

Limited Time Offer



Buy One Get One Free!

Expires Nov.30/03

Pricing for Canadian Companies

November Promo - Setup Cdn & US...Only Pay for Cdn!

Choose the currencies and pricing that meet your requirements.
The only difference between each package is the price!

Accept Canadian \$'s				Accept US \$'s				 	
Setup	Monthly	Transaction		Setup	Monthly	Transaction			
1	\$395 \$199	\$45	\$0.45	2	\$395 \$199	\$35	\$1.00	3.75%	4.00%
3	\$395 \$199	\$25	\$1.50	4	\$395 \$199	\$25	\$1.50	4.00%	4.50%
5	\$99	\$0 ¹	\$0.00	6	\$99	\$0 ¹	\$0.00	9.00%	9.00%

- **Fee for Approvals ONLY** - You are charged ONLY for transactions that are approved. (i.e. no fees for declined transactions).
- **No Risk Signup** - If your application is declined, your Setup Fee will be refunded in full!

¹ Minimum monthly charge of \$25 on Packages 5 & 6 - you pay 9% or \$25 monthly, whichever is greater.

Applicable 7% GST will be applied to appropriate fees. All Pricing is in the currency of the Merchant Account. An 8% RMRF applies to all Merchant Accounts.

RMRF Means No Security Deposits

Typically all banks require upfront security deposits for each credit card type you accept as an Internet Merchant.

Instead of a security deposit upfront, we offer a Rolling Merchant Reserve Fund (RMRF) based on 8% of your monthly sales. These RMRF funds will be returned to you after six months of being held on a rolling basis.

For example, if in your first month your total sales were \$1,000, we would hold 8% of that amount or \$80. This \$80 would be returned to you in month seven. The RMRF is applicable each month you are an InternetSecure Merchant.



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Application Checklist



InternetSecure Merchant Application

- This document must be signed and dated by a Principal of the company.

Merchant Authorization Form

- This form is used to inform us of the plan you have chosen.
- A credit card must be provided to cover the setup fee and monthly fee.
- If you do not have a credit card, please contact our office for details on how to pay via cheque, money order or wire transfer.

Scotiabank Merchant Provider Agreement (Page 13)

- [Please click here to read entire agreement.](#)
- Please fax only a copy of Page 13 (signatures page enclosed).
- This is a three-way Merchant agreement between you (the Merchant), InternetSecure Inc and Scotiabank. Our Merchant provider banks require that the Merchant agree to the Terms and Conditions of our joint agreement.

VOID Cheque and EFT Verification

- In order to ensure we deposit your funds into the correct account, we require a VOID cheque.
- Please ensure you enclose a VOID cheque for both your Canadian and US Dollar bank accounts, if you are signing up for dual currency processing.
- If you do not have a customized cheque (with your company name imprinted), the Electronic Funds Transfer (EFT) Form must also be completed. Take this form to your bank where an official completes Part A and then Part B is completed by you, the Merchant. **Please note - Merchants signing up for a dual currency account must have the EFT form completed for both Canadian and US currency bank accounts.**

Please note: The Merchant name must be consistent on all application forms. The same name must appear on all forms AND the Merchant's bank account (i.e. the VOID cheque or the EFT Verification form). If the names are different, the Merchant must provide proof of a legal business relationship between the companies, such as a copy of the Trade Name Registration, which identifies one company as "operating as" or a "division of" another company. You may not collect credit card funds under one company name and deposit them to an unrelated company or individual.

InternetSecure

2201 Speers Road
Oakville, Ontario
CANADA
L6L 2X9

Phone: 800-297-9482
Fax: 866-638-8790

Email: sales@internetsecure.com



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Merchant Application



Company Name

Address

<i>Street</i>		<i>City</i>	<i>Province</i>
<i>Country</i>	<i>Postal Code</i>	<i>Telephone</i>	<i>Fax</i>
<i>Website Address (URL)</i>			

Business Type

<i>GST Registration #</i>	<i>PST Registration #</i>	<i>Years in Business</i>		
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<i>Existing Merchant #'s</i>	

Principal

<i>Name</i>	<i>Telephone</i>	<i>S.I.N.</i>
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Description of Product or Service

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Dollar Value Per Order

<i>Minimum \$</i>	<i>Maximum \$</i>
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Delivery Type

<input type="checkbox"/> Electronic Online	<input type="checkbox"/> Ship within 14 days	<input type="checkbox"/> Ship after 14 days
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Contact

<i>Name</i>	<i>Email Address</i>	<i>Telephone</i>
<i>User Name (Min 6 Characters)</i>	<i>Password (Min 6 Characters)</i>	

Referred by

--

I hereby authorize InternetSecure to verify and obtain further information from financial institutions and credit reporting agencies or bureaus in regard to this application. In addition, if accepted as an InternetSecure Merchant, we hereby agree to be bound by the terms and conditions of the Applicable Merchant Agreement, as amended from time to time.

Signature _____

Date _____

Please fill in all information and return to your sales rep by fax:
Toll Free Fax: 866.638.8790 or Local Fax: 905.469.6560

Attention (please check one):

Louise Krueger Jordan Sullivan





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Buy One Get One Free!
Expires Nov.30/03
Sign up now!

Merchant Authorization Form

Please Choose Any Combination of Packages - One for Each Currency you wish to accept

Accept Canadian \$'s			Accept US \$'s			 			
Setup	Monthly	Transaction	Setup	Monthly	Transaction				
1	\$199	\$45	\$0.45	2	\$199	\$35	\$1.00	3.75%	4.00%
3	\$199	\$25	\$1.50	4	\$199	\$25	\$1.50	4.00%	4.50%
5	\$99	\$0 ¹	\$0.00	6	\$99	\$0 ¹	\$0.00	9.00%	9.00%

Applicable 7% GST will be applied to appropriate fees. All Pricing is in the currency of the Merchant Account. 8% RMRF applies to all Merchant Accounts. Setup fee is refundable if your account is not approved.

¹ Minimum monthly charge of \$25 only on Packages 5 & 6

CardHolder Name

Exactly as it appears on the credit card

CardHolder Address

This is the address where your credit card statement is mailed

Street

City

Province

Country

Postal/Zip Code

Telephone

Fax

Card Number and Expiry

Credit Card Number

Expiry

Email Address

I, _____, of _____,
Print Name *Company Name*

authorize InternetSecure Inc., to charge my credit card for the set up fee and on a monthly basis, the monthly fees as set out above (check one). I also authorize InternetSecure to charge my credit card for any negative balance on my merchant accounts.

Card Holder Signature _____

Please fill in all information and return to your sales rep by fax:
Toll Free Fax: 866.638.8790 or Local Fax: 905.469.6560

Attention (please check one):

- Louise Krueger Jordan Sullivan



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Scotiabank Merchant & Provider Visa Agreement (Version 022003)

PROCEEDING RELATING TO THIS AGREEMENT, EACH OF PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL THEREOF BY JURY.

25. Language

THE PARTIES HEREBY ACKNOWLEDGE THAT THEY HAVE REQUIRED THIS AGREEMENT AND ALL RELATED DOCUMENTS TO BE DRAWN UP IN THE ENGLISH LANGUAGE. LES PARTIES RECONNAISSENT AVOIR DEMANDÉ QUE LE PRÉSENT CONTRAT AINSI QUE LES DOCUMENTS QUI S'Y RATTACHENT SOIENT RÉDIGÉS EN LANGUE ANGLAISE.

26. Signatures

This Scotiabank Merchant & Provider Visa Agreement among the Merchant, Scotiabank and the Provider is executed on behalf of each party as follows:

Agreed to by:

Merchant Name

INTERNETSECURE INC.

Address

By: _____
Title (type or print)

By: _____
Title (type or print)

By: _____
(Authorized signature)

By: _____
(Authorized signature)

Date

Date

Agreed to by:



The Bank of Nova Scotia

Address

By (authorized signature)

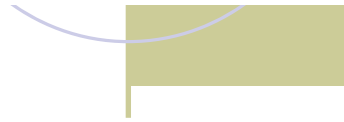
By (authorized signature)



Electronic Funds Transfer (EFT)

If you are choosing Canadian and U.S. Dollar Plans, please be sure to include account information for both your Canadian Dollar and U.S. Dollar Bank Accounts.

Please also attach VOID Cheques for each account.



Part A—Verification to be Completed by Branch

ALL fields must be completed

Name on Bank Account
(i.e. Toys Online Inc.)

\$ CDN Account Number:

\$ US Account Number:

Transit Number (5 digit transit # plus Institution ID)

Financial Institution Name

Address (of Branch)

Street *City*

Province *Country* *Postal Code*

Branch Official I certify the above account information to be correct:

Signature *Name (Print)*

Title *Telephone* *Date*

Part B—To be completed by Merchant

Business Name

Signing Authority
Signature *Name (Print)*

Title *Telephone*

Instructions:

1. Ask a senior official of your branch (Manager, Assistant Manager, Account Manager) to complete Part A of this form.
2. Sign Part B signifying your agreement with the information supplied by your bank.
3. Attach a business cheque (if available) for the account in which you wish payments to be deposited or payments to be withdrawn. Write **cancelled** or **void** on the front of the cheque.
4. Return the original or faxed copy of this form to InternetSecure Inc.
5. If you account changes, you must notify InternetSecure immediately so that your deposit can be directed to your new account. Do not close your previous account until your deposit arrives at your new account. (Please note there is a \$50 fee for a change of bank account).



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**Scotiabank Merchant & Provider Visa Agreement
Internet Commerce (022003)**

This Agreement is made and entered into by and among The Bank of Nova Scotia (hereinafter called "**Scotiabank**"), a Canadian Bank incorporated under the *Bank Act* (Canada), with its executive office located in Toronto, Ontario; Internetsecure Inc. (hereinafter called the "**Provider**"), an Ontario corporation with its principal office located in Oakville, Ontario; and the undersigned merchant (hereinafter called the "**Merchant**"). In return for: Scotiabank performing the merchant services that Provider and the Merchant have requested; and, the Provider providing the Merchant with the Electronic Purchase Service and the Merchant Service, all as explained in this Agreement, Scotiabank, Provider and the Merchant each agree to the following:

1. Definitions

In this Agreement, the following terms will have the following meanings:

Affiliate means any affiliate (as that term is defined in the *Business Corporations Act* (Ontario), from time to time) of the Provider, which provides or completes, on behalf of the Provider, any aspect of the Electronic Purchaser Service or Electronic Merchant Service.

Agency and Settlement Services Agreement is the agreement by and between Scotiabank and the Provider, as it may be amended, substituted or otherwise modified in whole or in part from time to time, governing, among other things, the performance of the respective obligations of Scotiabank and the Provider in connection with the Electronic Merchant Service for merchants located in Canada.

Agent is any agent appointed by Scotiabank in its sole and absolute discretion to perform any of Scotiabank's obligations referred to in this Agreement. Scotiabank may appoint one or more such agents as it deems necessary or desirable.

Agreement is this document and related schedules, amendments, notices and revisions.

Business Day is any day other than a Saturday or a Sunday or a day on which banks are lawfully closed for business in Toronto, Ontario, Canada.

Card is a valid and unexpired Visa card, MasterCard card, American Express card, Discover card or other card constituting a payment modality (e.g. debt cards, credit cards, cash cards, etc.) bearing the proper logos, trade styles, and security characteristics and for which the Provider agrees to provide the Merchant Electronic Purchase Services.

Card Acquirer is a bank, trust company or other financial entity [in the Merchant's Country of residence] who enables the Provider to provide approval to the to accept a particular type of Card as a means of payment utilizing the Electronic Purchase Service and Electronic Merchant Service.

Cardholder is the Person responsible for the obligations accrued under or expenditures made using the Card.

Card Issuer is the bank or other financial institution that issues a Card.

Chargeback is any Transaction that is returned by the Card Issuer, leaving the Merchant liable for the amount of the Transaction.

Customer is an authorized user of a Card or Cardholder performing Transactions.

Designated Currency is any currency, other than Canadian dollars, identified in **Attachment 1** or otherwise permitted with the express prior written consent of Scotiabank (in respect of Sales involving Visa cards) and the Provider, in which the Merchant may accept payment for Sales to Cardholders by means of an Electronic Purchase Service, such Sales thereby becoming Transactions eligible for use of the Electronic Merchant Service, subject to the terms of this Agreement and any other conditions agreed to by the parties with respect to such Sales.

Electronic Purchase Service (collectively "**Electronic Purchase Services**") is or are the electronic commerce service(s) identified in **Attachment 1** that are provided by the Provider (either directly, or indirectly through an Affiliate) and/or the Merchant for the purposes hereof, for the sale, lease, distribution of, or to otherwise offer goods and services of the Merchant.

Electronic Merchant Service is the electronic credit card authorization, data processing and settlement services (or any other credit-card related service(s) if identified in **Attachment 1**) created and/or operated by or on behalf of the Provider (either directly, or indirectly through an Affiliate), with the assistance and support of Scotiabank (in respect of Sales involving Visa cards), to facilitate Transactions conducted by means of Merchant's Electronic Purchase Service. Scotiabank will assist the Provider to settle VISA Transactions only, and such transactions will be credited by the Provider, subject to the terms hereof, to the Settlement Account.

Person is any corporation, partnership, association, trust, individual or other entity or organization.

Prohibited Sale is a Sale which constitutes, relates or is ancillary to, in whole or in part:

- pornographic, illicit or adult content material of any type

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- escort services
- gambling operations, including, without limitation, "virtual casinos"
- ticket factoring
- pyramid selling
- cash advances on a Card
- goods, products, services or distributions otherwise prohibited by applicable law or under the rules, regulations or directives of any Card association
- any good, product, service or distribution which is identified by Scotiabank or the Provider (in either's sole and absolute discretion), from time to time and at any time, upon notice thereof given hereunder to each other party to this Agreement as constituting a Prohibited Sale subject to this definition, provided that no such specific designation or notice shall be required for any particular Sale to be subject to this definition.

Provider Account is a bank account established and maintained by the Provider with Scotiabank or another financial institution for the purposes of the following (hereinafter "**Provider Account Transactions**"), in connection with Visa and other Card Transactions conducted by the Merchant:

- (i) the deposit by Scotiabank or such other financial institution as may be applicable of Visa and other Card settlement funds for such Transactions (following Scotiabank's or such other financial institution's receipt of applicable payments from the Visa and other Card interchange networks);
- (ii) the Provider reconciling settlements for Card Transactions of the Merchant;
- (iii) the deduction by the Provider of any holdbacks, chargebacks, fees, costs, expenses or other amounts due from or due to the Merchant for its Card Transactions (or the giving of credit to the Merchant by the Provider on account of any of the foregoing), if in accordance with the provisions of this Agreement or any valid and subsisting agreement or instrument by and between the Provider and the Merchant; and
- (iv) payments by the Provider to the Merchant's Settlement Account of settlement funds due to the Merchant on account of its Card Transactions.

Provider Document is any additional agreement or instrument entered into by the Merchant and the Provider governing certain aspects of the use and operation of the Electronic Purchase Service.

Representatives are a corporation's or business entity's directors, officers, employees, attorneys, accountants, as applicable, and others engaged by such corporation or business entity or intended to be engaged by such corporation or business entity to advise it.

Retrieval Request is a request by Scotiabank for information on behalf of either a Cardholder or Card Issuer relating to a claim, complaint or inquiry concerning a Transaction.

Sale(s) is the selling, leasing, renting or other offer of goods or services by the Merchant in Canadian dollars or a Designated Currency which is facilitated by means of an Electronic Purchase Service.

Settlement Account is the bank account of the Merchant specified in **Attachment 1** established and maintained with a depository institution satisfactory to Scotiabank in its sole discretion for the purpose of receiving payments due to the Merchant from the Provider Account, after deduction of payments due to the Provider, for the settlement of its eligible Transactions under this Agreement.

Transaction is any Sale that is paid for with a Card or any adjustment or return that is credited to a Card.

2. Certain Rights and Obligations of Scotiabank and the Provider

The rights and obligations of Scotiabank and the Provider in respect of each other under this Agreement (including, without limitation, the obligations of Scotiabank hereunder which may be performed by any Agent) shall be governed also by and in accordance with the terms of the Agency and Settlement Services Agreement. No consent, acknowledgment or notice of or to the Merchant shall be required for any changes to the Agency and Settlement Services Agreement.

3. Terms of Operation

(a) Subject to the terms and conditions hereof, the Merchant hereby authorizes the Provider to take all such actions as may be necessary for purposes of the Provider providing the Merchant with the Electronic Purchase Services and the Electronic Merchant Services as contemplated hereby including, without limitation, the Provider, Scotiabank, as well as any other financial institution involved in the processing of Transactions for the Merchant, to undertake and complete Provider Account Transactions in respect of the Merchant's Transactions and to cause to be deposited in the Merchant's Settlement Account payments due to the Merchant from the Provider Account, after deduction of payments due to the Provider, for the settlement of its eligible Transactions.

(b) In agreeing to provide the Electronic Merchant Services contemplated hereunder, the Provider has relied upon the description of the business and operations to be carried on by the Merchant set out in the Merchant's application for the services of the Provider. To the extent that the goods and services of the Merchant are, at any time, changed or varied

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the Merchant shall, forthwith, notify the Provider, in writing, of any such change or variation and the Provider shall have the right, in its sole discretion, to decline to process Transactions in respect of any new or any varied goods or service or to suspend its services altogether. In addition, if the Provider discovers that the Merchant has made any misrepresentations in its application for the services of the Provider, the Provider shall have the right to terminate, without notice, the provision of its services to the Merchant hereunder, without any refund to the Merchant of any fees paid by the Merchant to the Provider for services. For purposes of clarity, no investigation of the Merchant's website by the Provider, for technical or other purposes, shall in any way be deemed to be an acceptance or agreement on the part of the Provider to process Transactions in respect of any goods or services described on such website, it being intended that the Merchant's application for services shall be the definitive reference for purposes of establishing the agreed upon description of the goods and/or services to be sold by the Merchant utilizing the Electronic Merchant Services.

(c) It is agreed that :

- (i) the Merchant may sell merchandise to or perform services for Customers through its Electronic Purchase Service(s);
- (ii) the Merchant shall not sell merchandise to or perform services for Customers at prices that exceed the Merchant's ticketed or posted prices for such merchandise or services;
- (iii) the Merchant and the Provider shall not impose any fees or other charges for the use of a Card as payment;
- (iv) the Merchant and the Provider shall not offer discounts (cash or otherwise) or incentives to encourage Customers to pay by means other than a Card;
- (v) the Merchant and the Provider shall not set a minimum dollar limit on Transactions;
- (vi) the Merchant and the Provider shall not discriminate against a Transaction in favour of a Sale completed with cash, cheque, or other form of payment; and
- (vii) the Merchant shall not conduct any Prohibited Sale, and neither Scotiabank nor the Provider shall perform any aspect of the Electronic Merchant Service in connection with a Sale which is, to its or their knowledge or belief on reasonable grounds, a Prohibited Sale.

(d) The Provider agrees to obtain, on the Merchant's behalf, the necessary automated authorization for all Transactions through the Electronic Merchant Service. An authorization indicates only the absence of negative credit status at the time of authorization. It does not necessarily protect the Merchant from Chargebacks. Paper drafts shall not be passed from the Merchant to the Provider as a means of exchanging Transaction data for settlement to the Provider Account.

(e) If any merchandise is accepted for return or any services are terminated or cancelled or any price adjustment is allowed, the Merchant shall make the refund, replacement or adjustment to the Cardholder by preparing, and shall deliver promptly to the Provider, the required information to effect credit to the Cardholder. The Provider shall deliver the refund to the Electronic Merchant Service on the same Business Day it was received from the Merchant. The Merchant shall not make any cash refund to the Cardholder but shall deliver to the Customer a true copy of each refund completed so as to include the date of the Transaction; a description of the products or services involved; the dollar amount of the credit granted, including all applicable local, provincial, state and federal taxes; and Merchant's name and Merchant number.

(f) The amount of any refund shall not exceed the amount shown as the total on the original Sales record except by the exact amount required to reimburse the Cardholder for postage paid by the Cardholder to return merchandise in accordance with a policy applied consistently by the Merchant to all Customers. The Provider shall deliver to Scotiabank or an applicable Agent only those Transactions which represent valid Transactions between the Merchant and the Cardholder

(g) The Merchant and the Provider shall not execute a Transaction to replace funds that are unable to be collected from another payment method, such as to cover a returned cheque.

(h) The Provider agrees to invoice or credit the Cardholder for each Transaction by completing and dating an electronic sales draft or electronic credit voucher in a form that Scotiabank or an applicable Agent have supplied or approved.

(i) The Provider agrees to process the Transaction through the Electronic Purchase Service and the Electronic Merchant Service in accordance with the procedures Scotiabank or an applicable Agent establishes from time to time.

(j) The Provider agrees to provide an electronic acknowledgment of the Transaction to the Cardholder at the time the Electronic Purchase Service is used by the Cardholder, and a copy of the electronic Transaction to the Merchant.

(k) The Merchant agrees to retain the electronic copy of each completed Transaction for a minimum of 12 months from the date of the Transaction.

(l) The Merchant and the Provider agree severally to provide Scotiabank with a legible paper copy of any of these records within 8 days of Scotiabank's request that the Merchant and/or the Provider do so, it being understood that as

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between the Merchant and the Provider, such obligation shall be performed by the party requested to do so and, if reasonably necessary, with the cooperation and assistance of the other, within the time period as specified. If the Merchant or the Provider fails to do so or to cooperate with the other following an applicable request by Scotiabank, Scotiabank may refuse to credit the Provider Account for the amount of the Transaction, or charge the Transaction back to the Provider Account if Scotiabank has already credited such account for such Transaction.

(m) Upon 5 days prior written notice to the Merchant, the Merchant agrees that any of the respective rights and obligations of the Provider hereunder may be assumed and performed by Scotiabank or an applicable Agent subject to the terms of this Agreement and applicable law and any of the respective rights and obligations of Scotiabank hereunder (other than such rights and obligations of Scotiabank in its capacity as a "General Member" of Visa which may not be assigned to the Provider pursuant to the rules, regulations, directives or interpretations of or issued by Visa) may be assumed and performed by the Provider subject to the terms of this Agreement and applicable law. The rights and obligations of the Provider in the event of any such change shall be governed also by the terms of the Agency and Settlement Services Agreement.

(n) The Merchant and the Provider agree that the amount and type of any fee or charge payable by the Provider to Scotiabank hereunder from time to time shall be validly established and become payable by the Provider solely upon the consent of the Provider and Scotiabank, and without the consent (express or otherwise) or acknowledgment of, or any notice or other disclosure thereof, to the Merchant.

(o) The Merchant acknowledges and agrees that it may be required to pay fees and charges to the Provider in connection with the use and operation of the Electronic Merchant Service, and, if applicable, Electronic Purchase Service(s) in addition to, and not in substitution for, any fees and charges payable to Scotiabank hereunder and agrees also that, in that respect, it may be required to enter into one or more Provider Documents.

(p) The Merchant and the Provider each agree that, in the event of any conflict between a provision of any Provider Document and any provision of this Agreement, this Agreement shall prevail to the extent necessary to remove the conflict.

(q) The Merchant agrees that, notwithstanding anything else stated in this Agreement, the Provider and/or Scotiabank reserve the right to decline any requested Transaction, up to the time of the settlement thereof, for any reason whatsoever, without giving notice to or obtaining the consent of the Merchant, and shall not incur any liability as a result thereof.

4. Settlement Account

(a) The Merchant agrees to establish and maintain the Settlement Account, the particulars of this Settlement Account being specified in **Attachment 1**.

(b) The Provider shall be solely and exclusively responsible for making all payments owing to the Merchant for its Visa card Transactions, notwithstanding that Scotiabank shall receive settlement funds for such transactions from the Visa interchange network.

(c) The Provider agrees to effect a deposit of approved non-Visa Transactions to the Settlement Account.

(d) The Provider will, within a reasonable time of receiving valid authorization and data processing information with respect to the Merchant's Transactions, pay to the Merchant's Settlement Account from the Provider Account the amount of Card sales drafts, net of amounts for any Card credit vouchers and other appropriate adjustments if in accordance with any applicable Provider Document, all as determined by the Provider.

(e) All deposit figures are subject to Scotiabank's final audit. If there are any inaccuracies, Scotiabank will be entitled to charge or credit the Provider Account, or, if, in the sole opinion of Scotiabank, the Provider is insolvent or otherwise ceases to be creditworthy, the Settlement Account or any account of the Merchant maintained with Scotiabank without notice to the affected party, for any deficiencies or overages, as the case may be, provided that, upon so doing, Scotiabank shall provide particulars to the Provider of the applicable charge or credit within 30 days of the date thereof.

5. Chargeback Rights

(a) Although the Merchant may have been granted an authorization for a Transaction from or on behalf of the Card Issuer, Scotiabank may refuse to credit the Provider Account for the total amount of a sales draft, or charge the Transaction back to the Provider if:

- (i) the Transaction is, or is claimed by the Customer to be, fraudulent or unauthorized;
- (ii) the Sale referred to in the sales draft has been returned to the Merchant or was not received by the Customer;
- (iii) the Sale referred to in the sales draft has been claimed by the Customer to have been returned to the Merchant, or not to have been received by the Customer, as the case may be, or the Customer has a copy of a refund issued by the Merchant for which the Customer has not been compensated;

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- (iv) the goods or services referred to in the Transaction draft have not been received by the Customer or are claimed by the Cardholder to be unsatisfactory;
 - (v) the total dollar amount shown on the Transaction record is, or is claimed by the Customer to be, larger than the amount approved by the Customer; provided, however, the dollar amount of the chargeback shall be limited to the amount of the alleged unauthorized alteration;
 - (vi) the Transaction record is otherwise incomplete in any other respect;
 - (vii) the Card used in the Transaction was expired or not yet valid at the time of the Transaction;
 - (viii) the Transaction, as evidenced by a sales draft or other credit extension, includes an unauthorized cash advance that the Merchant has made to a Customer;
 - (ix) the Transaction, as evidenced by a sales draft or other credit extension, is for any reason illegal, null, or invalid;
 - (x) the Transaction represents a previously presented Transaction which has been charged back to the Merchant or the Provider Account, whether or not the Merchant has received permission from the Cardholder;
 - (xi) the Provider deposited more than one copy of the same sales draft or Scotiabank has credited the Provider Account more than once for the same sales draft;
 - (xii) the Merchant or the Provider or any of their respective employees or agents (if permitted by Scotiabank) deposited or attempted to deposit sales drafts for fictitious Transactions, or have otherwise defrauded or attempted to defraud Scotiabank;
 - (xiii) the Merchant or the Provider or any of their respective employees or agents (if permitted by Scotiabank) fail to comply with the terms of this Agreement;
 - (xiv) the Cardholder disputes a Transaction for any reason whatsoever;
 - (xv) the Merchant or the Provider deposit, or process a sales draft or credit voucher resulting from merchandise sold or services performed (or alleged to have been sold or performed) by parties other than the Merchant;
 - (xvi) the Card Issuer returns the sales draft to Scotiabank or an applicable Agent because of a delay on the Merchant's or the Provider's part in submitting the Transaction;
 - (xvii) the Merchant or the Provider deposit, or process a sales draft for a recurring Transaction after receiving notification from the Cardholder to cancel such future Transactions;
 - (xviii) a clear, legible copy of the Transaction record is not provided to Scotiabank within 8 days of a request for a copy of the Transaction record; or
 - (xix) the currency of the Transaction includes an authorization request that differs from the currency appearing on the Transaction record provided to the Cardholder or deposited
- (b) Scotiabank and the Provider agree to provide the Merchant with relevant information that is available to Scotiabank regarding any sales draft that Scotiabank refuses to pay or charges back to the Merchant.
- (c) In addition to and without limiting the rights of the Provider set out elsewhere in this Agreement, in the event that the Transactions processed by the Provider on behalf of the Merchant are subject to an excessive rate of Chargebacks (the determination of what constitutes an excessive rate being wholly determinable by the Provider in its sole and absolute discretion), the Provider shall have the right to suspend or terminate the services contemplated to be provided by it to the Merchant hereunder, without notice.

6. Account Debits

- (a) The amount of any charged-back Transaction or credit voucher will constitute a debt of the Merchant and also of the Provider owed to Scotiabank, and for which Scotiabank may, in any case, debit without notice the Provider Account or, if, in the sole opinion of Scotiabank, the Provider is insolvent or otherwise ceases to be creditworthy, charge or debit the Settlement Account or any account of the Merchant maintained with Scotiabank.
- (b) If any such debt results in any account of the Merchant maintained with Scotiabank or the Provider Account being in an overdraft position, the Merchant and the Provider severally agree to pay Scotiabank, on demand, the amount of such overdraft together with applicable interest and fees.
- (c) If any charge or debit of the Settlement Account or any account of the Merchant maintained with Bank shall be made by Scotiabank in accordance with section 6(a) above or any payment shall be received by Scotiabank from the Merchant following any demand made upon the Merchant by Scotiabank in accordance with section 6 b above,

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Scotiabank shall provide particulars to the Provider of the debit or payment received, as the case may be, within 30 days of the date thereof.

(d) Notwithstanding any other provision of this Agreement, it is hereby agreed by and between the Provider and the Merchant that the amount of any charged-back Transaction or credit voucher will constitute a debt of the Merchant owed to the Provider, until such time as the Merchant has reimbursed Scotiabank or the Provider, as the case may be, for the full amount of such charged-back Transaction or credit voucher, and for which the Provider may, in any case, debit without notice any account maintained on behalf of the Merchant for purposes of the settlement of Transactions or otherwise.

7. Relations with Customers

(a) The Merchant and the Provider agree to settle all Customer claims and disputes about a Transaction directly with the Customer. The Merchant and the Provider agree that neither Scotiabank nor any applicable Agent shall be responsible for attending to and servicing any Customer queries, complaints, and requests regarding goods and services purchased with a Card.

(b) The Merchant agrees to give only non-cash credit for a return or adjustment on a Sale that was paid for by a Card. The Merchant will issue a credit voucher for the amount of the return or adjustment, except for the cases in which Scotiabank has refused to credit the Transaction amount to the Provider Account or has charged the amount back to the Merchant.

(c) The Provider agrees to deliver any credit vouchers in an electronic form, on the Merchant's behalf, to Scotiabank or an applicable Agent within 3 days of issuance.

(d) In order to protect the Cardholder's privacy, the Merchant and the Provider also agree not to list the Card account number as an identification feature on other payment forms such as cheques.

8. Debits, Fees and Other Charges

(a) In accordance with the Merchant's obligation under section 3, it shall pay to the Provider charges based upon the discount rate applicable to the Merchant (as determined by the Provider), together with such fees and other amounts as the Merchant and Provider may agree pursuant to an applicable Provider Document. All such fees shall be deducted by the Provider from interchange settlement payments made on the Merchant's Transactions after deposit of such payments into the Provider Account.

(b) The Merchant shall pay to or, at the option of Scotiabank, reimburse Scotiabank for, on demand, all taxes, surcharges, levies, commissions, fees or other amounts for which Scotiabank may be liable or which are assessed against Scotiabank in connection with any Transaction hereunder or this Agreement by Visa or any other Card association, by any government having jurisdiction over any of the Transactions hereunder over any of the other matters referred to herein, or by any agency, tribunal, authority or other body thereof, whether as a result of the introduction of, any change in or any change in the interpretation of any law, order, interpretation (whether or not previously existing), by-law, regulation, rule, directive or otherwise.

(c) The Merchant and the Provider each agree that all fees, charges, credits, or adjustments that the Merchant may owe to Scotiabank in connection with this Agreement shall constitute a several debt of the Merchant and the Provider that is payable on demand, and that Scotiabank may, at its option, without prior notice, either debit the Provider Account or, if, in the sole opinion of Scotiabank, the Provider is insolvent or otherwise ceases to be creditworthy, charge or debit the Settlement Account or any account of the Merchant maintained with Scotiabank. If any payment shall be received by Scotiabank from the Merchant following any demand made upon the Merchant by Scotiabank in accordance with this section, Scotiabank shall provide particulars to the Provider of the payment so received within 30 days of the date thereof.

(d) Should there be insufficient funds in the Provider Account for amounts referred to in clause (b) above, the Provider hereby authorizes Scotiabank to debit any other account that the Provider has with Scotiabank.

(e) If any portion of any debt arising by virtue of clause (b) above results in any account of the Merchant maintained with Scotiabank or the Provider Account being in an overdraft position, the Merchant and the Provider severally agree to pay Scotiabank, on demand, the amount of such overdraft together with interest at the rate specified herein and fees.

(f) In the event that the Provider pays to Scotiabank any amount by virtue of clauses 8(b), (c), (d) or (e) above, the Merchant hereby agrees to reimburse the Provider forthwith, upon demand, any and all amounts paid by the Provider to Scotiabank and which are otherwise the responsibility of the Merchant pursuant to the terms hereof.

(g) In addition to the Merchant's obligations above, if the Agreement is terminated by any party for any reason whatsoever, the Merchant hereby acknowledges and agrees that the Provider shall have the right, in its sole and absolute discretion, to retain or cause to be retained, for a period of up to eighteen (18) months from the date of termination, all funds in any accounts maintained by the Provider for or on account of the Merchant. Any amount so held will only be released by the Provider to the Merchant once the Provider is satisfied, in its discretion, that sufficient funds will be available to satisfy any and all holdbacks, Chargebacks, fees, costs, expenses or other amounts due or which will become due to the Provider from the Merchant for its Transactions.

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(h) In the event that, after the application of any amount retained by the Provider to the sums owed by the Merchant to the Provider in respect of holdbacks, Chargebacks, fees, costs, expenses and other amounts due from the Merchant, there remains additional amounts still owing from the Merchant to the Provider, the Merchant shall be responsible for and hereby agrees to, forthwith, pay or to the order of the Provider, upon demand, the full amount thereof.

(i) It is hereby expressly acknowledged by the Merchant that the Provider now has and shall have the right to set-off any amount owed to the Provider hereunder against any amount held by the Provider and otherwise due to the Merchant.

9. Other Responsibilities

(a) The Merchant and the Provider agree to obtain Scotiabank's prior written approval before the Merchant or the Provider use in connection with their respective businesses, whether by means of the Internet or any other medium and whether for the purpose of advertising or otherwise, the Visa name; the blue, white, and gold colour band design; Scotiabank's name; Scotiabank's "flying S" logo; Scotiabank's trademarks or servicemarks; or any representation of any of the foregoing. When the Merchant or the Provider does include these names, logos, tradenames or servicemarks or representations, as the case may be, upon the prior written consent of Scotiabank, the Merchant or the Provider may use them only to show that the Merchant or the Provider accept Cards or to promote Scotiabank or its products offered through the Merchant or the Provider, as applicable (provided that all logos, tradenames and servicemarks must be footnoted as to registration), and not that Visa or Scotiabank endorses any of the Merchant's goods or services. The Merchant agrees, if requested by Scotiabank, to display Scotiabank's logo or other similar representations at its business location(s). The Provider and Merchant acknowledge that neither will acquire any right, title or interest in or to Scotiabank's, or the Visa Associations' logos, trademarks, service marks or company names. Logo, trademarks, service marks and company names shall remain the exclusive property of the respective owners and, upon termination of this Agreement, the parties hereto will discontinue all reference to, use and display of the logos, trademarks, service marks and company names of Visa and all of the other parties hereto (excluding Scotiabank with respect to reference to, use and display of any of the foregoing as they relate to Visa).

(b) The Merchant and the Provider agree not to alter the trademarks, trade names, design marks, or logos in any manner.

(c) The Merchant and the Provider shall not deposit, or process any sales drafts and credit vouchers resulting from merchandise sold or services performed (or alleged to have been sold or performed) by parties other than the Merchant.

(d) The Merchant and the Provider agree not to disclose or remit to any third party Card account information or other documents or forms evidencing such information, except, in the case of the Provider only, subject to the applicable provisions of the Agency and Settlement Services Agreement.

(e) The Merchant and the Provider agree to cooperate with Scotiabank or an applicable Agent in investigating any Transaction.

(f) The Merchant shall not receive payment from any party except the Provider for a Transaction evidenced by a sales draft.

(g) The Merchant and the Provider agree to comply with the operating guidelines Scotiabank or an applicable Agent will issue to each party from time to time, including, without limitation, any guidelines or change in the performance of the obligations of the parties hereto required by Scotiabank or an applicable Agent as a result of any change in or the interpretation or introduction of, any applicable law, regulation, rule, directive, order or other decision issued or made by any government, governmental authority, agency, court, tribunal, mediator, Card association or other body or authority having jurisdiction over any of the matters governed by this Agreement.

(h) For so long as the Merchant maintains any account with Scotiabank, the Merchant agrees that Scotiabank or an applicable Agent may obtain whatever commercial and credit information Scotiabank or such Agent deems appropriate with respect to the Merchant. The Merchant will also permit Scotiabank or an applicable Agent to provide information about the Merchant to third parties such as credit bureaus and other financial institutions.

(i) The Merchant agrees to furnish Scotiabank with financial statements and information concerning the Merchant, the Merchant's business, or the Merchant's affiliates as Scotiabank may occasionally request.

(j) The Merchant agrees that it shall, at its own expense, maintain, operate and, if necessary, upgrade all systems, equipment and software necessary for conducting Sales by the applicable Electronic Merchant Service(s) in accordance with specifications approved by Scotiabank or an applicable Agent at any time and from time to time. In connection with the foregoing obligation, the Merchant acknowledges that it may be necessary to pay or reimburse Scotiabank for consultancy, advisory or administrative charges, costs or expenses, subject to Scotiabank providing a prior estimate thereof.

(k) The Merchant agrees not to make any material changes to its Settlement Account without giving at least 5 Business Days' prior written notice thereof to the Provider and Scotiabank.

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10. Confidential Information

(a) Without limiting the generality of the Merchant's obligations under Section 9 d of this Agreement, the Merchant shall be responsible to maintain as confidential all records, data, correspondence and other information furnished by Scotiabank, any applicable Agent, the Provider or their respective Representatives, or which is received from any other source or compiled by or on behalf of the Merchant, at any time and by whatever means with respect to:

- (i) each Customer, use of its Card, Card account number or other Card account or personal information of such Customer and/or its Transactions hereunder;
- (ii) Scotiabank, any applicable Agent and the Provider, including, without limitation, the terms of this Agreement and all systems required for the authorizing, processing, settlement and delivery of Transactions,

(all such records, data, correspondence, and other information being "Confidential Information"), provided that no such duty shall exist with respect to any particular portion of the Confidential Information which also

(x) is generally available to the public or becomes generally available to the public other than as a result of disclosure in violation hereof by the Merchant or its Representatives;

(y) becomes available to the Merchant from a source other than another party hereto or any of its Representatives; provided that such source is not, to the knowledge of the Merchant or any of its Representatives, bound by a confidentiality agreement with respect to such information.

(b) The Confidential Information shall be used and maintained by the Merchant solely for enabling Transactions and otherwise performing its obligations hereunder and, without the express prior written consent of Scotiabank, the Merchant shall not disclose any such information to any Person. Upon suspension or termination of this Agreement, the Merchant will promptly deliver to the other applicable party or parties hereto all Confidential Information, without retaining any record thereof, except that (i) the Merchant may retain some or all of such Confidential Information to the extent and for such period as may be reasonably necessary to continue performing or otherwise complying with any non-suspended obligations hereunder and (ii) at the request of the Merchant, some or all of the Confidential Information so returned may be made available to the Merchant within three (3) years of the date of its return to the applicable party, if the Merchant provides satisfactory evidence to such party that the Confidential Information subject to an applicable request is required by auditors or any governmental or regulatory authority or any person acting on their behalf and is not otherwise available from any other source, or is material and necessary for the purpose of proving or defending any dispute or litigation; provided however that it is understood and agreed that the foregoing shall not create any obligation on the part of any party requiring the return of any Confidential Information to store, maintain, record or otherwise preserve any returned Confidential Information for the aforesaid period and further that no Confidential Information shall be re-released by an applicable party without the delivery, in form and substance satisfactory to it, of an undertaking from the recipient of the Confidential Information to protect and indemnify such party against losses for the unauthorized use or disclosure of such Confidential Information.

11. Termination

(a) This Agreement shall remain in full force and effect for an initial term of one (1) year from the date of signing by the Merchant, unless earlier terminated by Scotiabank or the Provider in accordance with the terms hereof. This Agreement shall be automatically extended upon the same terms and conditions as prevailing on the renewal date (subject to notice by Scotiabank to the applicable party or parties of any changes to one or more terms or conditions hereof to be effective at the time of such renewal) for successive one (1) year terms, unless notice of non-renewal or termination is provided by any party as provided herein or unless terminated by Scotiabank or the Provider in accordance with the terms hereof. Any party may give notice of non-renewal or termination of this Agreement in writing not less than thirty (30) calendar days prior to any expiration date or effective termination date, as the case may be. If any party shall default in the performance of any of its obligations hereunder and shall fail, refuse or be unable to remedy such default within ten (10) calendar days after written notice, or if any party shall default in the performance of any of its obligations hereunder which are incapable of being remedied, or if any party shall breach any representation or warranty made herein, any other party may terminate this Agreement immediately upon written notice to the other parties.

(b) The obligations of all undersigned parties for any particular Transaction completed on or prior to the date of termination shall survive termination.

(c) Upon termination of this Agreement for any reason whatsoever, all amounts due or which shall become due from the Merchant, on account of its Transactions or otherwise, to the Provider shall immediately become due and payable.

(d) Scotiabank and the Provider may terminate this Agreement and charge the Settlement Account or Scotiabank may, for itself or upon any reasonable request by the Provider, put a hold on any account of the Merchant maintained with Scotiabank, without notice to the Merchant, if the Merchant becomes insolvent or bankrupt, or Scotiabank or the Provider deems in their sole and absolute discretion that: there exists a material, adverse change in the financial condition or business prospects of the Merchant; or, the Transactions of the Merchant are subject to a higher than acceptable rate of Chargebacks having regard, without limitation, to the nature of the Merchant's business, Chargeback norms for

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businesses of that type, geographical region and/or the Chargeback history of such Merchant for Transactions.

(e) In the event of termination of this Agreement, the Merchant will return all forms, and other material bearing Scotiabank's trademark, the Visa name or logo, or any representation of these to Scotiabank without delay.

12. Indemnification & Limitations

(a) The Merchant has expressly authorized the Provider to submit Transactions on its behalf and acknowledges that the Provider is solely responsible for the accuracy and completeness of information furnished to Scotiabank or an applicable Agent for processing and settlement to the Provider Account. Each of the Merchant and the Provider will indemnify and hold Scotiabank and each applicable Agent harmless from all loss or liability to which Scotiabank or such applicable Agent may be subjected in connection with any claim arising out of the inaccuracy or incompleteness of such information. The Merchant will indemnify and hold the Provider harmless from all loss or liability to which the Provider may be subjected in connection with any claim arising out of the inaccuracy or incompleteness of such information, which was the responsibility of the Merchant to provide, which the Merchant did provide or which Customers of the Merchant provide.

(b) Each of the Merchant and the Provider agree to indemnify Scotiabank or an applicable Agent and hold Scotiabank or such Agent harmless from any claims, actions, losses, damages, expenses or costs, howsoever arising which are asserted or which may be asserted against an indemnified party as aforesaid:

- (i) by any Customer arising out of a Transaction or any breach of this Agreement by the Merchant and/or the Provider; or
- (ii) by the opposite party (whether Merchant or the Provider, as the case may be).

(c) The Merchant hereby agrees to indemnify the Provider (and its Affiliates) and to hold the Provider (and its Affiliates) harmless from any claims, actions, losses, damages, expenses or costs, howsoever arising which are asserted or which may be asserted against the Provider by any Customer arising out of a Transaction or any breach of this Agreement by the Merchant.

(d) Neither Scotiabank nor an applicable Agent shall be liable for any direct, indirect, or consequential damages incurred by the Merchant or the Provider that result from termination of this Agreement.

(e) Neither the Provider nor its Affiliates shall be liable for any direct, indirect or consequential damages incurred by the Merchant that result from the termination of this Agreement for any reason whatsoever, regardless of whether the Merchant agrees with or accepts the basis for such termination.

(f) Neither Scotiabank nor an applicable Agent shall be liable for any direct, indirect, or consequential damages incurred by the Merchant or the Provider which may arise if Scotiabank or an applicable Agent is ever, for any reason, unable to perform any part of the Electronic Merchant Service, if there is any non-performance or there are any errors in the performance of the Electronic Merchant Service outside Scotiabank's or an applicable Agent's reasonable control or if either the Electronic Merchant Service or any Electronic Purchase Service fails to function or functions improperly, it being understood and agreed by the parties hereto that (i) the Provider shall be solely responsible for the establishment, operation and maintenance of the Electronic Merchant Service and for all claims, losses, damages, expenses or costs that may be incurred in connection therewith by the Merchant, any Cardholder or any third party, and (ii) the Provider and/or the Merchant shall be solely responsible for the establishment, operation and maintenance of each Electronic Purchase Service and for all claims, losses, damages, expenses or costs that may be incurred by the Provider, Merchant, any Cardholder or any third party, as the case may be.

(g) Neither the Provider nor its Affiliates shall be liable for any direct, indirect, or consequential damages incurred by the Merchant. Scotiabank or an applicable Agent which may arise: if Scotiabank or an applicable Agent is ever, for any reason, unable to perform any part of the Electronic Merchant Service; if there are any errors in the performance of the Electronic Merchant Service outside the Provider's reasonable control; or if the Electronic Merchant Service or any Electronic Purchase Service fails to function (for any period of time) or functions improperly.

(h) Except as otherwise provided in this Agreement, during the term of this Agreement and for a period of five years thereafter, the Merchant shall be liable to Scotiabank, any applicable Agent and the Provider and their respective Representatives for the mis-use of, or any use not authorized by Scotiabank, an Applicable Agent or the Provider, of any Confidential Information (including, without limitation, any Confidential Information required to be returned in accordance with section 10 (b) hereof) by any Person if such mis-use or unauthorized use of Confidential Information (or any portion thereof) arises from:

- (i) the dissemination or wrongful disclosure of any portion of the Confidential Information to such Person; or
- (ii) a failure to protect any portion of the Confidential Information from disclosure, or becoming accessible, to such Person

in either case, by the Merchant or any of its Representatives, and the Merchant shall and does hereby indemnify and hold Scotiabank, any Applicable Agent, the Provider and their respective Representatives harmless from and against any

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claims, actions, losses, damages, expenses or costs, howsoever arising sustained by or which are asserted or may be asserted against any and all of the indemnified parties as aforesaid.

(i) Neither Scotiabank nor any applicable Agent will, in any event, be responsible for the Merchant's or the Provider's acts or omissions or those of any third party.

(j) Neither Scotiabank nor the Provider represents or warrants that the furnishing of any or all of the Electronic Merchant Service(s), or of any or all of the Electronic Purchase Service(s), will be, upon execution of this Agreement, in conformity with any laws, rules, regulations, orders, interpretations, or any Card association by-laws, rules, directives, orders, guidelines or conventions, of the jurisdiction of domicile of the Merchant, of any jurisdiction in which the Merchant is or is deemed to be carrying on Sales or other business or which may otherwise be applicable to the Merchant, the Provider, Scotiabank, any other financial institution involved in any aspect of the Electronic Purchase Service(s) or the Electronic Merchant Service(s) or to the performance of this Agreement at any time. If for any of the foregoing reasons (including, without limitation, applicable conflict of law rules or any changes in any applicable by-laws, rules, directions, orders, guidelines or directives), any aspect or the whole of the Electronic Merchant Service(s) shall be or become prohibited or subject to any legal, contractual or other sanction or change:

(i) at the sole option of Scotiabank, the affected aspects or the whole of the Electronic Merchant Service(s) may be automatically suspended without notice to the Merchant; and/or

(ii) at the sole option of the Provider, the affected aspects or the whole of the Electronic Purchase Service(s) may be automatically suspended without notice to the Merchant.

In the event of any such suspension, the parties hereto agree to investigate promptly the steps necessary for remediation of and/or compliance with the matter or circumstance which caused or contributed to such suspension and agree to endeavour to reach a resolution in conformity with the provisions of section 15 hereof (and, in that respect, relevant factors shall include the (anticipated) volume of Transactions conducted by the Merchant, the actual or anticipated costs to Scotiabank and/or to the Provider of such remediation or compliance, the time period required for such remediation or compliance and the remaining portion of the term of this Agreement). However, if the necessary remediation or compliance cannot be effected without unreasonable delay or without unreasonable expense to or administrative action by or on behalf of the party invoking the suspension, then, such suspending party shall be entitled in its sole discretion to terminate this Agreement upon notice to the other parties, without prejudice to any other rights or remedies of Scotiabank or the Provider hereunder. Neither Scotiabank, the Provider or any of their respective affiliates or agents shall be liable for any direct, indirect or consequential damages incurred by the Merchant as a result of such termination. Furthermore, such limitation of liability shall also apply equally in respect of any suspension of any aspect of the Electronic Purchase Service(s) or Electronic Merchant Service(s) as contemplated above.

(k) Scotiabank does not represent or warrant that the Electronic Merchant Service will be available to process Transactions during specified times.

(l) The Provider does not represent or warrant that the Electronic Purchase Service will be available to process Transactions during specified times. The Provider shall not be liable for any direct, indirect, or consequential damages incurred by the Merchant which may arise if the Provider is ever, for any reason, unable to perform any part of the Electronic Merchant Service, if there is any non-performance or there are any errors in the performance of the Electronic Merchant Service outside the Provider's reasonable control or if either the Electronic Merchant Service or any Electronic Merchant Service fails to function or function properly.

(m) Scotiabank reserves the right to suspend or completely cancel any portion of the Electronic Merchant Service, at any time, without prior notice to the Merchant.

13. Procedures

(a) Scotiabank or an applicable Agent may, from time to time, issue written directions regarding operations procedures that the Merchant or the Provider should follow and prescribed forms that the Merchant or the Provider should use to carry out this Agreement. These directions and the terms of these forms are binding as soon as the Merchant or the Provider receive them, unless the Merchant or the Provider elect to notify Scotiabank immediately that the Merchant or the Provider are terminating the Agreement.

(b) Scotiabank may, from time to time, at its discretion, amend this Agreement or any schedule or addendum forming part of this Agreement, by giving 60 days' notice in writing to the Merchant and the Provider. The Provider's continued transmittal of electronic Transaction records to Scotiabank after an amendment's effective date shall constitute the Merchant's and the Provider's acceptance of the amendment.

14. Security Standards

The Merchant and the Provider shall not accept any Transaction from a Customer without utilizing secure socket layer encryption technology, or equivalent encryption methodology approved by Scotiabank in writing in order to protect Cardholder information from disclosure on the Internet. Each Merchant may be required to obtain and complete a "Verisign Certificate" or such other certificate satisfactory to Scotiabank and the Provider in their sole discretion. Scotiabank reserves the right in its sole discretion, at any time and from time to time, without notice to the Merchant, to change its minimum security "acceptable" standard for the protection of Processing Data or other data transmitted on the Internet by any sender or recipient in connection with Card Transaction Services performed by the Provider on behalf of

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the Merchant for any Electronic Purchase Service. In the event of any such change in the minimum security standard of Scotiabank as aforesaid, neither Scotiabank nor the Provider shall be required to perform any aspect of the Electronic Merchant Service for the Merchant until Scotiabank is satisfied that the Merchant has complied with the applicable modified standard. Without limiting the scope of Scotiabank's discretion as aforesaid, generally, any such change shall be implemented as a result of changes and improvements in the security level standards for the Internet. Currently the minimum encryption level is 40-bit Secure Sockets Layer version 3.0. Notwithstanding the implementation or modification of such minimum standard at any time, Scotiabank makes no representation or warranty to the Merchant or the Provider as to the effectiveness of the protection provided by such minimum standard, nor as to its suitability for avoiding, preventing or reducing any cost, loss, damage or expense which is or may be incurred by the Merchant or the Provider as a result of breaches of the prevailing security system required by Scotiabank for Card Transaction Services.

The Merchant agrees that it shall, at its own expense, maintain, operate and, if necessary, upgrade all systems, equipment and software necessary for the secure transmission of data on the Internet to or by the Merchant in connection with its Transactions in order to ensure the privacy and confidentiality of Customer information as aforesaid.

The Merchant covenants to the Provider and Scotiabank, and the Provider covenants to Scotiabank to, in each case, exercise due diligence in connection with each Internet Transaction processed by or on behalf of the Merchant. Each of the Merchant and the Provider agree to comply with all Internet Transaction and Card security procedures, including VISA Account Information Security Standards (details of which are available at www.internetsecure.com/visaais) and any other Internet Transaction and Card security procedures, of which Scotiabank may notify the Provider and/or the Merchant, or of which the Provider may notify the Merchant, from time to time.

15. Compliance Modifications

In the event that any laws, governmental rules or regulations or any official interpretations thereof or any by-laws, rules, regulations, orders, directives or interpretations of or issued by an applicable Card association or other body applicable to any party or to any of the matters covered by this Agreement are enforced (or any enforcement action in respect thereof is threatened or pending) or modified such that:

- (i) any modifications in the relationship or transactions contemplated hereby between the parties or in the provisions of this Agreement are needed to comply with any of the foregoing matters or are needed to give effect to, or to better achieve, the intent of the parties hereto with respect to the matters covered hereby, or
- (ii) some or all of the activities contemplated by this Agreement are or shall be prohibited,

the parties will co-operate in making any modifications to this Agreement and to the parties' relationship hereunder requested by Scotiabank to the extent any such modifications are not unreasonably burdensome to any party and will permit Scotiabank and the Provider to perform the applicable Electronic Merchant Service(s) or the applicable Electronic Purchase Service(s), as the case may be, (or continue performing some of such functions) in compliance with applicable laws, rules, regulations, any official interpretations thereof, the by-laws, rules, regulations, orders, directives or interpretations of or issued by an applicable Card association and any contractual terms required by Visa and reasonably acceptable to the parties hereto (and such modifications being referred to as "Compliance Modifications"), it being agreed that neither the Merchant nor the Provider shall unreasonably refuse or delay its consent to any Compliance Modifications requested by Scotiabank.

16. Interest on Unpaid Amounts

Each of the parties hereto agrees that any and all amounts remaining unpaid when due to Scotiabank or the Provider hereunder, or when due as a result of any demand therefor made by Scotiabank or the Provider pursuant to an applicable provision of this Agreement, shall bear interest at the Scotiabank's Canadian prime rate plus 2% per annum, where "prime rate" is a variable per annum reference rate of interest announced and adjusted by Scotiabank from time to time for commercial loans made by Scotiabank in Canada in Canadian dollars. Interest payable under this section shall be calculated daily for the actual number of days elapsed, on the basis of a 365 day year, be payable in arrears upon demand and, to the extent permitted by law, compounded monthly until paid. If any calendar year of calculation contains 366 days, the "prime rate" shall be expressed as a yearly rate for purposes of the Interest Act (Canada) as such rate of interest multiplied by 366 and divided by 365. The rights of Scotiabank or the Provider under this section shall continue to apply from the date of such default for so long as such default shall continue, both before and after demand and any decision, order or judgment by any arbitrator or other tribunal having competent jurisdiction.

17. Survival

The provisions of Sections 5, 8, 9, 10, 11, 12, 14 and 16 of this Agreement shall survive any termination. No termination shall prejudice any claim or rights of any party which accrued prior to termination.

18. Force Majeure

In the event that any party should fail in whole or in part to fulfill its obligations under this Agreement as a consequence of acts of God, fire, explosion, utility failure, equipment failure, accident, strikes, floods, embargoes, war, nuclear disaster, riot, acts, omissions or delays by a Card association, or any other circumstance beyond its reasonable control, such failure to perform shall not be considered a breach of this Agreement during the period of disability. In the event of any force majeure occurrence as set forth in this section, the disabled party shall use its best efforts to meet its obligations as

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set forth in this Agreement. If such occurrence shall continue for more than 3 Business Days, the disabled party shall promptly and in writing advise the other parties if it is unable to perform due to a force majeure event, the expected duration of such inability to perform, and of any developments (or changes therein) that appear likely to affect the ability of that party to perform any of its obligations hereunder in whole or in part.

19. Rights of and Obligations to Card Acquirors and Provider Generally

The Merchant acknowledges that this Agreement has been drafted with an emphasis on the involvement of Scotiabank in respect of Transactions involving Visa cards. The Merchant acknowledges and agrees that to the extent that another Card other than Visa, is utilized for payment in respect of Transactions, all of the rights which would otherwise accrue to Scotiabank under the terms of this Agreement shall accrue to the Card Acquiror in question and that all of the obligations owed by the Merchant under this Agreement to Scotiabank and/or the Provider in respect of such Transactions shall apply to the applicable Card Acquiror and/or the Provider, *mutatis mutandis*. The Merchant hereby acknowledges and agrees that to the extent that any Card Acquiror, other than Scotiabank, has any rights as against the Merchant by virtue of this Section 19, and such Card Acquiror is not a party to this Agreement, the Provider shall be entitled to enforce, on behalf of such Card Acquiror, as against the Merchant the rights of such Card Acquiror contemplated by the virtue of this Section 19 and the Merchant hereby agrees not to raise any objections in connection therewith, including any contention that there is a lack of privity as between the Merchant and such Card Acquiror. Finally, to the extent that any Affiliates of the Provider provide the Merchant with any aspect of the Electronic Purchase Service or the Electronic Merchant Service, the rights of the Provider under this Agreement in respect thereof shall apply equally to whichever of the Provider's Affiliates are providing any aspect of such services and the obligations of the Merchant hereunder in respect of such services shall apply equally to any Affiliate of the Provider providing any aspect of such services, *mutatis mutandis*, including, without limitation, all obligations to indemnify and save the Provider whole in the manner contemplated hereunder.

20. Assignment

This Agreement shall be binding upon the parties, their respective heirs, successors, and assigns, provided, however, that the Merchant or the Provider shall not assign any of its rights or obligations under this Agreement without Scotiabank's written consent; such consent not to be unreasonably withheld in the case of the Provider.

21. Notices

Scotiabank shall personally deliver, electronically transmit, or mail any notices to the Merchant and the Provider at the addresses on this Agreement. Scotiabank will consider that the Merchant and the Provider have received any notices sent by mail on the third Business Day following the mailing date. Scotiabank will consider that the Merchant and the Provider have received any electronically transmitted notices on the transmission date.

22. Execution by Facsimile

The parties hereby agree that this Agreement may be executed and delivered by means of the signature of the duly authorized signing officer(s) of each party affixed hereto and the facsimile transmission of a true copy of this Agreement bearing such signature(s) to each of the other parties to this Agreement, and, immediately upon receipt of any such counterpart by another party, this Agreement shall be deemed to have been validly executed and delivered by the transmitting party. Each party so executing and delivering this Agreement shall, promptly after such facsimile transmission, deliver to the Provider the original counterpart of this Agreement, as executed by its duly authorized signing officer(s), and upon receipt by the Provider, such original counterpart shall supersede and replace the facsimile counterpart, provided that the failure of the Provider to receive any such original counterpart shall not affect the valid and binding nature of any facsimile counterpart. Subject to the paramountcy of original counterparts as aforesaid, all counterparts, whether facsimiles or originals, shall together constitute one and the same instrument. During the currency of this Agreement, the Provider shall hold and maintain any and all original documents executed and delivered to the Provider in pursuance of this section 21 for the benefit of Scotiabank, and, if required by Scotiabank at any time and from time to time, shall produce them for review or use by Scotiabank.

23. Entire Agreement

This Agreement and the agreements referred to herein constitute the entire agreement among the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof (except, in the case of Scotiabank and the Provider, to the extent that their respective rights and obligations may be modified by the Agency and Settlement Services Agreement). Except as otherwise provided herein, neither this Agreement nor any of its provisions shall be amended or modified except by an agreement in writing of each of the parties that expressly refers to this Agreement and provides that it is intended to modify this Agreement.

24. Governing Law & Jurisdiction

The parties hereto agree that this Agreement and all of the provisions hereof shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. For the purpose of any legal actions or proceedings brought by any party hereto in respect of this Agreement, to the extent permitted by applicable law, each of the parties hereto hereby irrevocably submits to the non-exclusive jurisdiction of any court of competent jurisdiction sitting in the Province of Ontario, Canada and any court of Canada, and acknowledges their competence and the convenience and propriety of the venue and agrees to be bound by any judgment thereof and not to seek, and hereby waives, any review of such judgments by the courts of any other jurisdiction. IN ANY ACTION OR

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PROCEEDING RELATING TO THIS AGREEMENT, EACH OF PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL THEREOF BY JURY.

25. Language

THE PARTIES HEREBY ACKNOWLEDGE THAT THEY HAVE REQUIRED THIS AGREEMENT AND ALL RELATED DOCUMENTS TO BE DRAWN UP IN THE ENGLISH LANGUAGE. LES PARTIES RECONNAISSENT AVOIR DEMANDÉ QUE LE PRÉSENT CONTRAT AINSI QUE LES DOCUMENTS QUI S'Y RATTACHENT SOIENT RÉDIGÉS EN LANGUE ANGLAISE.

26. Signatures

This Scotiabank Merchant & Provider Visa Agreement among the Merchant, Scotiabank and the Provider is executed on behalf of each party as follows:

Agreed to by:

Merchant Name

INTERNETSECURE INC.

Address

By: _____
Title (type or print)

By: _____
Title (type or print)

By: _____
(Authorized signature)

By: _____
(Authorized signature)

Date

Date

Agreed to by:

The Bank of Nova Scotia

Address

By (authorized signature)

By (authorized signature)