

Payment Terms and Conditions for the use of Zettle by PayPal

Last updated and effective as of: 10 February 2021

These payment terms and conditions, including the terms, policies, guidelines and instructions referred to herein, ("**Payment Terms and Conditions**") and the general terms and conditions governing your access to our services ("**General Terms and Conditions**") constitute a legal agreement between PayPal (Europe) S.à r.l. et Cie, S.C.A. (R.C.S. Luxembourg B 118 349), a duly licenced Luxembourg credit institution under the prudential supervision of the Luxembourg financial sector authority, the Commission de Surveillance du Secteur Financier, ("**we**", "**our**" or "**us**") and you, the sole trader, company or other business entity having created an account with us (the "**Merchant**", "**you**" or "**your**"), governing your access to and use of our payment processing services provided under the Zettle by PayPal brand (together, the "**Payment Service**").

By creating and using a Zettle Account (defined below) you accept and agree to comply with these Payment Terms and Conditions. If you do not agree to these Payment Terms and Conditions (or if you do not have the right to bind the company or other business entity you are representing), you are not permitted to access or use the Payment Service.

Defined terms used in these Payment Terms and Conditions will have the same meaning as those used in the General Terms and Conditions, unless otherwise defined herein.

As a credit institution we facilitate the processing of payment transactions and, in order for us to do this, we have entered into agreements with acquiring banks ("**Acquirers**"). A list of the Acquirers we co-operate with for the provisioning of the Payment Service from time to time can be found [here](#).

The Payment Service is, in addition to these Payment Terms and Conditions and applicable laws, rules or regulations, governed by the requirements and guidelines established by our Acquirers as well as the requirements and guidelines (together, the "**Card Scheme Rules**") established by Visa Europe Limited, MasterCard Europe S.A., American Express Limited and other applicable card schemes (together, the "**Card Schemes**").

It is important that you understand the risks and liabilities associated with the use of the Payment Service, and you should read these Payment Terms and Conditions carefully before agreeing to them and before you start using the Payment Service.

If you have any questions or concerns regarding the content of these Payment Terms and Conditions or would like to get a better understanding of how the Payment Service works, please do not hesitate to [contact us](#).

PART 1 – Access to and use of the payment service

1. Registration

To access and use the Payment Service, you must create a Zettle Account as described in section 1 of the General Terms and Conditions.

If there has been no activity on your Zettle Account for at least two consecutive years and you have a balance on your Zettle Account, we will notify you on the email address registered by you and/or associated with your Zettle Account and give you the option to keep your Zettle Account active or to close your Zettle Account and request a withdrawal of any funds that we hold on your behalf. If you do not respond to our notice within thirty days, we will automatically close your Zettle Account and any funds that we hold on your behalf will be handled in accordance with applicable law. In order to receive funds from your Zettle Account, you must either (i) connect your Zettle Account to your PayPal Account (defined below) or (ii) designate and, if we so request, verify a bank account held in your name in a bank in the United Kingdom (your “**Bank Account**”). You will receive funds in accordance with section 14 in either your PayPal Account or Bank Account (your “**Designated Account**”).

For the purposes of these Payment Terms and Conditions, “**PayPal Account**” shall be defined as a digital payment instrument that may be used to send and receive money or make payments using a supported payment method opened pursuant to the [PayPal User Agreement](#).

As at the date of your acceptance of these Payment Terms and Conditions, you will fall under one of the categories of Merchants set out in subsections (a) to (d) below. These subsections set out the authorisation(s) you will need to grant us to transfer funds credited from your Zettle Account or PayPal Account (as the case may be), to your Bank Account or PayPal Account (as the case may be).

a) Existing PayPal Account holder only

If you have an existing PayPal Account and wish to open a Zettle Account, you authorise and instruct us to initiate payment of all funds credited to your Zettle Account to your PayPal Account.

b) Existing PayPal and Zettle Accounts holder

If you have opened a PayPal Account but have connected a Bank Account to your Zettle Account (as set out in c) below), you will need to connect your Zettle Account to your PayPal Account to be able to receive payouts of funds credited to your Zettle Account in your PayPal Account. To the extent technically possible, you authorise and instruct us to connect your Zettle Account to your PayPal Account on your behalf and accept that any payout of funds from your Zettle Account will be made to your PayPal Account instead of to your Bank Account.

c) Existing Zettle Account holder only

If you use only the Payment Service and do not have a PayPal Account, you must designate and, if we so request, verify the Bank Account. After designating a Bank Account, you authorise and instruct us to initiate payment of funds credited to your Zettle Account to your Bank Account. You authorise us to direct questions to and obtain information from the relevant bank, including for the purpose of verifying your designated Bank Account. You agree, upon our request, to take all reasonable measures to assist us in verifying your Bank Account. If your designated Bank Account details are incorrect or incomplete or if we for any reason cannot verify that the bank account is held in your name, we may de-connect the Bank Account from your Zettle Account, and you confirm and agree that we will not be under any obligation to pay any funds to you until such time you have provided correct and complete Bank Account information and we, as applicable, have been able to verify that you are the holder of the Bank Account.

d) Existing Zettle Account holder and new PayPal Account holder

If you have a Zettle Account and subsequently open a PayPal Account, you will need to connect your Zettle Account to your PayPal Account to receive funds credited to your Zettle Account in your PayPal Account. To the extent technically possible, you authorise and instruct us to connect your Zettle Account to your PayPal Account on your behalf and accept that any payout of funds from your Zettle Account will be made to your PayPal Account instead of to your Bank Account.

2. Underwriting

By signing up for the Payment Service, you instruct and authorise us to perform credit checks, sanction controls and other verifications which may require that you supply such additional information and documentation as is reasonably required for us to verify your identity and fulfil all our anti-money laundering, counter terrorist financing and other regulatory obligations. We may perform additional credit checks and verifications from time to time to determine whether you continue to be eligible for access to and use of the Payment Service. We may also request your permission to do a physical inspection at your place of business and to examine your books and records that pertain to your compliance with these Payment Terms and Conditions.

You agree to comply with any such requests without undue delay. You authorise our Acquirers and us to, from time to time, retrieve information about you from, and provide information about you to, third parties, including credit reporting agencies or bureaus and other information providers, and you authorise and instruct such third parties to compile and provide such information to us.

Once we have obtained, collected and verified all your information, we will assess whether you are eligible to get access to and use the Payment Service. You agree that we have the right, in our sole discretion, to determine whether or not you are eligible for access to and use of the Payment Service. We will only be bound by these Payment Terms and Conditions once we have determined that you are eligible for access to and use of the Payment Service.

We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your Zettle Account and your PayPal Account if we determine that you are no longer eligible for access to and use of the Payment Service or if you fail to promptly comply with any requests from us in accordance with the above.

3. Our role

The Payment Service will enable you to accept and process payments from your customers (i) by Card or their smartphone, tablet or other compatible mobile device enabling them to take contactless smartphone/device transactions through the use of the App installed a) on your smartphone, tablet or other compatible mobile device connected to your Zettle Reader, b) on a compatible mobile device enabling you to take contactless payments directly in the App (the “Tap on Phone Service”), or c) directly on a Zettle Reader enabling you to take contactless payments, (ii) when your customers pay an invoice online using a Card or any other online payment method made available by us in your jurisdiction (the “**Invoicing Service**”), (iii) when your customers pay for your products and/or services through a payment link provided to your customer by email, text message or similar communication tool, and (iv) by redeeming gift cards issued by you using our gift card service (the “**Zettle Gift Card Service**”).

If you have signed up for a service enabling you to sell products and/or services online, and such service has the requisite integrations with our Payment Service, you may also be able to accept and process payments from your customers who will be able to pay online using a Card or such online payment method made available by us in your jurisdiction.

These payment alternatives as well as the functionalities set out in section 12 may not be available in your country. For more information, please visit our [Website](#).

In providing the Payment Service, we will facilitate the processing of payment transactions carried out through the use of the Payment Service on your behalf, credit the funds received by us from such transactions on your Zettle Account and settle such funds (less our Fees, Chargebacks, reversals, claims and other funds owed to us or another company within the PayPal Group) to your Designated Account in accordance with these Payment Terms and Conditions.

You authorise and instruct us to receive, hold and disburse funds in accordance with these Payment Terms and Conditions on your behalf. This authorisation and instruction will remain in full force and effect until your Zettle Account is closed or terminated.

4. Card scheme rules and specific terms

The Payment Service is subject to the Card Scheme Rules and may also be subject to specific terms and conditions which apply to the use of a certain payment methods (“**Specific Terms**”) provided by us or a third party (a “**Third Party Payment Provider**”). The Card Scheme Rules insofar applicable to merchants and the Specific Terms relating to the payment methods you have signed up for will form part of your agreement with us. Further information on the Card Scheme Rules and the Specific Terms can be found [here](#).

You agree that you will comply with the Card Scheme Rules and the Specific Terms and that the Card Scheme Rules and the Specific Terms have precedence over these Payment Terms and Conditions with regards to the relevant payment method and that, in case of any conflict between a provision in these Payment Terms and Conditions and the Card Scheme Rules/the Specific Terms, the following order of priority will apply: (i) the Card Scheme Rules, (ii) the Specific Terms and (iii) the Payment Terms and Conditions.

We may add, delete and amend certain payment methods at any time and the Card Scheme Rules and the Specific Terms may also be amended from time to time in accordance with the relevant terms and conditions. Such change can be made unilaterally by us without notice but we will try to inform you in advance. Your continuing use of such payment method constitutes your consent and agreement to such additions, deletions or amendments. For the avoidance of doubt, if you use the payment method provided by Klarna, we have the right to acquire and re-transfer claims against your customer resulting from your sale of goods or services to said customer as further described in the Specific Terms.

We reserve the right to amend these Payment Terms and Conditions in accordance with section 23 of the General Terms and Conditions, or a shorter time if so required by the Card Schemes or a Third Party Payment Provider, as necessary to comply with the Card Scheme Rules or otherwise address changes in the Payment Service.

5. Zettle reader

To use the Payment Service for sales from a physical sales location, you must download and install the App and, unless you are solely using the Tap on Phone Service, obtain one of our compatible card reader devices ("**Zettle Reader**").

Information about available Zettle Readers and how they can be purchased can be found on our [Website](#). You may also purchase Zettle Readers from our [Accessories Store](#) or from other authorised retailers.

You are also responsible to contact us if you suspect that your Zettle Reader has been tampered with or stolen.

6. Restrictions and limitations

By accepting these Payment Terms and Conditions, you agree that you will not use the Payment Service to accept payments in connection with the following businesses or business activities without our express written approval, which approval we may withhold or revoke in our sole discretion where we find this to pose a risk to our business and/or reputation: a) private healthcare services, b) gambling and betting services (irrespective of if such gambling and betting services are provided in accordance with all applicable laws and authorised by all applicable regulatory authorities), c) financial services (irrespective of if such financial services are provided in accordance with all applicable laws and authorised by all applicable regulatory authorities), d) gift cards (other than as set out in section 3 and section 28 as well as in accordance with our General Terms and Conditions), e) services involving the organisation of planned public or social events, such as sale of tickets, or f) transportation and travelling.

In addition to any other obligations, requirements, restrictions or limitations set out in these Payment Terms and Conditions, you agree that you will not: a) apply a price threshold for accepting a Card, b) apply a higher price or additional fees for the use of a Card in connection with a transaction, unless permitted to do so under any laws, rules and regulations of your specific jurisdiction, c) utilize any credit available on any Card to provide cash advances to customers, d) in relation to in-store transactions, carry out transactions in territories other than the United Kingdom and in currencies other than GBP, e) discriminate between Cards for any reason, unless permitted to do so under any laws, rules and regulations of your specific jurisdiction, f) submit any transaction for processing that does not arise from your sale of products or services to your customer, i.e. you may not submit any transaction for processing which is originating from sales or activities offered by other parties, g) submit any transaction for processing that you know or should have known to be fraudulent or not authorised by the customer, h) act as a payment intermediary or aggregator or

otherwise resell the Payment Service, i) submit for processing any transaction representing the refinancing of an existing obligation of a customer, j) require any customer to waive its right to dispute a transaction, k) require any customer to disclose his/her PIN at any point during a Card transaction, l) where a customer uses a chip and PIN Card, print data referencing any customer's PIN on any receipt, or m) process one purchase of goods and/or services as several payment transactions.

Our Acquirers and the Card Schemes may from time to time impose certain limits on Merchants' annual Card transaction volume through the use of the Payment Service. If your annual Card transaction volume exceeds the amount specified by the Card Schemes Rules, you will need to enter into additional agreements directly with our Acquirers ("Commercial Entity Agreements"). By accepting these Payment Terms, you accept that, upon reaching these thresholds, the Commercial Entity Agreement(s) will automatically apply between you, us and the relevant Acquirer, respectively. You can find the agreements [here](#). In the absence of relevant Commercial Entity Agreement(s), we will not be able to accept transactions in excess of these thresholds.

You may not use the Payment Service to carry out Card transactions with your own Cards or any Cards that are issued in your name.

You may not in any way refer to us, our Acquirers or the Card Schemes as having endorsed your products and/or services.

The use of the Payment Service is subject to certain limits relating to daily Card transaction volume as further specified on our [Website](#).

7. Errors and unauthorised or illegal use

We will assume that you are the sender of any transactions and other instructions to us when sent using your Account Credentials. You must notify us immediately through our [Website](#) or by contacting our customer success team at support.uk@zettle.com if you discover or have reason to believe that there has been an error or unauthorised or illegal use of your Zettle Account and, where possible, change your Account Credentials to prevent any further errors and/or unauthorised or illegal use. You must provide us all information and documentation in your possession as to the circumstances of any such error and/or unauthorised or illegal use of your Zettle Account and take all reasonable steps requested by us to assist in our investigation.

8. Accepted cards

The Payment Service can be used to accept card transactions with most credit, debit and other types of cards (each a "Card") bearing the trademarks of the Card Schemes

as further specified on our [Website](#). We may remove or add Cards that we accept at any time without prior notice to you. We will only process Card transactions that have been authorised by the applicable Card Scheme or Card issuer, as the case may be.

You agree that you are solely responsible for verifying the identity of your customers and the eligibility of each presented Card used to purchase your products and services and for all reversed or charged back transactions, regardless of the reason for, or timing of, the reversal or chargeback as further described in section 17.

You undertake to inform your customers of the possibility to pay by Card by displaying signage for all Card options provided by us as possible payment methods in your physical store or online.

9. Fees

For the use of the Payment Service you agree to pay the fees ("**Fees**") assessed and calculated by us in accordance with the fee schedule available on our [Website](#).

By accepting these Payment Terms and Conditions, you request and agree that we charge you the Fees (as a blended merchant service charge) assessed and calculated by us in accordance with the fee schedule.

The Payment Service is a payment service exempt from VAT. We reserve the right to amend our fees at any time in accordance with section 23 of the General Terms and Conditions. Fees will be assessed at the time a transaction is processed and will be deducted from the funds received by us and credited to your Zettle Account.

10. Taxes

In addition to what is set out in section 10 of the General Terms and Conditions, you agree that we may from time to time be required to report to revenue or tax authorities, as required by law, your name, address and information regarding transactions processed by us on your behalf through your use of the Payment Service.

11. Processing of payment transactions

You must comply with any and all instructions provided by us to you regarding the acceptance and authorisation of payment transactions, including those available on our [Website](#). You undertake to ensure that all your employees and other eligible representatives who handle payment transactions on your behalf are informed of the content of these Payment Terms and Conditions in advance, and that they have

received the training required to satisfy the requirements of these Payment Terms and Conditions.

When a payment transaction is made, we will update the transaction information in your Zettle Account confirming that the transaction has taken place and setting out the details of the transaction as further described in section 15.

You must provide customers with a receipt if they request one. Customers may receive an electronic receipt via email or SMS, rather than a paper receipt. It is your responsibility to inform your customer that you will use the App to send them a receipt via email or SMS before doing so.

An authorised payment transaction may not be withdrawn by you or your customer after the end of the day on which your customer authorised the transaction.

You agree that you will not provide any false or misleading descriptions of any payment transaction that you submit through the Payment Service and that the descriptions given within itemised transactions will be an accurate and true description of the products and/or services being purchased.

We reserve the right not to authorise or process any payment transaction that you submit through the Payment Service that we believe may be in violation of the General Terms and Conditions, the Payment Terms and Conditions or any applicable laws, rules or regulations or may expose you or us to harm, including but not limited to fraud or other criminal acts. You authorise us to share information with law enforcement about you, your transactions, or your use of the Payment Service if we reasonably suspect that your Zettle Account has been used for unauthorised, illegal, or criminal purposes.

12. Processing card transactions

You may use the Payment Service to process card-present transactions (i.e. transactions where both the Card and the customer are present at the time of the transaction) by inserting the Card into the Zettle Reader or swiping the Card and obtaining the customer's PIN or obtaining the customer's signature. The App will prompt you as to what verification is necessary, based on a customer's Card. If a customer's Card includes an electronic chip, you must always prioritise obtaining chip and PIN authorisation before obtaining a signature.

Subject to availability in your country, you may also be able to use the Payment Service to process keyed transactions (i.e. transactions where neither the customer nor the Card are present at the time of transaction and you instead key in the card number, expiration date and security code), however you are not allowed to process a keyed transaction when your customer's Card is present.

You may use the Payment Service to process contactless transactions (i.e. transactions made using the contactless induction technology in a Zettle Reader or a compatible mobile device supporting contactless transactions made by Card or smartphone/device transaction using near field communication technology or QR codes), however you may not process a contactless transaction with a value exceeding the prevailing amount limit for that transaction set by an Acquirer, a Card Scheme and/or us from time to time, as set out on our [Website](#).

13. Refunds and returns

You must submit all requests for refunds and adjustments for returns of your products or services through the Payment Service in accordance with these Payment Terms and Conditions and the applicable Card Scheme Rules. All refunds and adjustments related to Card transactions must be made to the customer's Card. You undertake to: a) maintain a fair return, cancellation or adjustment policy, b) disclose your return or cancellation policy to customers at the time of purchase, c) not give cash refunds to a customer in connection with a Card transaction, unless required by law, and d) not accept cash or any other item of value for preparing a Card transaction refund.

Full refunds must be for the exact amount of the original transaction including tax and handling charges. The refund amount may not exceed the original sale amount except by an amount equal to any reimbursements to the customer for postage costs incurred for product returns. Refunds processed through the Payment Service must be submitted within thirty days of the original transaction. For approved refunds, we will deduct the refund amount (including any applicable fees) from funds owed to you from the processing of other transactions, or funds credited to your Zettle Account. If these funds are not sufficient, you agree to pay all funds owed to us immediately on demand. You are solely responsible for accepting and processing returns of your products or services.

Through the Zettle Account settings, you may select and instruct us to maintain funds on your Zettle Account specifically for funding refunds or to expedite execution of refunds.

14. Payout of funds

Funds from a payment transaction credited to your Zettle Account will not be paid out to your Designated Account until the transaction is deemed completed. A Card transaction will be deemed completed when we have received the funds from the relevant Card Scheme or Acquirer. A payment transaction using another payment method will be deemed completed when we have received the funds on our client funds account (the "**Client Account**"). Once we have verified your Designated

Account (if applicable), we will take commercially reasonable efforts to initiate payout of funds (less our Fees, Chargebacks, Reserve, refunds, reversals, claims and other funds owed to us) to your Designated Account on the business day immediately following the business day on which we received the funds on the Client Account, unless otherwise set out in these Payment Terms and Conditions.

Through the Zettle Account settings, you may select the frequency of the payout of funds to your Designated Account. We will then automatically pay out all your funds in accordance with the selected intervals. Payout of funds to your Designated Account is subject to certain limits as further specified on our [Website](#).

Payouts to your Bank Account are executed, at least in part, by third party financial institutions. We will not be responsible or liable for the ultimate credit of funds to your Bank Account once we have instructed payment to your Bank Account. Furthermore, we will not be responsible or liable for any funds that, due to incorrect or incomplete Bank Account information provided by you, have been paid to a bank account that is not held in your name.

We reserve the right to temporarily suspend and/or delay payouts to your Designated Account and/or restrict access to any funds credited to your Zettle Account where we need to conduct an investigation or resolve any pending dispute relating to your Zettle Account and/or as necessary to comply with the Card Scheme Rules, applicable law or court order or if otherwise requested by law enforcement or any governmental authority.

15. Transaction information

You may access your transaction information by logging into your Zettle Account. You will also be able to access downloadable reports. The transaction information will also show all Fees incurred, any other amounts charged to your Zettle Account in the relevant period and information on payouts to your Designated Account.

We will provide you with information regarding payment transactions with a reference enabling you to identify the transaction, the amount of the transaction in the currency in which your Zettle Account is credited and the amount of the Fee for the transaction. By accepting these Payment Terms and Conditions, you request and agree that we may aggregate this information for all Card transactions by brand, application, payment instrument categories and rates of interchange fees applicable to the transaction, as applicable, and that we make this information available to you periodically, at least once per month, via your Zettle Account in a format making it possible for you to store and reproduce the information in unchanged form.

16. Reserve

We reserve the right to designate an amount of funds that you must maintain in your Zettle Account and/or accrue a reserve on your behalf (a “**Reserve**”) to secure the performance of your payment obligations under these Payment Terms and Conditions or such other requirements that we may determine to be necessary to protect against the risk associated with our business relationship with you. We may require and/or hold a Reserve for any reason, including if you have a high rate of Chargebacks, refunds, or other indications of performance problems related to your use of the Payment Service.

The Reserve will serve as security to cover anticipated Chargebacks, refunds and/or unfulfilled products or services or credit risk based on your processing history, and we will have the right to collect and set off from the Reserve all amounts that you owe us under these Payment Terms and Conditions. You authorise and instruct us to make any withdrawals or debits from the Reserve, without prior notice to you, to collect and set off amounts that you owe us under these Payment Terms and Conditions.

17. Chargebacks

Any amount attributable to a payment transaction may be reversed or charged back to your Zettle Account (a “**Chargeback**”) if the transaction: a) is disputed in any way, b) is reversed for any reason by the Card Scheme, our Acquirers, the cardholder or the Card issuer, c) was not authorised or we have reason to believe that it was not authorised, and/or d) is alleged to be illegal, suspicious or in violation of these Payment Terms and Conditions.

For any payment transaction we determine may result in a Chargeback, we have the right to withhold the potential amount of the Chargeback in a Reserve. We may recover the amount of any Chargeback and any associated fees, fines, and/or penalties assessed by the Card Schemes or our Acquirers from funds credited to your Zettle Account or any other funds due to you under these Payment Terms and Conditions. If we believe that a Chargeback is likely with respect to any payment transaction, we may withhold the amount of the potential Chargeback from payments due to you under these Payment Terms and Conditions until such time that: a) a Chargeback is assessed due to a customer’s complaint, in which case we will retain the funds, b) the period of time under applicable law or regulation by which the customer may dispute the transaction has expired, or c) we determine that a Chargeback on the transaction will not occur. If we are unable to recover funds related to a Chargeback for which you are liable, you will pay us the full amount of the Chargeback immediately on demand. You agree to pay all costs and expenses, including without limitation attorneys’ fees and other legal expenses, incurred by or on behalf of us in connection with the collection of all balances unpaid by you.

If we determine that you are incurring an excessive number of Chargebacks or that Chargebacks related to you are too frequent, we may establish controls or conditions governing your Zettle Account, including without limitation: a) creating a Reserve in an amount reasonably determined by us to cover anticipated Chargebacks and related fees, penalties or fines, b) suspending your access to and use of the Payment Service, and/or c) terminating and closing your Zettle Account and your PayPal Account.

You agree to assist us when requested, at your expense, to investigate any transaction processed through the Payment Service. You further agree that we may share information about a Chargeback with your customer, the customer's financial institution and your financial institution in order to investigate and/or mediate a Chargeback. You acknowledge that your failure to assist us in a timely manner when investigating a transaction, including providing necessary information and documentation within ten days of our request, may result in an irreversible Chargeback. We reserve the right, upon notice to you, to charge a fee for mediating and/or investigating Chargeback disputes.

18. Your privacy and security

In addition to what is set out in section 11 of the General Terms and Conditions, you acknowledge that we are required to report your business name and the name of your beneficial owners and/or principals to the MATCH listing maintained by MasterCard and accessed and updated by American Express, the VMAS database upheld by Visa, if applicable, pursuant to the requirements of the Card Scheme Rules. You acknowledge that we must fulfil the obligations related to such listing and reporting, and you waive and agree to hold us harmless from all claims and liabilities you may have as a result of such listing and reporting.

We are responsible for protecting the security of Card information in our possession. We have implemented administrative, technical and organisational procedures to protect Card information that is stored in our servers from unauthorised access and accidental loss, modification or disclosure.

19. Your additional warranties

In addition to any other warranties set out in these Payment Terms and Conditions and in section 14 of the General Terms and Conditions, you warrant to us that: a) any payment transaction submitted by you through the Payment Service will represent a bona fide sale by you, b) any payment transaction submitted by you through the Payment Service will accurately describe the products or services sold and delivered to your customer, c) you will fulfil all of your obligations to each customer on behalf of whom you submit a payment transaction and will resolve any customer dispute or

complaint directly with the customer, d) you will and any payment transactions submitted by you through the Payment Service will comply with all laws, rules and regulations applicable to your business and the Payment Service, e) except in the ordinary course of business, no payment transaction submitted by you through the Payment Service will represent a sale to any principal, partner, proprietor, or owner of your business, f) you will not use the Payment Service, directly or indirectly, for any fraudulent undertaking or in any manner so as to interfere with the use of the Payment Service.

20. Your additional liability and indemnification

In addition to what is set out in section 15 of the General Terms and Conditions, you are responsible for all Chargebacks, reversals, refunds, fees, fines, penalties and other liabilities incurred by a third party or us caused by your access to and use of the Payment Service and/or arising from any breach by you of any provision of these Payment Terms and Conditions. You agree to reimburse such third party or us for any and all such liability.

Notwithstanding the above or any other provision of these Payment Terms and Conditions and in addition to what is set out in section 15 of the General Terms and Conditions, you agree to defend, indemnify, and hold us, our Acquirers, the Card Schemes and each of our respective directors, agents, affiliates and representatives harmless from and against any claim (including all third-party claims), cost, suit, demand, loss, liability, damage, action, proceeding judgment, penalty, interest and expense (including without limitation reasonable attorneys' fees) arising out of or relating to: a) any actual or alleged breach by you of any provision of the Card Scheme Rules, b) any payment transaction submitted by you through the Payment Service, and c) third party indemnity obligations we incur as a direct or indirect result of your acts or omissions (including indemnification of any Acquirer or Card Scheme).

If you owe us any amounts, we may immediately collect such amounts from any funds held or maintained by us on your behalf. If there are insufficient funds to cover your liability, you agree to reimburse us immediately on demand through other means.

21. Our liability

Subject to sections 16 and 17 of the General Terms and Conditions, we are liable to ensure that payment transactions initiated through the Payment Service are properly transferred to the end customer's payment service provider and that payment transactions carried out through the Payment Service are executed properly, provided that: a) the transaction has been authorised by the end customer, b) the transaction complies with these Payment Terms and Conditions, and c) you have

complied with your obligations under these Payment Terms and Conditions. Subject to sections 16 and 17 of the General Terms and Conditions, we are further liable to ensure that funds credited to your Zettle Account are paid out to your Designated Account in accordance with section 14, provided that we have received such funds from the relevant Card Scheme, Acquirer or third party financial institution, as the case may be, on the Client Account.

If an authorised payment transaction is not executed properly or not executed at all, we will, upon your request, use reasonable endeavours to trace the transaction and attempt to rectify any errors that you or we discover and notify you of the result. If the error results in your receipt of less than the amount to which you were entitled, we will credit your Zettle Account for the difference. If the error results in your receipt of more than the amount to which you were entitled, we will debit the extra funds from your Zettle Account. We will only attempt to correct transactions that you process incorrectly if you notify us of such error without undue delay and no later than sixty days of when the error first appeared on your electronic transaction history.

PART 2 – Other legal terms

22. Application of certain provisions of eu's payment services directive (directive 2015/2366/EU) ("PSD2")

By accepting these Payment Terms and Conditions you agree that, if and to the extent that the provisions of any Services at any time is subject to any legislation in any jurisdiction implemented for purposes of transposing PSD2 ("**PSD Laws**"): the following provisions of PSD2, as transposed by any PSD Laws, shall not apply to these Payment Terms and Conditions or to the provision of the Services: (i) Articles 40 (Charges for information), 41 (Burden of proof on information requirements), 42 (Derogation from information requirements for low-value payment instruments and electronic money), 44 (Prior general information), 45 (Information and conditions), 46 (Information for the payer and payee after the initiation of a payment order), 47 (Information for payer's account servicing payment service provider in the event of a payment initiation service), 48 (Information for the payer after receipt of the payment order), 49 (Information for the payee after execution), 51 (Prior general information), 52 (Information and conditions), 53 (Accessibility of information and conditions of the framework contract), 54 (Changes in conditions of the framework contract), 55 (Termination), 56 (Information before execution of individual payment transactions), 57 (Information for the payer on individual payment transactions), 58 (Information for the payee on individual payment transactions), 59 (Currency and currency conversion), 60 (Information on additional charges or reductions), 62(1) (Charges applicable), 64(3) (Consent and withdrawal of consent), 71 (Notification and rectification of unauthorised or incorrectly executed payment transactions), 72

(Evidence on authentication and execution of payment transactions), 74 (Payer's liability for unauthorised payment transactions), 76 (Refunds for payment transactions initiated by or through a payee), 77 (Requests for refunds for payment transactions initiated by or through a payee), 80 (Irrevocability of a payment order), 89 (Payment service providers' liability for non-execution, defective or late execution of payment transactions); and 90 (Liability in the case of payment initiation services for non-execution, defective or late execution of payment transactions); and (ii) where transactions are neither euro nor pound sterling transactions, the requirements regarding execution and time-value dating set out in any PSD Laws transposition relating to Articles 83 to 85 of PSD2 will not apply to this Agreement or to the provision of such Services, to the extent permitted by applicable law.

23. Term and termination

These Payment Terms and Conditions are effective upon the date you agree to them and will remain in force until terminated by you or by us.

In addition to what is stated in section 22 of the General Terms and Conditions, we may terminate these Payment Terms and Conditions or your use of all or part of the Payment Services or suspend or close your Zettle Account and PayPal Account, without prior notice to you: a) upon request of a Card Scheme or an Acquirer, b) if our agreement with an Acquirer or Card Scheme expires or terminates for any reason, c) if we are de-registered as a payment facilitator by a Card Scheme or an Acquirer, d) if in our reasonable opinion, your activities or actions are damaging or may damage our image or reputation or the image or reputation of a Card Scheme or an Acquirer, e) if you have signed up for the Payment Service as a company or other business entity and there is a change of control of such company or other business entity, f) if owners or other persons associated with you appear on European or American sanction lists (such as OFAC's SDN list and the EU's list of economic sanctions or list of terrorists), or g) if your Designated Account is your PayPal Account and your PayPal Account is closed down, either by us or by you.

Any funds credited to your Zettle Account and held by us on your behalf at the time your Zettle Account is suspended or closed will be paid out to you in accordance with section 14, unless otherwise set out in these Payment Terms and Conditions.

Any termination of these Payment Terms and Conditions or closure or suspension of your Zettle Account does not relieve you of your obligations under these Payment Terms and Conditions and we may elect to continue to hold any funds deemed necessary pending resolution of any other terms or obligations defined in these Payment Terms and Conditions, including but not limited to Chargebacks, Fees, refunds, reversals, or other investigations or proceedings.

24. Personal guarantee and other security

If you have signed up for the Payment Service as a company or other business entity, you confirm and agree that we may require a personal guarantee from an owner, director, principal or other representative of your business or the establishment of a bank guarantee or provision of other suitable security for the due performance of your payment obligations under these Payment Terms and Conditions. Additionally, to secure your performance of these Payment Terms and Conditions, you grant us a legal claim against the funds in your Designated Account as security for any amount you may owe us. If we require a personal guarantee, bank guarantee or other form of security we will specifically inform you. You agree that we will determine the extent of such guarantees or other security. We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your Zettle Account if you fail to deliver such guarantees or other security upon our request.

25. Audit rights

You confirm and agree that we may require you to allow us, or a third party designated by us, to conduct an audit of your business and facilities in order to ensure your compliance with these Payment Terms and Conditions and the Card Scheme Rules. We reserve the right to suspend your access to and use of the Payment Service and to terminate and close your Zettle Account if you fail to allow us, or a third party designated by us, to conduct such audit upon our request.

26. Servicing, deduction and collection rights

If you have taken up a loan from, or utilized any other form of financing arrangement offered by any other company within the PayPal Group, you acknowledge and instruct us that any sums due (or otherwise agreed to be paid) in respect of such loan or financing may be collected, deducted and subsequently remitted to the relevant lender or financing provider (or its respective account bank or other service provider) on your behalf from your transaction proceeds or any other funds held or maintained by us on your behalf until such time the amount owed by you under such loan or financing arrangement has been repaid in full. In this context, you authorise and instruct us to comply with collection, deductions and remittance requests received from the relevant lender or financing provider (or its respective account bank or other service provider) on your behalf.

27. Specific terms relating to the invoicing service

You may only use the Invoicing Service in order to issue, manage and administer invoices in accordance with these Payment Terms and Conditions. Any invoice issued

through the use of the Invoicing Service may not exceed such limits that we apply from time to time and as further specified on our [Website](#).

The Invoicing Service enables you, when your customer chooses to pay by invoice, independently to collect information concerning your customers and to subsequently store and process such information about your customer to the extent necessary for you to issue, manage and administer invoices through the use of the Invoicing Service ("**Customer Information**"). Customer Information may include e-mail address, name, address, personal identification number (or equivalent), trade name, registration number, telephone number and information concerning the purchase.

When issuing an invoice through the Invoicing Service, your customer will receive an e-mail, which includes the invoice and a link to a website where your customer can pay the invoice online. When your customer has paid the invoice online by Card or by using any other online payment method made available by us in your jurisdiction in a correct manner, your customer shall be deemed to have fulfilled its payment obligation to you in relation to such invoice.

When using the Invoicing Service you agree that we are not responsible, for, will have no liability in respect of, and that you are solely responsible for a) issuing, managing and administrating the invoices generated through the use of the Invoicing Service in accordance with all applicable laws, rules and regulations and your privacy policy, b) the accuracy and completeness of your invoices, c) ensuring that your customers pay in accordance with the invoice issued through the use of the Invoicing Service, d) any payment instructions being incorrect, e) funds that, due to you providing incorrect information to us, have been transferred to a bank account that does not belong to you, and f) the recipient of the invoice having such technical installations, firewalls, domains, software etc. that makes it impossible to receive electronic messages, and g) d providing sufficient support, in the event such is required, to your customer concerning the invoices issued through the use of the Invoicing Service, about the products and/or services or equivalent provided by you, or in relation to other questions or circumstances that we are not responsible for.

You are responsible for, and warrant, to collect, store and process Customer Information in accordance with all applicable laws, rules and regulations and your privacy policy, which includes having the right, and having ensured to have an appropriate lawful basis in place, to be able to collect, store and process the Customer Information obtained through the use of the Invoicing Service. Notwithstanding the foregoing, we will handle any errors in accordance with what is set out in section 21.

28. Specific terms relating to the gift card service

The Zettle Gift Card Service provides you a platform where you can offer your customers gift cards to use in your physical store for your products and services and manage and administer the sale of gift cards. The Zettle Gift Card Service is integrated into your Zettle Account and enables you to sell, track and redeem gift cards in your physical store. The Zettle Gift Card Service does not include the supply of physical cards or other value certificates. Additional information about the Zettle Gift Card Service can be found on our [Website](#).

You are solely responsible for issuance and management of gift cards. We assume no liability to verify or otherwise control gift cards issued by you to customers, and you are solely responsible for providing accurate descriptions, information and content relating to gift cards issued by you under the Zettle Gift Card Service.

Gift cards issued by you must only be redeemable at your store(s) for goods and/or services provided by you at your premise(s).

Your issuance of gift cards via the Zettle Gift Card Service is subject to VAT. You acknowledge and understand that the Gift Card Service only supports multi-purpose vouchers meaning that any VAT due is only payable when the voucher is redeemed for goods or services.

You may not issue gift cards with a value in excess of 1,000 GBP (or its equivalent in foreign currency) or add value to a previously issued gift card so that the total funds loaded on a gift card in any single day exceed 1,000 GBP. Further, you may not issue more than 5,000 GBP in gift cards to any single person in any one day.

You may not issue gift cards through the Zettle Gift Card Service valid longer than thirty-six (36) months from the date of issuance.

You may not provide a cash refund on gift cards except to the extent required by law. You may not redeem a previously issued gift card with another gift card. Any liability for the use or misuse of your gift cards, and any third party claims arising from or relating to your gift cards, are your sole responsibility.

You may only accept payment of gift cards through such payment methods offered by us from time to time in your jurisdiction, such as Card payments or cash.

You are responsible for providing information to your customers about the terms in these Payment Terms and Conditions applying to issued gift cards, for example that you may not provide a cash refund, that amount thresholds apply and that there are only certain payment methods that are accepted. Further, you agree to inform your customers about the expiration date of the issued gift card as set out on the receipt you are liable to provide in accordance with section 11.

You are solely responsible for compliance with laws and regulations that apply to your gift cards. You are also responsible for providing customer services for buyers and holders of gift cards.

Your use of the Zettle Gift Card Service may mean that you are: a) issuing electronic money in the United Kingdom, which may require you to be authorised by, or registered with, the Financial Conduct Authority (FCA) as an electronic money institution (EMI) pursuant to the Electronic Money Regulations 2011 (EMRs); and/or b) providing payment services in the UK, which may require you to be authorised by, or registered with, the FCA as an EMI pursuant to the EMRs, with permission to carry out payment services; or as a payment institution (PI) pursuant to the Payment Services 2017 (PSRs).

Under the PSRs and EMRs, a person providing payment services or issuing electronic money without FCA authorisation or registration in reliance on the exclusion known as the “limited network exclusion” (LNE), must notify the FCA where the total value of the payment transactions executed through such services and/or made with the electronic money in any period of twelve months exceeds 1 000 000 euros (or its equivalent in foreign currency). You are solely liable to, and responsible for, reporting your activities to the FCA in accordance with the provisions of the PSRs or EMRs.

Subject to your compliance with these Payment Terms and Conditions, we consider that your use of the Zettle Gift Card Service falls within the LNE, i.e. that you are not deemed to be issuing electronic money under the EMRs or providing regulated payment services under the PSRs. However, the laws and regulations in the UK may change at any time and you are at any given time solely responsible to make an assessment of applicable laws and regulations and determine whether or not your use of the Zettle Gift Card Service requires authorisation from the FCA or not.