QFPay Merchant Service
Appendix 1 - Terms and Conditions (Confidentiality and Security)

1. Confidentiality

1.1. "**Confidential Information**" shall mean any and all information directly or indirectly concerning the Disclosing Party (as defined below), whether written or oral, regardless of format or medium, furnished to or acquired by the Receiving Party (as defined below) or the Receiving Party's shareholders, directors, officers, employees, advisors, consultants or agents (collectively, its "**Representatives**").

    1.1.1. "**Disclosing Party**" shall mean the Party disclosing Confidential Information to the other Party, and shall include any person or entity, directly or indirectly, that controls, is controlled by, or is under common control with such Party.

    1.1.2. "**Receiving Party**" shall mean the Party receiving Confidential Information from the other Party.

1.2. To the extent consistent with the foregoing, Confidential Information includes without limitation, the existence and terms of the Agreement, lists of any information about a Party's executives and employees, marketing techniques and information, price lists, pricing policies, business methods, contracts and contractual relations with customers and suppliers, computer software programs (including object code and source code), data base technologies, systems, structures and architectures, trade secrets, business acquisition plans and new personnel acquisition plans, including all photocopies thereof. Confidential Information also includes all notes regarding, extracts from, compilations of, and other materials or media containing, based upon, or derived from the foregoing information that are prepared by or on behalf of either Party, including all photocopies thereof.

1.3. Confidential Information also include information belonging to a third party such as customers or suppliers or potential customers or suppliers, of the disclosing party.

1.4. Receiving Party shall only use Confidential Information of the Disclosing Party to the extent necessary for the performance of its obligation or exercising its right under the Agreement and/or the transaction contemplated under the Agreement.

QFPay Merchant Service
Appendix 1 - Terms and Conditions (Confidentiality and Security)

1.5. Receiving Party may only disclose Confidential Information to its employees and legal and accounting advisers having a need to know and who are under non-disclosure obligations no less restrictive than in the Agreement. Receiving Party will advise such employees and legal and accounting advisers who receive Confidential Information of its confidential nature and will co-operate with Disclosing Party in fully enforcing any such non-disclosure obligations. Receiving Party shall not disclose Confidential Information to any other third party without the prior written consent of Disclosing Party.

1.6. Receiving Party shall protect the disclosed Confidential Information in trust and the strictest confidence and protect it in accordance with a standard of care which shall be no less than the care it uses to protect its own information of like importance but in no event with less than reasonable care.

1.7. Upon the written request of Disclosing Party, Receiving Party will return or destroy (at Disclosing Party's election) all Confidential Information received (including all copies) and provide Disclosing Party with documentation attesting to that fact.

1.8. Receiving Party shall notify Disclosing Party of any unauthorized use or disclosure of the Confidential Information. In the event of a breach, or threatened breach, by a Party of this section 10, pecuniary damages may not be sufficient relief; the Disclosing Party shall therefore have rights to enforce its rights by specific performance or injunction proceedings, in addition to any other rights or remedies which it may have under applicable laws or equity.

1.9. Obligations of Receiving Party under this section 1 will continue:

1.9.1. Indefinitely in the case of any Confidential Information which is software; or

1.9.2. For a period of five (5) years after termination or expiry of the Agreement in the case of other Confidential Information.

1.10. The obligations under this section 1 will not apply to any information which is:

    1.10.1. Available to the public other than by breach of the Agreement by Receiver;

    1.10.2. Rightfully received by Receiver from a third party without proprietary or confidential limitations;

    1.10.3. Independently developed by Receiver; or

    1.10.4. Known to Receiver prior to first receipt of same from Discloser.

1.11. This section 1 will not apply to prevent Receiving Party from disclosing Confidential Information to the extent required by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, Receiving Party notifies Disclosing Party promptly on receiving notice of such requirement, and asserts the confidentiality of the relevant Confidential Information to the body requiring disclosure.

1.12. Each party reserves all rights in its Confidential Information. No rights or obligations in respect of a party's Confidential Information other than those expressly stated in this section 1 are granted to the other party, or to be implied from the Agreement.

2. Security

2.1. Safekeeping of Merchant ID, APP ID and its password

    2.1.1. The Merchant shall take effective measures to properly keep its Merchant ID, APP ID and its password and shall not disclose such information to any party and for any party to use such information in any manner whatsoever.

    2.1.2. The Merchant shall be responsible for managing and maintaining its Merchant ID, APP ID and its password. The Merchant shall also maintain effective technical protection for the Acquiring Device to ensure that it is safely kept and used.

2.2.   Notification of Merchant ID, APP ID and its password

    2.2.1. If the Merchant has leaked the Merchant ID, APP ID and its password are subject to unauthorized use such as being stolen or assumed etc., the Merchant shall immediately report to the Company.

    2.2.2. Upon receipt of formal notification of leak from the Merchant, the Company is entitled to, after verifying the identity information of the Merchant remain available, proceed with the procedures for formal notification of leak for the Merchant.   The formal notification of leak shall take effect upon the time at which the Company expressly notifies the Merchant by email that "the formal notification of leak has taken effect".   The Merchant shall be liable for consequences of all operation under Merchant ID before the formal notification of leak has taken effect.   The account payment function of Merchant ID will be suspended after the formal notification of leak has taken effect, but account receivables still be remitted into such account.

2.3.   Upon notification of leak and cancellation of notification of leak, the Parties shall communicate with each other by telephone number or e-mail address specified in the Agreement.   The Merchant acknowledges that, in order to avoid any malicious notification of leak or cancellation of notification of leak, the Company only recognizes the notification of leak through effective means mentioned above.

2.4.   The Parties shall ensure the security of their respective computer systems and the related procedures and undertake that their respective computer systems and the related procedures are free from "trapdoor", "logic bomb", "data theft" and any software which may threaten the system security of the other party.