

YODO MERCHANT AGREEMENT

This agreement (the "Agreement") is entered into as of _____, 2020 between:

YODO INC., a corporation organized under the laws of Canada, having an office at 2059 Byron Street, Victoria, British Columbia, V8R 1L8, Canada ("YODO")

AND

(the "Merchant")

(each a "Party" and together, the "Parties").

WHEREAS:

YODO provides cloud payment services inclusive of POS devices and a mobile-payment product using proprietary technology, with functions, features and attributes determined from time to time by YODO in its sole discretion (the "Services"), and

The Merchant wishes to deploy _____ terminal(s) to make the Services available through a business or businesses owned and/or operated by the Merchant, thus allowing the Merchant's customers ("Customers") to enjoy the benefit of the Services

NOW, THEREFORE, the Parties covenant and agree as follows:

1. The Merchant Default Currency is set by this agreement and remains fixed for the term of the agreement. The Merchant Default Currency is set to be: _____
2. The Merchant in entering into this agreement acknowledges that they are becoming a member of the *Yodo Registered Merchant Association* (the "Association") and agrees to pay one-unit of the merchant default currency per year to maintain said membership.
3. YODO or its licensees or other nominees shall provide the Merchant with the software ("Software") and either the hardware ("terminals") or a hardware specification to enable the Merchant to make the Services available at the following site(s), (each a "Site") in accordance with the terms and conditions hereof:
4. The Merchant acknowledges and agrees any ***Terminals*** provided by YODO, in the absence of a full and final **receipted purchase** by the Merchant, shall remain the property (the "Property") of YODO until the complete purchase price has been fully paid.

DEFINITIONS

5. The YODO mobile payment system is a combination of pre-paid open and closed loop systems which **may** require occasional Merchant Settlement between and among Association members. To govern the Merchant Settlement process, to protect the integrity of the system for all stakeholders, and to ensure consumer pre-paid funds are protected and accounted for the following terms are defined:
- a. "YODO Credit" means an electronic stored value established pursuant to the Services, which may be used by a person to make a purchase of goods or services, or otherwise transact a payment, at a registered YODO merchant.
 - b. "Merchant Credit" means the amount of cash tendered, or given to, the Merchant by Customers in exchange for YODO Credit, minus any cash back, or cash returned, to Customers by the Merchant in exchange for YODO Credit since the last Settlement (as defined below) (or if there has not yet been a Settlement, since the date of this Agreement).
 - c. "Merchant Debit" means the aggregate price of goods or services sold to Customers by the Merchant for YODO Credit since the last Settlement (or if there has not yet been a Settlement, since the date of this Agreement).
 - d. "YODO Cash" means the amount at any given time equal to the then Merchant Credit minus the then Merchant Debit.
 - e. "Net Amount" means the absolute value at any given time of the amount equal to the then Merchant Credit minus the then Merchant Debit, all stated in Merchant Default Currency.
 - f. "Trigger Points" means a Net Amount to precipitate an automatic Merchant Settlement process.
 - g. "Merchant Fees" means monthly subscription fees and other charges made on the merchant by YODO for providing the services.
 - h. "Incentive Rebate" means a credit to those Merchants who offer a minimum 5% price discount on all customer purchases made using Yodo mobile payments.
 - i. "Merchant Settlement Account" (**MSA**) means one of the following;
 - i. An account maintained by the Merchant at a Financial Institution of the merchant's choice with sufficient balance to facilitate Merchant Settlement (as defined below) to which the Merchant shall provide YODO Pre-Authorized Debit (PAD) access.
 - ii. A Merchant funded non-bank cash bond administered and held by YODO on behalf of the Merchant to enable legally compliant electronic value transfer(s) among and between members of the Association for settlement purposes. Said merchant bond, legally constitutes a performance bond on the Property and Service being provided, and will be returned to the Merchant in full should the Merchant return the Property and comply with all terms of this Service agreement upon termination of this agreement.
 - iii. A Credit Card Authorization Form completed by the Merchant in favour of YODO to be kept on file and to be used only in case of need for Merchant settlement purposes. Merchant agrees Yodo may process the full amount of charges which are immediately due at such time as Yodo chooses to process the payment.
 - iv. A Merchant funded Stellar.org crypto-account from which the Merchant will settle with all other members of the Yodo Merchant association in amounts dictated by, and upon demand, by YODO.

6. The Merchant shall, at its expense:
 - a. Do all things reasonably necessary to provide and promote the Services at the Site(s) in accordance with this Agreement by following YODO's reasonable instructions and all applicable laws;
 - b. Merchant is liable for YODO Cash resulting from transactions on Merchant activated Terminals, including Terminals which has been stolen, up until such time YODO has been notified of such Terminal loss to allow remote disabling. All YODO Cash held in trust by the Merchant prior to Settlement shall be stored securely. This Section 6-b shall survive the termination of this Agreement;
 - c. Not attempt to repair, reverse engineer, alter or otherwise tamper with the Property and return the Property upon request by Yodo;
 - d. Not refuse at any time to accept YODO payments by Customers;
 - e. Not charge a fee more than 1% of Cash Back redemptions and only on sums greater than the change due the customer at time of the Cash Back.
 - f. Display the promotional materials provided by YODO, and not engage in any advertising of YODO products, or use of the YODO trademark, except as approved by YODO;
 - g. Allow YODO to, during ordinary business hours, physically enter Site(s) to inspect the Property or audit Merchant compliance with the terms and conditions of this Agreement; and
 - h. Provide copies of specified identity documents necessary for YODO to establish and verify the designated Merchant Settlement account (MSA).
7. Trigger Points for settlement of YODO cash shall be a surplus of _____ and a deficit of _____ or such other amount(s) as may be established by YODO from time to time and notified to the Merchant in writing. Merchant agrees to maintain at all times a balance in said **MSA** which exceeds their stipulated upper Trigger point and Yodo agrees to eliminate any deficit within two business days of the deficit point being breached.
8. In the event of any disagreement concerning the amount of YODO Cash for Settlement purposes, the amount of YODO Cash shall be determined by YODO in accordance with this Agreement and YODO's determination thereof shall be binding upon the Merchant. Moreover, YODO's records shall be determinative in the event of any inconsistency between YODO's records and the Records generated by the Merchant.

9. When at any time the Net Amount exceeds either Trigger Point, YODO shall invoke an automated merchant settlement process. Invocation shall cause Merchant settlement to take place in the amount(s) stipulated by a settlement file generated by the YODO transaction server at the time of invocation. Each such settlement shall be performed by electronic value transfer(s) between Merchant Settlement Accounts' (MSA) and shall constitute a "Settlement" for purposes of this Agreement. YODO shall endeavour to communicate to the Merchant the details for each Settlement at the time said Settlement occurs by way of sharing of an electronic report on the Settlement amount.
10. In the case of the designated Merchant Settlement Account (MSA) being held at a financial institution the particulars for said account are;
 1. Account number:
 2. Financial Institution:
 3. Swift code and/or IBAN:
11. Merchant Fees payable by the Merchant for the Services shall be a fixed subscription fee of \$_____ per month assessed on the first of each month per connected device for the service (or such other monthly fixed fee as may be established from time to time by YODO and notified to the Merchant in writing).
12. The term of this Agreement shall commence on the date hereof and continue until such time as this Agreement is terminated in accordance herewith.
13. YODO may terminate this Agreement immediately upon notice to the Merchant if:
 - a) the Merchant is in breach of this Agreement or applicable laws; or
 - b) the Merchant declares bankruptcy or becomes insolvent, or a receiver or a liquidator is appointed over some or all of the assets of the Merchant.
14. Either Party may terminate this Agreement without cause and without penalty at any time by providing 60 days' written notice to the other Party.
15. Termination of this Agreement shall not release the Merchant from any outstanding Merchant obligations to YODO. Upon termination of this Agreement, the Merchant shall:
 - a) Immediately cease to offer the Services;
 - b) Immediately cease any and all use or display of the YODO trade-mark; and
 - c) Within 14 days, deliver to YODO all YODO Cash (as determined by YODO), all Fees owed and all Property; and
 - d) Otherwise cooperate fully with YODO in the orderly wind-down of the Merchant's involvement in the provision of the Services.
16. The Merchant agrees that at no time without prior written permission from YODO will third party competitive point of sale software be installed on Property supplied by YODO. The Merchant agrees doing so is a major breach of this contract and shall upon request by YODO immediately remove said software and return to Yodo in original packing at Merchant expense such Property. In the event the Property has not been fully paid for, YODO may at its option, bill the Merchant for the full retail price of the Terminal(s) plus levy a charge for damages not to exceed one thousand dollars.

17. The Merchant agrees that at all times, including following the termination of this Agreement, it shall hold in strict confidence and not disclose YODO Confidential Information to any third party, except as approved in writing by YODO, as required to comply with applicable laws, or to its legal counsel or professional advisors. "Confidential Information" means any technical, financial, personal, employee, operational, or other information or data of YODO that at the time of disclosure (i) is designated as confidential (or given a like designation), (ii) is disclosed in circumstances of confidence, or (iii) would be understood by a person exercising reasonable business judgment to be confidential, and includes without limitation information relating to the business of YODO, non-public information and trade secrets relating to present and contemplated Services, marketing techniques, distribution processes, suppliers, customers, or clients, or other information relating to the business and affairs of YODO.
18. All YODO Confidential Information is and shall remain the property of YODO and YODO does not grant or confer any rights to the Merchant by licence or otherwise in or to any of the Property or the Confidential Information disclosed.
19. Upon notice to the Merchant, this Agreement may be assigned, in whole or in part, by YODO. The Merchant may not assign its interest in this Agreement or any portion thereof (or any other rights, interests, duties or obligations or any portion thereof under this Agreement) without the prior written consent of YODO. The only exception on prohibition of assignment by the merchant is in the event the Merchant sells a controlling interest in their business, in which case the Merchant agrees to notify the new owner(s) of the terms and conditions of this agreement, and to make assignment of this Merchant Agreement a condition of the sales agreement with the new owner(s). The Merchant and the new owner(s) are compelled to provide notice of the change of ownership with the name and contact of the new owner forthwith.
20. This Agreement shall be to the benefit of and shall be binding on the legal representatives, successors and permitted assigns of the Parties.
21. If at any time YODO is required to alter the manner in which the Services are delivered or the manner in which YODO Credit is created, stored or used, in each case in order to comply with any applicable legal or regulatory requirement, the Merchant shall provide to YODO all assistance and cooperation necessary to so alter the manner in which the Services are delivered or the manner in which YODO Credit is created, stored or used.
22. The Merchant releases YODO from, and waives, any claims or losses arising from the impact upon the Services or upon this Agreement of any applicable legal or regulatory requirement.
23. No course of dealing or failure of either Party to strictly enforce the terms of this Agreement shall be construed as a waiver of the future performance of that term or condition.
24. This Agreement shall be governed by the laws of the Province of British Columbia and the law of Canada applicable therein and the Merchant hereby attorns to the jurisdiction of the courts of the Province of British Columbia.

