TERMS AND CONDITIONS OF PAYMENT SERVICES

1.   General provisions

1.1.   These Terms and Conditions of Payment Services (hereinafter referred to as **the Terms and Conditions**) are an integral part of the Contract which shall apply between the Client and Walletto in all cases where Walletto provides the service of executing any of the following types of Payment Transaction:

    1.1.1.   direct debit, including one-time direct debit;
    1.1.2.   payment transactions using a payment card or similar device;
    1.1.3.   credit transfers, including standing orders.

1.2.   The Terms and Conditions of Payments Services shall be interpreted in conjunction with the General Terms and Conditions.

1.3.   These Terms and Conditions of Payment Services shall come into force after the Client express their consent with the General Terms and Conditions.

2.   Definitions

2.1.   **Business Day** – any day other than a Saturday or a Sunday or a public or bank holiday in Lithuania.

2.2.   **Business Hours –** business time during Business Days from 9 am to 6 pm EET.

2.3.   **Payee** – natural or legal person who is indicated in the Payment Order as the recipient of funds.

2.4.   **Client** or **you** – the natural person or legal entity accepting the Contract for the use of our Services.

2.5.   **Payment Order** – any instruction by a Payer or Payee to their Payment Service Provider requesting the execution of a Payment Transaction.

2.6.   **Payment Transaction** – an act, initiated by the Payer or on their behalf or by the Payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the Payer and the Payee.

2.7.   **Payment Service Provider (PSP) –** credit institutions, electronic money institutions, payment institutions or other institutions authorised to provide payment services referred to in Article 5 of the Law on Payments of the Republic of Lithuania.

2.8.   **Payer** – a natural or legal person submitting a Payment Order.

2.9.   **Service** – any (or all) of the services referred to in Clauses 1.6.1 to 1.6.5 of the General Terms and Conditions.

2.10.   **Strong Customer Authentication** – a procedure which allows us to verify your identity or the validity of the use of the Payment Instrument, including its Security Credentials. For this procedure we securely use at least two categories of Security Credentials, which correspond to the categories of knowledge (what only you know, e.g. a password you have made up), possession (what only you have, e.g. SIM card in your telephone that receives our SMS) or inherence (what is specific to you, e.g your biometric data), where a breach of any of these categories will not compromise the reliability of the others.

2.11.   **Security Credentials** – any personalised features created or obtained and used by you for the purpose of accessing and managing your Account or individual Services provided by us, and/or initiating, authorising, executing, confirming and accepting Payment Transactions.

2.12.   **Payment Account** – a payment account opened on our System for your use.

2.13.   **SEPA** – Single Euro Payments Area.

2.14.   **SEPA Payment** – transfer of funds between SEPA countries, which participate in the SEPA scheme.

2.15.   **System –** Walletto's electronic system used for the provision of the Services, accessible by means of remote communication or the Internet.

2.16.   **Contract –** the General Terms and Conditions and any other specific terms and conditions for the provision of the Services (e.g. these Terms and Conditions of Payment Services, the Terms and Conditions of Payment Cards, the Terms and Conditions of Acquiring of Payments) agreed between the Parties and which shall apply together with the General Terms and Conditions as set out in Clause 1.2 of the General Terms and Conditions.

2.17.   **Consent** – the Client's consent to execute the Payment Order.

2.18.   **SWIFT** – Society for Worldwide Interbank Financial Telecommunications.

2.19.   **SWIFT payment** – transfer of funds where SWIFT network is used.

2.20.   **Unique Identifier** – a combination of letters, numbers and symbols (e.g. an IBAN format number) that we, as a Payment Service Provider, may issue to you to unambiguously identify you and/or your Payment Account for the purposes of making Payment Transactions. Within the Contract, depending on context, this term may also refer to identifiers issued to Payers or Payees of in the context of Payment Transactions you receive or make.

2.21.   **Member State** – a country which belongs to the European Economic Area.

2.22.   **Consumer** – a natural person who uses the Services in accordance with the Contract for purposes unrelated to that person's business, commercial or professional activities.

2.23.   **Walletto** or **we** – Walletto, UAB, company code 304686884, registered office: Žalgirio str. 92-222, 09303 Vilnius, Lithuania, email: info@walletto.eu, website address: www.walletto.eu. Walletto is registered in the Register of Legal Entities of the Republic of Lithuania and holds an electronic money institution license No 33, issued by the Bank of Lithuania on 29 March 2018. The Bank of Lithuanian supervises Walletto. For more information about the supervisory authority, please click on the following link: https://www.lb.lt/en/.

2.24.   Other terms and acronyms shall have the same meaning as defined in Section 2 of the General Terms and Conditions.

3.   Submission of a Payment Order

3.1.   Payment Orders are submitted for their execution to Walletto via the System. Execution of a Payment Order will be performed in accordance with the procedure established in Section 5 of these Terms and Conditions.

3.2.   The Client must provide the following information in the Payment Order:

    3.2.1.   Unique Identifier (the number of the Payment Account from which the Payment Order will be executed);

    3.2.2.   the Payee's data (name of the legal entity or name and surname of an individual, payment account number, and in the case provided in Clause 5.4.2 of these Terms and Conditions it is also necessary to specify the Payee's country and address, the Payee's bank name, SWIFT code, country and address, and to select the method of calculation of the Commissions);

    3.2.3.   the purpose of the Payment Order;

    3.2.4.   the amount of the Payment Transaction to be initiated.

3.3.   The Client shall ensure that the submitted Payment Order contains all the information listed in Clause 3.2 of these Terms and Conditions necessary for the execution of the Payment Transaction.

3.4.   After the Payment Order is submitted, Walletto has the right to request additional information and/or documents to support the initiated Payment Transaction. The Client must provide the requested information and/or documentation without delay, but no later than within 5 (five) Business Days.

3.5.   The moment when Walletto confirms in the System that it has received all the necessary information and/or documents referred to in Clause 3.2 and, where applicable, Clause 3.4 of these Terms of Payment Servicesand Conditions, shall be deemed to be the moment of receipt of the

Payment Order. This process is automated. If the above information is received outside the Walletto's Business Day or after Business Hours (i.e. after 6 p.m. EET), the Payment Order shall be deemed to have been received on the next Business Day.

3.6.   The Client initiating a Payment Order may agree with Walletto that the Payment Order will be executed on a specific date or at the end of a specific period. In such a case, the moment of the receipt of the Payment Order shall be deemed to be on that agreed day. If the agreed day is not a Business Day of Walletto, the Payment Order shall be deemed to be received on the next Business Day.

3.7.   The time limit for the execution of the Payment Oredr shall commence from the moment of receipt of the Payment, as specified in Clause 3.5 of these Terms and Conditions.

3.8.   All cost related to the submission of documents supporting the Payment Transaction as specified in Clause 3.4 of these Terms and Conditions shall be borne by the Client.

3.9.   The Client undertakes to provide unambiguous and clear Payment Orders as set out in Clause 3.2 of these Terms Conditions. Walletto shall not be held liable for errors, inaccuracies, contradictions in the Payment Orders submitted by the Client including but not limited to the correctness of the details of the Payment Order submitted by the Client.

3.10.   Walletto shall not be held liable for the Client's failure to provide the Unique Identifier and other information referred to in Clause 3.2 in the Payment Order including situations where the Payment Service Provider of the Payee has set a different Unique Identifier in order to properly execute the Payment Order.

3.11.   Walletto shall have the right, but not an obligation, to verify if the Unique Identifier specified in the Payment Order received by Walletto corresponds to the information of the Payee.

4.   Authorisation of Payment Transactions

4.1.   In order to execute the Payment Transaction, the Client shall fill the Payment Order in accordance with the provisions of Section 3 of these Terms and Conditions and confirm their Consent to execute the Payment Transaction in the System.

4.2.   The Client confirms their Consent by submitting a Payment Order to the System and confirming it in accordance with the Strong Customer Authentication procedure.

4.3.   A Payment Order and a Payment Transaction shall be deemed to be authorised after the Client has given their consent to execute the Payment Order in the form and manner set out in Clause 4.2 of these Terms and Conditions.

4.4.   The Client's consent shall be deemed to have been given prior to the commencement of execution of the Payment Oredr.

4.5.   The Client's consent given in the form and manner specified in Clause 4.2 of these Terms and Conditions or in any other form or manner specified in any additional agreements entered into by the Parties shall be deemed to be evidence for the purposes of resolving any disputes of any nature arising between Walletto and the Client.

4.6.   The Client who, as the Payer, initiated and authorised a Payment Transaction shall not be entitled to challenge or any other way dispute the Payment Transaction executed by Walletto if the Payment Order submitted by the Client met all necessary requirements and Consent was provided.

4.7.   If the Client is a Payer Consumer and walletto has executed an authorised Payment Transaction initiated by or through the Payee, such Client shall be entitled to request Walletto to refund full amount of such Payment Transaction in accordance with the terms and conditions set out in Clauses 12.13 – 12.15 of the General Terms and Conditions.

5.   Execution of a Payment Order

5.1.   The Client agrees that a Payment Order shall be executed by Walletto if all the following conditions are met:

5.1.1.   Walletto receives the Payment Order along with sufficient information as set out in Clause 3.2 and, where applicable, Clause 3.4 of these Terms and Conditions;

5.1.2.   the Client has authorised the Payment Order in accordance with Section 4 of these Terms and Conditions; and

5.1.3.   sufficient funds are available in the Client's Payment Account to execute the Payment Order.

5.2.   If the Payment Order does not meet all the conditions set out in Clause 5.1 of these terms and Conditions, Walletto shall refuse to execute the Payment Order in accordance with Section 7 of these Terms and Conditions.

5.3.   Upon receipt of a Payment Order Walletto shall immediately (within a few minutes) start executing the Payment Order in accordance with the requirements of applicable law within the time limits set out in Clause 5.4 of these Terms and Conditions, unless the Payment Transaction is suspended due to a specific case provided for in the applicable law or the Contract (e.g. on the grounds set out in Clause 5.9 of these Terms and Conditions).

5.4.   Walletto executes Payment Orders within the following time limits:

5.4.1.   where a SEPA Payment Transaction is executed and the Client is a Payer, Walletto shall guarantee the crediting of the funds into the Payee's account on the day of execution of the Payment Order, and where the Payment Order execution day is not a Business Day of Walletto – on the nearest Business Day on which SEPA Payment Transactions are executed;

5.4.2.   where a Payment Transaction is executed in currencies of non-SEPA Member States in the Republic of Lithuania and to other Member States, and the Client is a Payer, Walletto shall ensure that the Payment Transaction amount is credited to the Payee's Account on the day of execution of the Payment Order, and where the day of execution of the Payment Order is a non-Business Day of Walletto – on the nearest Business Day for Payment Transactions being executed, but no later than within 4 (four) Business Days of the receipt of the Payment Order.

5.5.   If the Client submits the Payment Order that does not contain sufficient informattion as set out in Clause 3.2 of these Terms and conditions or if the information provided in accordance with Clause 3.2 of these Terms and Conditions contains inaccuracies, Walletto shall be entitled to refuse to execute Payment Order in accordance with Section 7 of these Terms and Conditions or to execute it according to the information provided in the Payment Order irrespective of the nature of the inaccuracies in the Payment Order.

5.6.   If Walletto requests additional information and/or documents to support the initiation of a Payment Transaction on the basis of Clause 3.4 of these Terms and Conditions and the Client fails to provide the requested information and/or documents, Walletto shall have the right to refuse to execute the Payment Order in accordance with Section 7 of these Terms and Conditions.

5.7.   If the information and/or documents provided by the Client on the basis referred to in Clause 3.4 of these Terms and Conditions give rise to reasonable doubts, are unclear, inaccurate, etc., Walletto shall have the right to suspend the execution of the Payment Transaction and to carry out a further investigation, which may take up to ten (10) Business Days.

5.8.   If Walletto executes the Payment Order in accordance with the data provided by the Client in the Payment Order, it shall be considered that Walleto has fulfilled the contractual obligations properly and shall not refund the transferred amount to the Client, except for the cases set out in Clause 4.7 of these Terms and Conditions.

5.9.   Walletto shall execute the Payment Order in accordance with the Unique Identifier and other information provided by the Client in the received Payment Order and other information specified in Clause 3.2 of these Terms and Conditions.

5.10. If Walletto executes the Payment Order in accordance with the data provided by the Client in the Payment Order, Walletto shall, at the Client's request, take the necessary necessary steps to trace the Payment Order.

5.11. Walletto reserves the right to record and store any Payment Order executions placed on Walletto's System. Walletto may present these records to the Client and/or third parties who, on the grounds established by law, have the right to receive such data as evidence confirming the submission and execution of the Payment Order.

5.12. The Client is informed that when executing the Payment Order Walletto shall transfer details of the Payment Order including the Client's personal data to the Payee's Payment Service Provider.

5.13. The Client acknowledges that Payment Orders are executed in Euros by default and may be subject to currency exchange in accordance with the procedure set out in the General Terms and Conditions.

5.14. The Client is informed that Walletto reserves the right to use third parties to partially or fully execute the Client's Payment Order if the Client's interests and/or the essence of the Payment Order so require. In the event that the essence of Client's Payment Order requires that the Payment Transaction be further sent and executed by another Payment Service Provider, but such Payment Service Provider suspends the Payment Order, Walletto shall not be liable for such action of the other Payment Service Provider, but Walletto will endeavour to ascertain the reasons for the suspention of the Payment Order.

5.15. If the funds under the Payment Order were repaid due to reasons beyond Walletto's control (e.g. account of the Payee is closed, incorrect data etc.) the repaid amount shall be credited in the Client's Payment Account.

5.16. The Client is informed that the Commissions paid for the execution of the Payment Order shall not be repaid. Additionally, other fees and costs related to repayment of funds can be debited from the Payment Account of the Client.

5.17. When the Client is a Payer and the Payment Transaction is executed in Euros in the Republic of Lithuania and other Member States, Walletto ensures that the amount of the Payment Transaction is credited to the Payee's account on the day of the Payment Transaction, if the execution date of the Payment Order is not Walletto's Business Day, it is the next Business Day. When the Client is a Payer and a Payment Transaction is made in the currencies of non-Euro area Member States in the Republic of Lithuania and other Member States, Walletto ensures that the Payment Transaction amount is credited to the Payee's account on the day of the Payment Transaction, and, if the Payment Order execution date is not Walletto's Business Day, then the nearest Business Day for Payment Transactions, but not later than within 3 (three) Business Days after Walletto has received the Payment Order.

5.18. The maximum limits for the costs of Payment Transactions executed by means of the Payment Instrument may be specified in additional agreements signed between the Client and Walletto.

6. Cancellation of the Payment Order

6.1. The Payment Order may not be cancelled after it has been received by Walletto, except for the following cases:

    6.1.1. the execution of the Payment Order in accordance with Section 5 of these Terms and Conditions has not yet commenced;

    6.1.2. where the Payment Transaction has been initiated by or through the Payee, the Payment Order may be cancelled with the Payee's consent;

    6.1.3. in the case referred to in Clause 3.6 of these Terms and Conditions, the Client may cancel the Payment Order at the latest by the end of the Business Day preceeding the agreed date (i.e. by 6 p.m. EET).

6.2.   If a Payment Order is not executed due to inaccuracies in the Payment Order, the Client may, by contacting Walletto, request that the Payment Order be cancelled or that the innacuracies in the Payment Order be corrected.

6.3.   If the Client requests Walletto to review a Payment Order to correct any innacuracies or cancel the Payment Order, additional fees may apply.

7.   Suspension of Payment Transactions and Refusal to Execute Payment Orders

7.1.   Walletto shall have the right to suspend a Payment Transaction pursuant to a payment Order submitted by the Client if:

   7.1.1.   Walletto has reasonable doubt that the Payment Order was not submitted by the Client or the Client's authorised representative;

   7.1.2.   Walletto has reasonable grounds to doubt the validity of the documents submitted on the basis of Clause 3.4 of these Terms and Conditions, or the documents submitted have the appearance of forgery;

   7.1.3.   in other cases specified in the legislation of the Republic of Lithuania and the European Union.

7.2.   Walletto shall have the right to refuse to execute a Payment Order if:

   7.2.1.   it does not meet the requirements set out in Clause 5.1 of these Terms and Conditions;

   7.2.2.   the funds in the Client's account are seized or restricted;

   7.2.3.   Walletto determines, after conducting the investigation referred to in Clause 5.7 of these Terms and Conditions, that the Payment Transaction is not based on objective information and/or documents and that Walletto would be in breach of mandatory legal provisions by executing such Payment Transaction.

7.3.   A Payment Order that has been refused in accordance with Section 7 of these Terms and Conditions will be deemed not to have been received by Walletto.

7.4.   If Walletto refuses to execute a Payment Order submitted by the Client, Walletto shall inform the Client, unless such information is technically impossible or prohibited by applicable laws.

7.5.   Walletto shall have the right to notify law enforcement authorities of suspected or cancelled Payment Orders submitted by the Client and shall not be held liable for such actions.

7.6.   In cases where the Client has provided all the necessary information and documents and the conditions referred to in Clause 7.1 of these Terms and Conditions no longer exist, Walletto shall resume the execution of the Payment Transaction in accordance with the provisions of Section 5 of these Terms and Conditions.

8.   Sufficiency of Funds

8.1.   In accordance with Section 5 of these Terms and Conditions the Client is responsible for ensuring that the Client's Payment Account contains sufficient funds in the relevant currency to execute the Payment Order.

8.2.   If there are insufficient funds in the Client's Payment Account to execute a Payment Order, such Payment Order shall not be executed without further notice.

8.3.   If Client's Payment Account balance is insufficient or the Payment Account balance becomes negative, Walletto reserves the right to invoice the Client for any deficiencies/shortfall.

8.4.   Walletto shall have the right to debit funds from the Client's Payment Account without the Client's additional Consent only on the grounds set out in these Terms and Conditions. If it is determined under the Contract that the Client has disposed of funds which render the funds in the Client's Payment Account insufficient to debit the funds erroneously credited, the Client shall

unconditionally undertake to reimburse Walletto for the funds erroneously credited within 3 (three) Business Days of the receipt of such a request from Walletto.

9.   Payment Account Statement

9.1.   Whenever a Payment Transaction is executed, Walletto shall provide the Client with a Payment Account statement in the Client's Account in the System about the executed Payment Transaction. In addition, the Client may view the details of all Payment Transactions at any time in his/her Account on the System. The Client shall be provided with the following information:

9.1.1.   information that would allow the identification of the Payment Transaction and the Payer and the Payee, as well as the data transmitted with the Payment Transaction;

9.1.2.   the amount of the Payment Transaction in the currency indicated in the Payment Order;

9.1.3.   Commissions paid for the Payment Transactions and how they are distributed;

9.1.4.   the valid exchange rate and the amount of the Payment Transaction after the currency exchange, if the currency has been exchanged during the Payment Transactions;

9.1.5.   the date on which the funds were debited from the Payment Account of a Payer;

9.1.6.   the date on which the funds were credited in the Payment Account of a Payee;

9.1.7.   other information that will be provided to the Client in accordance with the applicable laws of the Republic of Lithuania.

10.   Unauthorised or Incorrectly Executed Payment Transactions

10.1.   The Client shall regularly, but at least once a month, check the Payment Account statement, where all executions of Payment Transactions are presented.

10.2.   The Client must notify Walletto in writing of unauthorised or improperly executed Payment Transactions, including any noticed errors or inaccuracies in the statement without undue delay from the acknowledging of such circumstances and in any event no later than within 13 (thirteen) months of the date of debiting the Payment Account. Other terms of informing Walletto of the circumstances described above may apply in cases set out in additional agreements concluded between the Parties.

10.3.   If the Client does not regularly check the Payment Account statement and does not submit a notification specified in Clause 10.2, it is considered that the Client has unconditionally agreed to the Payment Transactions that had been executed on the Payment Account.

10.4.   The use of the Strong Customer Authentication and the use of the Security Credentials associated with the Account shall be sufficient evidence that the Client has authorised the Payment Transaction or acted in bad faith or has intentionally or grossly negligently failed to comply with one or more of his/her obligations set out in Section 11 of the General Terms and Conditions.

10.5.   If Walletto determines that the Transaction has not been authorised by the Client, Walletto shall promptly, but no later than by the end of the next Business Day, refund to the Client the amount of the unauthorised Payment Transaction and, where applicable, restore the balance of the Client's Payment Account from which this amount was debited to the balance that would have existed had the unauthorised Payment Transaction not been executed, unless Walletto has reasonable grounds to suspect fraud and inform the supervisory authority in writing thereof.

10.6.   If recovery of funds is impossible, Walletto shall provide the Client with available/relevant information to enable the Client to take legal action against the Payee in order to recover the funds.

11.   Liability for Unauthorised Payment Transactions

11.1. If the Client denies the authorisation of the executed Payment Transaction or if the Payment Transaction has been executed improperly, Walletto shall be obligated to prove that the Payment Transaction has been authenticated, duly registered, recorded in the accounts and not affected by a technical malfunctions or other deficiencies in the Services provided by Walletto.

11.2. The Client may incur all the losses of up to 50 (fifty) Euros resulting from unauthorised Payment Transactions if these losses have been incurred due to:

11.2.1. the use of a lost or stolen Payment Instrument, provided that the authorisation took place before the Client notified Walletto of the loss or theft of the Payment Instrument;

11.2.2. illegal acquisition of a Payment Instrument if the Client has not protected personalised Security Credentials (including identification means).

11.3. The Client, who is a Consumer Payer, shall not suffer any loss if:

11.3.1. they could not have noticed the loss, theft or misappropriation of the Payment Instrument prior to the execution of the Payment Transaction, unless they acted in bad faith;

11.3.2. the loss is caused by Walletto's acts or omissions.

11.4. The Client shall be liable for any losses resulting from an unauthorised Payment Transaction, if the Client has incurred such losses by acting fraudulently or by failing to fulfil, with gross negligence or intent, one or more of his/her obligations set out in Section 11 of General Terms and Conditions and additional agreements concluded by the Parties.

11.5. Other terms and conditions of the liability of the Parties for the unauthorised Payment Transaction may be spefified in additional agreements between the Parties.

12. Final Provisions

12.1. All relations between the Client and Walletto shall be governed by the laws of the Republic of Lithuania.

12.2. The Terms and Conditions of Payment Services may be amended or terminated in accordance with the procedure set out in Section 9 of the General Terms and Conditions.

12.3. These Terms and Conditions of Payment Services shall be published on Walletto's website at https://walletto.eu/important-information/.