1. Service / scope of application

a) **SONECT AG** (hereinafter «**SONECT**») is a Swiss limited liability company (Aktiengesellschaft) with registered place of business in Zurich, Switzerland.
b) All personal references refer to both sexes indistinctly.
c) These conditions of participation regulate the use of the services offered by **SONECT** (hereinafter «the services»), with particular reference to the **SONECT** app (hereinafter «the app»), by the merchants / shop owners (hereinafter «the provider»), by the private customer (hereinafter "the customer"). These services include payment functions and additional features (e.g. third-party offers), which are as described on the website www.**SONECT**.ch and via the app itself.

2. Access to **SONECT** services

a) These services can be used on any mobile telephone available on the Swiss market on which the **SONECT** app (hereinafter «the app») can be installed, regardless of manufacturer. The app must be installed on a mobile phone running on the iOS (version 10 or later) or Android operating system (version 4.3 or later)
b) The services can be accessed by providers /customers using a mobile phone registered in their name and on which the app is installed.
c) Territorial restriction: Due to regulatory requirements, **SONECT** may have to restrict certain payment functions and additional features outside Switzerland.
d) Each provider / customer may use only one virtual wallet (hereinafter «the wallet»); a term used to refer to the credit stored in the app (temporarily).

3. Registration, identification and limits

Provider

a) The provider will be asked to enter his / her mobile number during the download and installation of the app. This is then verified for reasons of security. If a provider changes his / her mobile number, he / she must notify **SONECT** of the new number and register the new device.
b) After registration with his / her personal details, in any given time, he/she can not hold more than CHF 3000 on his/her virtual wallet (internally used to collect equivalent fund against the cash he/she hands out). The wallet balance needs to be transferred to the bank account of the provider until he/she can start providing **SONECT** service again.
c) The provider need not hoard additional cash to offer the service to their customers. A self-declared amount (during registration) may be requested by SONECT and set as a limit of total cash that he / she can distribute per month.
d) Per transaction withdrawal limits can be set within the app by the providers.
e) In certain extenuating circumstances, SONECT may at its discretion allow the provider to identify himself / herself, by corresponding written or verbal personal communication.
f) If withdrawal is settled via a registered mobile phone, **SONECT** will not carry out any further verification of the right of the person concerned to make such payments.

Customer

a) The customer will be asked to enter his / her mobile number during the download and installation of the app. This is then verified for reasons of security. If a customer changes his / her mobile number, he / she must notify **SONECT** of the new number and register the new device.
b) The customer may perform, upon registration with a mobile phone number, a one-off **SONECT** based cash withdrawal of up to CHF 200 (as per clause 6.a).
c) After registration with his / her personal details, a withdrawal of upto CHF 2400 per calendar year is allowed. However, in any given time, he/she can not have more than CHF 3000 on his/her virtual wallet (internally used for cash withdrawal).
d) In certain extenuating circumstances, **SONECT** may at its discretion, in the event of a situation where the transaction and balance limits established in clause 2.d) and / or the charge / Cash withdrawal limits established in clauses 4.b) and 4.h) are insufficient, allow the customer to identify himself / herself, as per regulations, by corresponding written or verbal personal communication.
e) If withdrawal is settled via a registered mobile phone, **SONECT** will not carry out any further verification of the right of the person concerned to make such payments.

4. Cash distribution, withdrawal release and processing

Provider

a) The provider connects his / her wallet to a merchant account where he / she receives the exact amount of cash handed out. The payment (see clause 6) and Cash withdrawal operations may occur simultaneously, depending on the top-option selected.
b) The provider will be fully liable for any fraudulent behavior. This includes distribution of fake currency, cheating and/or any exploitation of the system. Depending on the feedback, a provider will no more be able to offer our services.
c) Provider should know that cash withdrawals by using **SONECT** are restricted to CHF 2,400 per user per calendar year.
d) Provider may also know that cash withdrawals via a Swiss bank or postal account may eliminate this limit, subject to the stipulations of clause 3.
e) The credit in the wallet may be subject to further regulatory or security-related limits. Credit balances are not interest-bearing.

Customer

a) The customer connects his / her wallet to a source money (Credit Cards, PostFinance Cards, PayPal) via the app options provided for this purpose. The payment (see clause 6) and Cash withdrawal operations may occur simultaneously, depending on the top-option selected. The customer is liable for any and all transaction costs or other fees arising from the Cash withdrawal operation.
b) Cash withdrawals of **SONECT** credit, e.g. after purchases at shop checkouts, online or at ATMs, are restricted to CHF 3,000.00 per calendar year.
c) Cash withdrawals via a Swiss bank or postal account are possible without limit, subject to the stipulations of clause 3.
d) The credit in the wallet may be subject to further regulatory or security-related limits. Credit balances are not interest-bearing.
e) The customer may only use credit for payment, and provided the corresponding balance is positive.
f) The customer acknowledges that the topping-up or charging of his / her wallet may require several days, if the Cash withdrawal option chosen involves a direct debit or paying-in slip.
g) If the direct debit option is chosen, the customer authorizes **SONECT** to pass on individual data to third parties in order to verify his / her credit rating.
h) The use of credit from the wallet takes place exclusively via the reference account saved to the app (as per clause 5). Refunds are limited to a maximum of CHF 3,000.00 per calendar year.

5. Reference account

Charges must be made, for regulatory reasons, via a reference account. This reference account must be in the provider's / customer's name and held at a bank licensed to operate in Switzerland.

6. Payment Function

a) The provider / customer can use his / her mobile phone and its associated virtual wallet to receive cashless payments at shop checkouts (points of sale / POS) and ATMs, over the Internet, via other apps and also to other providers / customers (P2P; subject to identification in accordance with clause 3.d), within the corresponding limits.
b) Wallet payments are debited directly to the wallet concerned. The provider / customer accepts all payments debited to the virtual wallet on his / her mobile phone, subject to the corresponding security features (as per clause 6.c below).
c) The receipt of incoming payments is however only cost-free if the payment does not constitute part of the receiving party's commercial activity. The receipt of payment as part of commercial transactions is subject to the conditions of participation of business providers / customers.

7. Debiting of payments

The provider / customer acknowledges the validity of all payments resulting from the purchase of goods and services and carried out via the mobile phone wallet and recorded as a transaction by the app.

8. Charges

a) The installation of the app and the use of the corresponding services are free of charge for the provider / customer.
b) The receipt of incoming payments from other parties is however only cost-free if it does not form part of the receiving party's commercial activity. The receipt of payment as part of commercial transactions is subject to the conditions of participation of business providers / customers.
c) Cash withdrawals via Swiss bank and postal accounts are normally free of charge.
d) **SONECT** may impose a partial charge for the use of other Cash withdrawal options if these suppose costs for **SONECT**. Providers / customers will be notified transparently and directly before making use of chargeable Cash withdrawal options via the app. The corresponding charges are also published online at www.**SONECT**.ch.
e) All and any charges imposed by third parties for the use of services are subject to agreement between the third party concerned and the provider / customer, and do not form part of this user agreement (COP).
f) The provider / customer will be notified via the app of current charges and of new ones that are to be implemented. If the price changes concerned are urgent and / or merely negligible, **SONECT** may limit itself to publishing them only (and not announcing them via the app). The amendment will be considered accepted if the provider does not terminate the agreement before the change concerned comes into force (clause 25). The provider / customer shall not be prejudiced with respects to charges if he / she terminates the agreement as a result of charge amendments and in accordance with this clause.
g) The provider may earn a per transaction commission. This will be handed out directly to the bank account and includes the relevant taxes and other fees.

9. Offsetting

The provider / customer expressly authorizes **SONECT** to offset outstanding provider liabilities against his / her current **SONECT** credit balance.

10. Confidentiality

SONECT is legally obliged to maintain confidentiality. The provider / customer agrees that the nature of the commercial relationship and master data (e.g. name, address) is such that the provision of services requires that certain details be communicated to the payee and other third parties. The provider / customer acknowledges that detailed information regarding commercial relationships (e.g. credit balance and transaction data) is in principle confidential, but that the legal obligation to maintain confidentiality may be waived to defend the legitimate interests of **SONECT**; with particular reference to the following cases:

a) The existence of a statutory obligation to provide information
b) The enforcing of claims on the part of **SONECT**
c) Legal disputes

11. Blocking

The provider / customer must apply to **SONECT** in the event of any need to block the wallet, and therefore access to the payment function. Payments completed up to the moment of the blocking request shall be regarded as debited and cannot be cancelled retrospectively.

12. Changes to the terms of service and blocking of access

SONECT may at any time change, update or further develop the terms of service. **SONECT** may likewise, at any time and without previous notice, partially or completely block the operation of the app and / or the provider's / customer's access to it and / or restrict access on technical or legal grounds (e.g. due to legal or statutory requirements or orders from official bodies, or on security grounds).

13. Support

SONECT offers the app to the provider / customer with technical support in the form of a «help» function. **SONECT** may engage a third party for the provision of this support, who may be provided with access to relevant data.

14. Due diligence on the part of the provider / customer

The following specific duty of care must be observed when using the app:
a) The provider / customer must protect his or her mobile phone in order to prevent unauthorized use or manipulation (e.g. by blocking the device and / or its display).
b) The code for using the app, with particular reference to its Cash withdrawal / transfer functions and the confirmation of payments above a certain amount, is to be kept secret, as are the codes used for unblocking the device and / or its display, and must under no circumstances be made accessible to any unauthorized person or kept in the same place as the mobile phone.
c) The chosen code must not consist of an easy-to-guess combination of numbers (phone number, date of birth, etc.).
d) In the event of loss or damage, the provider / customer must make all effort to clarify the incident in order to minimize such loss or damage. The provider undertakes to report criminal offences to the police.
e) The provider / customer confirms, with the installation of the app on his or her mobile phone, that he or she is the rightful, authorized user of the mobile phone number concerned. The provider / customer is responsible for the use and operation of his or her mobile phone. The provider / customer is responsible for all consequences of the use of the app on his or her mobile phone.
f) If there are grounds for suspecting that an unauthorized person has gained access to the device and / or its display functions, the corresponding passwords are to be changed immediately and **SONECT** must be notified immediately.
g) In the event of the mobile phone being lost, mislaid or stolen, **SONECT** is to be notified immediately, so that the wallet account can be suspended.

15. Misuse

If the app is subject to unusual patterns of use, or if there are grounds for suspecting illegal or contractually prohibited activity, **SONECT** may suspend the provider's / customer's legal and contractually compliant usage; change, restrict or cancel the terms of service without previous notice and without compensation; terminate the agreement immediately and without compensation; and, if applicable, claim for loss and damage and seek exemption from third-party claims. This provision shall also apply if the provider / customer supplied untrue or incomplete information when entering into the agreement.

16. Liability

a) **SONECT** shall be liable, in the event of contractual infringement on its part, for verifiable loss and damage on the part of the provider / customer, unless **SONECT** can demonstrate that it is not responsible. **SONECT**'s liability in the event of loss or damage arising from minor negligence is hereby excluded. **SONECT** shall compensate for material or pecuniary damage amounting to a maximum of CHF 3,000 per incident.
b) Liability on the part of **SONECT** for subsequent loss and damage, foregone profits and / or loss of data is hereby absolutely excluded, unless otherwise established in law. **SONECT** shall not be liable for illegal or non-contractual use of the app.
c) Technical access to the services concerned is responsibility of the provider / customer. **SONECT** shall accept no liability for or on behalf of the network operator (service provider), and likewise rejects, unless otherwise established in law, all and any responsibility for the hardware and software required for using the service.
d) **SONECT**'s liability for loss or damage on the part of the provider / customer arising from transmission errors, force majeure, technical defects or outages (with particular reference to the failure of beacons or the Internet connection), illegal interference with telecommunications equipment and networks, network overload, deliberate blocking of electronic access by third parties, interruptions or other incidents is, unless otherwise established in law, absolutely excluded.
e) **SONECT** shall nevertheless strive to ensure trouble-free and uninterrupted use of the app. **SONECT** cannot however currently issue any guarantees in this respect. **SONECT** specifically reserves the right, in the event of an increased security risk or outages, and for maintenance purposes, to suspend access to the app and / or the corresponding services at any time. Provided **SONECT** acts with normal due diligence, the provider / customer shall assume all and any loss or damage arising from such interruptions.

17. Assumption of loss or damage

SONECT shall assume, in accordance with clause 16, responsibility for loss and damage incurred by the provider / customer as a result of third-party misuse of the app, provided the provider / customer can prove that he or she has acted in full accordance with the above conditions of participation, and that he or

she is not otherwise liable in any way. **SONECT** is to be notified immediately of any loss or damage that might arise. The corresponding claim form must be returned to **SONECT**, completed and signed, within ten days of cognizance of the event.

18. Social media

The **SONECT** website may contain social bookmarks. Users of certain social media platforms can use these bookmark links to display pages of the **SONECT** website on their profile. Identification data are sent to the corresponding social media platforms for this purpose. These provider / customer activities are not verified or monitored, and **SONECT** shall accept no liability for them.

19. Electronic communications

Communications between **SONECT** and the provider normally take place via the app. **SONECT** may contact the provider / customer by e-mail if necessary, provided the provider has saved a corresponding e-mail address. The provider shall bear responsibility for the correctness of the address concerned. The provider / customer acknowledges that electronic communications are neither confidential nor secure. They can be accessed, retained or altered by third parties; or may go astray. Unless **SONECT** explicitly acknowledges the receipt of orders or instructions issued by the provider in electronic form, the provider / customer should assume that **SONECT** has not received the messages concerned. **SONECT** shall accept no liability for loss or damage arising from or in connection with notifications sent to **SONECT** by conventional e-mail or other electronic messaging systems or means of transmission.

20. Data protection

SONECT undertakes to abide by Swiss data-protection legislation. For individual details in this respect, please refer to **SONECT**'s statement regarding provider data privacy. The provider / customer accepts that data transferred during use of the app and via **SONECT** may be transmitted beyond jurisdictional boundaries, even if both the emitting and receiving party are in Switzerland.

21. Changes to the conditions participation

SONECT may amend the conditions of participation at any time. Providers / customers shall be notified of such changes in advance and via suitable channels. Providers / customers who do not agree with such amendments may delete the app from their mobile phone before the changes concerned come into force, while expressly declaring to **SONECT** their desire to cease using the services concerned.

22. Reservations regarding statutory regulations and local legal restrictions on use

These services are supplied subject to all and any legislation governing the operation and use of mobile phones, the Internet and other dedicated infrastructure, from the moment in which such measures enter into force. The use of services originating from outside Switzerland may be subject to local legal restrictions, or may under certain circumstances infringe the laws of other countries. The provider / customer acknowledges that circumstances may arise, in the course of the commercial relationship, in which **SONECT** may be legally obliged to block assets, report the relationship to the competent authorities, or cancel the arrangement. The provider / customer undertakes to supply **SONECT** on demand with all and any information that **SONECT** may require in order to fulfil its legal disclosure or reporting requirements.

23. Third-party offers

SONECT provides the provider with a platform on which they can offer personalized discounts and promotions. The suppliers concerned are solely responsible for the corresponding content, offers, notifications and loyalty schemes. **SONECT** has no influence over the supplier's ability to deliver the services offered. **SONECT** shall likewise bear no liability for vouchers or loyalty points that cannot be redeemed; outstanding, lost or missing loyalty points; or loyalty cards or schemes. **SONECT** can furthermore not be held responsible in any way for loyalty points or vouchers rendered non-redeemable by termination, on the part of the supplier, of the loyalty scheme concerned.

24. Intellectual property

The provider / customer is assigned, for the duration of the agreement, non-transferable, non-exclusive rights to use the app. The content and extent of these rights are as established in these conditions of participation. **SONECT** (or the authorized third parties concerned) shall retain legal title to all intellectual property rights. The provider / customer shall hold **SONECT** harmless for all third-party claims that might arise from infringement, on the part of the provider / customer, of intellectual property rights.

25. Duration and termination

The commercial relationship between the provider / customer and **SONECT** is entered into for an indeterminate period. The provider / customer may delete the app at any time, and either party to the agreement may issue termination in writing, likewise at any time. Deletion of the app shall terminate any existing participation in loyalty schemes or promotions of **SONECT**. All and any loyalty points and / or outstanding vouchers accumulated by the user shall thereby be rendered void.

26. Applicable law and place of jurisdiction

Wherever permitted by law, all legal relationships between the provider / customer and **SONECT** shall be exclusively subject to Swiss substantive law, to the exclusion of conflict-of-law provisions and international treaties. Unless otherwise established in law with absolute effect, jurisdiction over legal procedures of any kind shall correspond to the courts and tribunals of the Swiss city of Zurich.