States and other countries, and may not be used without nanopay's prior written consent.
19. Customer Contributions
20. Any suggestion a Customer makes or posts regarding the Service will be considered to be non-confidential and non-proprietary. By providing a suggestion on how to improve the Service, you grant nanopay and our affiliates, agents, and service providers, and each of their and our respective licensees, successors and assigns the right to use, reproduce, modify perform, display distribute or otherwise disclose to third parties any such material for any purpose.
21. Prohibited Uses of the Service
22. You may use the Service only for lawful purposes and in accordance with these Terms of Service. Without limitation, you agree **not** to use the Service:
 - i) In any way that violates any applicable Canadian, American, state, provincial, local, foreign, or international law or regulation (including without limitation, any laws or regulations regarding money laundering and terrorist financing), or that advocates, promotes or assists any unlawful act;

- ii) For the purpose of exploiting, harming or attempting to harm or exploit minors in any way by exposing them to inappropriate content, asking them for personally identifiable information or otherwise;
- iii) Infringe any patent, trademark, trade secret, copyright, or other intellectual property or other rights of any other person;
- iv) Violate the legal rights (including the rights of publicity and privacy) of others or contain any material that could give rise to any civil or criminal liability under applicable laws or regulations or that otherwise may be in conflict with these Terms of Service and our Privacy Statement;
- v) To impersonate or attempt to impersonate the Company, a Company employee, or another customer or any other person or entity (including without limitation, by using e-mail addresses or screen names associated with any of the foregoing), or otherwise participate in any activity likely to deceive any person; and
- vi) To engage in any other conduct that restricts or inhibits anyone's use of enjoyment of the Service, or which, as solely determined by nanopay, may harm the Company or the other Customers of the Service, or expose them to liability.

23. Additionally, and without limitation you agree not to:

- i) Use the Service in any manner that could disable, overburden, damage or impair the Service or interfere with any other party's use of the Service, including their ability to engage in real time activities using the Service;
- ii) Use any robot, spider or other automatic device, process or means of access to the Service for any purpose, including monitoring or copying any of the materials on the Service;
- iii) Use any device, software, or routine that interferes with the proper functioning of the Service;
- iv) Introduce any viruses, Trojan horses, worms, logic bombs, or other material which is malicious or technologically disruptive or harmful;
- v) Attempt to gain unauthorized access to, interfere with, damage or disrupt any parts of the Service, the servers on which the Service resides, or any server, computer or data base connected to the Service;
- vi) Attack the Service via a denial-of-service attack or a distributed denial of service attack; and
- vii) Otherwise attempt to interfere with the proper working of the Service.

24. Content Standards

You may not use the Service:

- i) To transmit any material that is defamatory, obscene, indecent, abusive, offensive, harassing, violent, hateful, inflammatory or otherwise objectionable;
- ii) To promote any sexually explicit or pornographic material, violence, or discrimination based on race, sex, religion, nationality, disability, sexual orientation or age;
- iii) To infringe any patent, trademark, trade secret, copyright or other intellectual property or other rights of any other person;
- iv) To violate the legal rights (including the rights of publicity and privacy) of others or contain any material that could give rise to any civil or criminal liability under the applicable laws and regulations or that otherwise maybe in conflict with these Terms of Service and our Privacy Statement;
- v) To impersonate any person, or misrepresent your identity or affiliation with any person or organization;
- vi) To conduct improper commercial activities such as contests, sweepstakes, advertising or sales promotions; and
- vii) To give the impression that these communications emanate from or are endorsed by nanopay or any other person or entity, if this is not the case.

25. Disclaimer of and Limitation of Liability

- (a) You understand and agree that nanopay, its affiliates, agents, financial institution partners, or their licensors, service providers, employees, agents, officers and directors will not be liable for any direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to, damages for loss of profits, revenue, business or anticipated savings, goodwill, use, data or other intangible losses resulting from the use of or inability to use the Service such as emotional distress and pain and suffering, whether caused by Tort (including negligence), breach of contract or otherwise, even if foreseeable. For avoidance of doubt, the foregoing does not affect any liability which cannot be excluded or limited under applicable law.
- (b) In no event shall nanopay be liable for lost profits or any special, incidental or consequential damages arising out of or in connection with our site, the Service or these Terms of Service (however arising including negligence). Your use of the Service is at your sole risk. The Service is provided on an “as is” and “as available” basis without any warranty or condition, express, implied or statutory, including but not limited to any warranties of merchantability, non-infringement and fitness for a particular purpose.
- (c) nanopay does not warrant that the Service will be uninterrupted, timely, secure, or error-free.

- (d) nanopay does not warrant that the results that may be obtained from the use of the Service will be accurate or reliable.
- (e) nanopay does not warrant that the quality of any products, services, information, or other goods purchased or obtained by you through the Service will meet your expectations, or that any errors in the Service will be corrected, and that our Service and our servers are free of viruses and other disruptive and harmful components.
- (f) Without limiting the foregoing, nanopay has the right to fully cooperate with any law enforcement authorities or court orders requesting or directing nanopay to disclose the identity or other information or anyone posting any materials on or through our Service or otherwise using our Service improperly or in a manner that initially appears to be improper. YOU THEREFORE WAIVE AND HOLD HARMLESS NANOPAY AND ITS AFFILIATES, AGENTS, LICENSEES AND SERVICE PROVIDERS FROM ANY CLAIMS RESULTING FROM ANY ACTIONS TAKEN BY ANY OF THE FOREGOING PARTIES DURING OR AS A RESULT OF ITS INVESTIGATIONS AND FROM ANY ACTIONS TAKEN AS A CONSEQUENCE OF INVESTIGATIONS BY SUCH PARTIES OR LAW ENFORCEMENT AUTHORITIES.
- (g) You understand that nanopay cannot and does not guarantee or warrant that files available for downloading from the Internet or our Service will be free of viruses or other destructive code. You are responsible for implementing sufficient procedures and checkpoints to satisfy your particular requirements for anti-virus protection and accuracy of data input and output and for maintaining a means external to our Service for any reconstruction of any lost data. NANOPAY WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY A DISTRIBUTED DENIAL-OF-SERVICE ATTACK, VIRUSES OR OTHER TECHNOLOGICALLY DISRUPTIVE OR HARMFUL MATERIAL THAT MAY INFECT YOUR COMPUTER EQUIPMENT, COMPUTER PROGRAMS, DATA OR OTHER PROPRIETARY MATERIAL DUE TO YOUR USE OF THE SERVICE.

26. You and we expressly acknowledge and agree that these Terms of Service and all related agreements, schedules, materials, licenses, and policies be drafted in the English language only.

27. We have engaged Securefact Transaction Services, Inc. ("Securefact") and Trulioo to provide verification services for nanopay, specifically in your case to verify the identity of your business by matching the information you have provided to us with information from third party sources, e.g., credit file reports maintained by credit reporting agencies and information from telecoms as well as other service providers.

28. By clicking "I agree" and submitting your information, you are affirming that you have read and consent to all of the provisions of this Terms of Service and the nanopay Privacy Policy.