

# Service Description

This Service Description document contains service descriptions for products and services (the “**Service(s)**”) offered by Klarna. Pay now, Pay in X days/Pay later (depending on the country and hereafter referred to as “Pay in X days”), Financing/Slice it (depending on the country and hereafter referred to as “Financing”), Instalments and Klarna Checkout are collectively and individually referred to as the “**Payment Method(s)**”. This document may be updated from time to time by Klarna, in its sole discretion. By signing up to use the Services you as an applicant warrant that you are duly authorized to represent the signing entity.

## Pay now

Pay now allows customers to pay at the time of the purchase. The service enables customers to pay with a number of different payment methods, such as direct debit, debit/credit card, direct banking and Sofort. Pay now includes both payment methods provided by Klarna itself as well as payment methods provided by third parties (“**Third Party Payment Option Provider**”). Which payment method(s) that will be provided to the respective customer depends on the respective territorial offering as well as Klarna’s transactional assessment and is ultimately at Klarna’s sole discretion.

## *Restrictions and exceptions*

The service Pay now is only available to consumers (unless otherwise agreed), and the transaction limit will be based on transactional assessment.

## *Available countries*

Pay now will be available in countries specified on Klarna’s website; <https://www.klarna.com/international/availability/>

## *Applicable terms*

Specific terms and conditions for the service Pay now can be found below under “Specific Terms & Conditions for the Payment Method(s)” and “Cooperation with Third Party Payment Option Providers”.

General terms and conditions for all services provided by Klarna can be found below under “General Terms & Conditions”.

Applicable prices (“Service Charges”) and payment terms for the service Pay now can be found below under “Price List”.

## Pay in X days/Pay Later

Pay in X days offers interest-free deferred payments for customers who want to buy with the minimum of fuss and then pay later at their convenience. There’s no need for the consumer to provide lengthy personal details or card numbers to make a purchase.

Pay in X days gives customers full control and trust and can be seen as a ‘decide later’ option which lets customers enjoy the purchase and deal with how to pay at a later stage, confident they won’t have to pay for things they decide not to keep.

The standard offered credit time is 14 or 30 days depending on the market and is offered with no fees or interest to the consumer.

Pay in X days could also be offered with a longer credit time to the consumer for a fee.

#### *Restrictions and exceptions*

The service Pay in X days is only available to consumers (unless otherwise agreed), and the transaction limit will be based on transactional assessment.

#### *Available countries*

Pay in X days will be available in countries specified on Klarna's website; <https://www.klarna.com/international/availability/>

Pay in X days offered with a longer credit time to the consumer for a fee is currently available in the following markets: Sweden, Norway, Finland, Denmark and Germany.

#### *Applicable terms*

Specific terms and conditions for the service Pay in X days can be found below under "Specific Terms & Conditions for the Payment Method(s)".

General terms and conditions for all services provided by Klarna can be found below under "General Terms & Conditions".

Applicable prices ("Service Charges") and payment terms for the service Pay in X days can be found below under "Price List".

#### Financing/Slice it

Financing is a payment method which offers consumers to finance their purchases over time. The type of credit offered varies by market, account credit or fixed sum credit. In cases of account credit, consumers who do not yet have a Financing account can apply for one by placing a Financing purchase. The response is always instant.

Financing consists of a range of different instalment plans. The exact offer varies by market but also by purchase. Klarna optimises the offer based on the order amount to make sure the offer fits the occasion. When the purchase is finalised the merchant is paid in one chunk, regardless of how long the consumer takes to pay back.

#### *Restrictions and exceptions*

The service Financing is only available to consumers, and is dependent on the consumer's credit eligibility and affordability.

#### *Available countries*

Financing will be available in countries specified on Klarna's website; <https://www.klarna.com/international/availability/>

#### *Applicable terms*

Specific terms and conditions for the service Financing can be found below under “Specific Terms & Conditions for the Payment Method(s)”.

General terms and conditions for all services provided by Klarna can be found below under “General Terms & Conditions”.

Applicable prices (“Service Charges”)and payment terms for the service Financing can be found below under “Price List”.

#### Instalments (X interest-free instalments)

With Instalments, Klarna enables Customers to split the payment related to the purchase of Merchant’s goods or services into a number of substantially equal payments to Klarna (“Instalments”). The exact number of payments and amounts will be disclosed to the Customer at checkout. The first payment is charged to the Customer’s credit or debit card entered at checkout. Each subsequent payment is automatically charged by Klarna to the same credit or debit card the Customer entered initially.

#### *Restrictions and exceptions*

The service Instalments is only available to consumers, and is dependent on the consumer’s credit eligibility and affordability.

#### *Available countries*

Instalments will be available in countries specified on Klarna’s website; <https://www.klarna.com/international/availability/>

#### *Applicable terms*

Specific terms and conditions for the service Instalments can be found below under “Specific Terms & Conditions for the Payment Method(s)”.

General terms and conditions for all services provided by Klarna can be found below under “General Terms & Conditions”.

Applicable prices (“Service Charges”)and payment terms for the service Instalments can be found below under “Price List”.

#### Klarna Checkout

Klarna Checkout is Klarna’s checkout solution that allows merchants to give customers a personalised and smooth purchase experience. It includes a number of different payment options, both Klarna’s own Payment Methods as well as such provided by third parties. By providing harmonised presentations of payment and delivery options, coupon collection and up-selling, it lets merchants sell globally with a personalised purchase experience, using only one partner.

Klarna Checkout makes it possible for merchants to greet returning customers like regulars. The identification process lets customers make a purchase with a single click and with their preferred shipping and payment methods pre-selected. With Klarna Checkout identifying the customer and adjusting the experience to match their needs and preferences on any device, merchants can enjoy the real benefit of a smooth customer experience.

### *Restrictions and exceptions*

Klarna Checkout is only available to consumers (unless otherwise agreed), and available Payment Methods will be dependent on the customer's credit eligibility and affordability.

### *Available countries*

Klarna Checkout will be available in countries specified on Klarna's website; <https://www.klarna.com/international/availability/>

### *Applicable terms*

Specific terms and conditions for the service Klarna Checkout can be found below under "Specific Terms & Conditions for the Payment Method(s)" and "Cooperation with Third Party Payment Option Providers".

General terms and conditions for all services provided by Klarna can be found below under "General Terms & Conditions".

Applicable prices ("Service Charges") and payment terms for the service Klarna Checkout can be found below under "Price List".

### Business to Business transactions

Subject to the below stated requirements, Klarna will enable businesses/legal entities to use select Payment Methods to finalize purchases ("B2B Sales"). For the at all times current status of territorial limitations and select Payment Methods with regards to B2B Sales availability, please see:

<https://www.klarna.com/international/availability/>

The following terms and conditions specifically apply in relation to such B2B Sales transactions:

(a) The following two conditions need to be met by the merchant in order for the merchant to be able to use the Services for B2B Sales at the current standard pricing for the respective Payment Method;

i) calculated over a period of 90 days, the B2B Transaction Volume may not exceed fifteen per cent (15%) of the Total Transaction Volume. For the purpose hereof, "B2B Transaction Volume" shall mean the total monetary value of the B2B Sales via the Services in the Store whereas "Total Transaction Volume" shall mean the total monetary value of all and any sales via the Services in the Store; and

ii) the average order value of the B2B Sales may at no time exceed SEK ten thousand (10,000) (or its equivalent value in applicable currencies).

If the merchant breaches the above conditions, Klarna shall be allowed to adjust the applied Service Charges for said merchant.

(b) B2B Sales shall only be available for integrations under which Klarna sends payment instructions excluding VAT: To the extent the merchant offers cross-border B2B transactions and, in particular, intra-community supplies the following applies: it is the merchant's sole responsibility to ensure that all VAT laws and regulations are complied with and that the customer is provided with correct VAT invoices. This includes, but is not limited to, a responsibility for the merchant to collect customers VAT registration number and apply correct pricing in relation to B2B customers (e.g. that no VAT is added where the customer is identified as a taxable person in another EU member state). As further

set out in the GTC section 3.5 below, the merchant acknowledges and agrees that Klarna will not send any VAT invoices to the customer, but that this will be the responsibility of the merchant. The merchant shall indemnify and hold Klarna harmless against any damages, claims, losses or costs arising out of any non-fulfillment of the above requirements, any incorrect handling of VAT or any breach of any applicable VAT laws and regulations.

Latest update on 09 December 2019

# Specific Terms & Conditions for the Payment Method(s)

The specific terms and conditions set out below (the “**STC Agreement**”) constitutes an integral part of the online order form, and together with the online order form and its other appendices, general terms & conditions and service descriptions, is collectively referred to as the “**Agreement**”. Definitions and expressions used in the Agreement shall, unless specifically stated otherwise, have the same meaning in this STC Agreement.

This STC Agreement concerns checkout solutions for e-stores which consists of a technical solution, including transaction system, credit assessment, acquisition of customer receivable (factoring/debt collection), administrative functions such as customer support in relation to the e-stores or the customers usage of the Services. Each Payment Method constitutes a part of the Service.

## 1. Acquisition of Claims

In order to provide the Payment Method(s), Klarna grants the Merchant access to Klarna’s business transaction system (“**Klarna’s Order Handling System**”). Provided that a customer selects one of the Payment Methods in connection with purchases in the E-store or through other agreed purchase channels (such customer is hereinafter referred to as a “**Customer**”), a credit query for the Customer is sent to Klarna’s Order Handling System. Klarna will then perform an assessment of the Customer dependent on the chosen Payment Method. If the credit position of the Customer is acceptable to Klarna, Klarna agrees to allow the Customer to pay its purchases e.g. via invoice, instant payment or by way of a credit arrangement. A reservation for the respective amount is then made in Klarna’s Order Handling System. Klarna undertakes to acquire the Merchant’s claim against the Customer resulting from such purchase (the “**Claim**”) subject to the terms and conditions set out in this Agreement. Klarna acquires the Claim upon the Merchant’s activation of the Claim in Klarna’s Order Handling System which is to be made on the day on which the goods are shipped or on which the services are performed or as otherwise agreed between the Parties (“**Activation**”). The shipment of the goods/performance of the services is to be made as close to the date of the order as possible and within the timeframe communicated to the Customer during the order. Unless otherwise agreed, when using the Payment Methods, the Merchant is not entitled to offer delivery to a recipient other than the Customer or to a shipping address deviating from the billing address of the Customer. Upon acquisition of the Claim, Klarna pays to the Merchant a settlement, which equals the total value of the Claim minus the Service Charges and any returned Claims. The relation between the Customer and Klarna is regulated between Klarna and the Customer.

## 2. Klarna’s General Responsibilities

2.1 Klarna is responsible for all credit control, financing, administration and customer service in respect of the Payment Method(s). If the Merchant does not provide Klarna with detailed and up to date information on goods purchased, fees charged and/or goods returned/cancelled (“**Line Items**”), Klarna may refer such Customer questions to the Merchant. However, the Merchant is not allowed to share Line Item data with Klarna that classifies as special categories of personal data, such as information regarding ethnic origin, data concerning health or trade union membership, sexual preference or as otherwise

stated in Article 9 in EU regulation 2016/679 (the “**GDPR**”). In relation to acquired Claims, Klarna will handle the collection and any administration. In relation to acquired Claims, Klarna will handle the collection and any administration.

- 2.2 Klarna bears the credit risk and the fraud risk for the Claim, except for the cases listed in section 4 below. In cases where Klarna bears the fraud risk, Klarna will compensate the Merchant with the full amount of the Claim excluding VAT.
- 2.3 Klarna provides the terms and conditions and information to be disclosed by the Merchant regarding Klarna’s Payment Method(s) in relation to Customers before, in connection with and after the purchase (the “**Customer Terms and Information**”). Klarna may, at its own discretion, change the Customer Terms and Information and any other Customer related material (such as contracts, forms or information regarding the Payment Methods). Klarna ensures that Customer Terms and Information are in conformity with any applicable laws and regulations.
- 2.4 Klarna will, after having received an electronic notification thereof from the Merchant, send payment information and other payment related notices via E-mail to the Customers. Klarna decides in its own discretion on any information sent/contained on such payment information and other payment related notices.

## 3. Merchant’s General Responsibilities

- 3.1 The Merchant shall present and market the Payment Method(s) by displaying Klarna’s logotype and – in case of Klarna Checkout – as requested by Klarna, the logotypes of third party payment option providers (“**Third Party Payment Option Provider**”) from the landing page and onwards in the E-store. In relation to other marketing activities which include a reference to Klarna or the Payment Method(s), the Merchant shall coordinate such activities with Klarna in advance by contacting Klarna at [marketing@klarna.com](mailto:marketing@klarna.com). When marketing and using the Payment Method(s), the Merchant will observe and abide to any applicable laws and regulations and other provisions and guidelines issued by any public authority.
- 3.2 The Merchant undertakes to follow the instructions of Klarna regarding the integration of the Payment Methods (e.g. in Klarna’s integration guidelines which can be found under <https://developers.klarna.com/en>, the “**Integration Guidelines**”) and ensures that it at all times maintains the technical requirements needed on its part to enable the use of the Payment Method(s).
- 3.3 The Merchant shall provide Klarna with information that Klarna needs in order to provide the Payment Method(s) e.g. information needed by Klarna in order to identify the Customer.
- 3.4 The Merchant shall provide the Customer with the Customer Terms and Information and ensures that the Customer confirms that these are accepted. Details are described in the Integration Guidelines. Furthermore, the Merchant is obliged to display the address of its permanent establishment, its privacy policy in the E-Store and an active customer service E-mail address and a customer service telephone number in the E-Store.
- 3.5 The Merchant is aware that the Payment Method(s) in relation to Customers do not cover the send-out of invoices that meet all VAT specifications required under applicable VAT law (“**Customer VAT Invoices**”) as this is normally not required in a B2C transaction. In case the send-out of Customer VAT Invoices is required under applicable law, or if a Customer requests a Customer VAT Invoice, the Merchant will provide such invoice to the Customer. Such Customer VAT Invoices sent by the Merchant shall refer to Klarna as payee, and must not contain any bank details of the Merchant. If the content of the Customer VAT Invoices leads to increased numbers of Customer complaints (e.g. due to Customers paying to the Merchant’s bank account or using incorrect reference numbers), the

Merchant will, in cooperation with Klarna, adjust the content of the Customer VAT Invoices in order to mitigate such problems.

- 3.6 The Merchant has to ensure compliance with the Access Management Requirements (available under [https://cdn.klarna.com/1.0/shared/content/policy/access\\_management/en\\_gb/requirements.pdf](https://cdn.klarna.com/1.0/shared/content/policy/access_management/en_gb/requirements.pdf)) in relation to the Merchant's unique log-in details to Klarna's Order Handling System. The Merchant is responsible for any actions taken when the log-in details are used. The Merchant is not entitled to use the reservation option in Klarna's Order Handling System solely for credit checks without having the intention of subsequently transferring the Claim to Klarna.

- 3.7 The Merchant warrants that Klarna has the sole right to receive payment in respect of a Claim, and warrants that it will not carry out any action which may limit or impair such right in accordance with any applicable laws. The Merchant warrants that it has and at all times shall maintain and uphold all necessary permits, insurances and licenses required for its business, its business operations and business activities. If Klarna so requests, the Merchant shall, without undue delay, provide Klarna with any documentation or other information verifying that the Merchant upholds valid permits and licenses. Further, the Merchant warrants that all Claims are connected to purchases which are permitted under and in compliance with all applicable laws. Klarna has the right to suspend the provision of the Services at any time if there is reason to assume the provision of the Services, the Services as such or the Merchant's activities could be deemed illegal, unethical or in any other way non-compliant with any applicable rule or regulation.

3.8 To the extent the Merchant engages sub-merchants that will deliver the goods to the Customers, the Merchant is fully liable for all sub-merchants and for the sub-merchants' fulfilment of its obligations in relation to Customers. The Parties acknowledge and agree that Klarna may itself, or may require the Merchant to, at any time (e.g. due to a sub-merchant's non-compliance with applicable laws or Klarna's instructions) block or in any other way terminate the provision of its Services in relation to purchases via a specific sub-merchant. The Merchant may not grant any sub-merchant access to the Merchant Portal.

#### 4. Claim Returns

- 4.1 Klarna has the right to return Claims to the Merchant as per the following, and thereby also has the right to be refunded:

- (a) if claims where delivery of the goods or services have not been carried out at all, has been unreasonably delayed or has been carried out to an address other than the one approved by Klarna at the time of the respective purchase or thereafter;
- (b) if the Customer has a right to set off on account of counterclaim against the Merchant or has a right to discounts or other deductions;
- (c) if there is a dispute or contestation between the Merchant and the Customer regarding the Claim and such dispute or contestation is not based on a mere unwillingness or inability to pay (a dispute may be e.g. when the goods or services are alleged to be faulty or not delivered in full);
- (d) if it concerns claims which relate to a natural or legal person who may reasonably be considered to share a financial interest with the Merchant, including, but not limited to, a company affiliated to the Merchant, owners or an employee of the Merchant and/or such affiliated company (this sub-section (d) merely applies if the Merchant has less than thirty (30) employees);
- (e) if it concerns claims in relation to which a Customer acquires cash (e.g. currency exchange), checks or other money orders;
- (f) if claims where the Merchant or the Customer in connection with the placement of the order has not provided Klarna with the Customer's IP-address, complete goods list, telephone number and E-mail address. For Klarna Checkout this does not apply as long as the Merchant has integrated Klarna Checkout as requested by Klarna. In case the Merchant integrates the Service(s) via an iframe provided by Klarna, this does not apply with

regard to the Customer's IP-address as far as the Merchant has integrated the iframe as requested by Klarna.

- (g) if it concerns claims where the Merchant has not complied with Klarna's from time to time applicable Shipping Policy, as well as Claims relating to goods/services which cannot be delivered in accordance with such Shipping Policy (e.g. digital downloads). This merely applies where the Customer insists not having made the order or insists not having received the goods, or if it is otherwise unclear who has received the goods/services. The Shipping Policy will be provided upon request or can be found at <https://klarna.com/shipping-policies> ("Shipping Policy");
- (h) if it concerns claims where the Merchant does not meet the requirements under section 5 and 6 below, or where the Merchant in connection with invoicing, Activation or otherwise breaches the Agreement;
- (i) if it concerns claims where the Customer has used its lawful right to regret/cancel its purchase and/or its agreement with Klarna, or where the Merchant has extended to the Customer a right to return the goods or services in excess of what is stipulated in applicable mandatory laws; and/or
- (j) if it concerns claims in relation to which the Merchant is imposing terms and conditions in relation to Customers which deviate from the terms and conditions provided by Klarna or if the Merchant has agreed terms with the Customer that deviate from what has been communicated with Klarna.

- 4.2 In the event of return of a Claim, loss of interest or other costs may arise, for which Klarna has the right to compensation. Currently Klarna charges the Merchant for Claims in reminder status SEK 10, for Claims in debt collection status SEK 50 and for Claims in bailiff status SEK 300. Klarna may also be entitled to compensation under other provisions of this Agreement. In the event of a return, Klarna retains the Service Charges. If Klarna at the time of the return already has received payment for the Claim from the Customer or a third party, Klarna is entitled to repay those amounts to them.

#### 5. Responsibilities of the Parties in relation to Claims

- 5.1 The Merchant may not without Klarna's written consent enter into an agreement or arrangement with any third party regarding the purchase, pledging or payment of Claims, nor any other arrangement which restricts the right to transfer the Claims. The Merchant may not conclude agreements with Customers in other countries than those contractually agreed or in other currencies than those that apply to the respective countries.
- 5.2 If payment is made directly by the Customer or a third party to the Merchant, this shall immediately be registered in Klarna's Order Handling System or be communicated to Klarna in any other appropriate way. The Merchant has to immediately transfer the amount to Klarna and specify what the payment refers to. Alternatively, the Merchant's debt to Klarna may be settled by a retransfer of the Claim.
- 5.3 After acquisition of a Claim by Klarna, the Merchant may only agree to such arrangements with the Customer which can be registered in Klarna's Order Handling System or through the agreed upon integration setup used by the Merchant. The Merchant has to inform Klarna immediately if the Merchant has agreed with the Customer on a return of goods/service or a reduction of the purchase price, or if the Customer has used its return/revocation rights provided by law. A reservation shall be cancelled immediately if the goods or services are unavailable.
- 5.4 The Merchant shall answer Klarna's questions regarding Claims without undue delay. The Parties shall in particular inform each other if a Customer disputes the obligation to settle the Claim. The Merchant undertakes to handle complaints promptly and correctly. The Merchant has to inform Klarna if a complaint has not been solved within one (1) month after receipt.
- 5.5 In relation to Klarna Checkout, the Merchant is not entitled to impose any fees or otherwise a higher price for goods or services on the basis that the purchase is made through Klarna Checkout, or, to act discriminatory towards Klarna in any other way. Unless otherwise agreed, this also applies to any other transaction where a Customer has chosen any of the Service(s) without the use of Klarna Checkout.

- 5.6 The Merchant is responsible for the fulfillment of its obligations under its contractual relationship with the Customer and/or under any applicable law. The Merchant is not entitled to use the Payment Method(s) in relation to transactions which are deemed illegal under any applicable law or which violate Klarna's from time to time applicable ethical instructions ([https://cdn.klarna.com/1.0/shared/content/policy/ethic/en\\_gb/merchant.pdf](https://cdn.klarna.com/1.0/shared/content/policy/ethic/en_gb/merchant.pdf), the "Ethical Instructions"), or – in case of Klarna Checkout – any Third Party Payment Option Provider Instructions.
- 5.7 The Parties agree that together with the Claim also all securities related to the Claim shall be transferred to Klarna, such as for example any retention of title in the goods delivered. In case of a retransfer of a Claim, any such transferred security will also be retransferred.
- 6. Specific conditions concerning purchases and handout of goods in physical stores**

Unless otherwise agreed with Klarna, the Merchant is not entitled to use the Payment Methods for the sale of goods in physical stores. The Merchant is neither entitled to accept the return of goods in its physical store(s). Goods purchased via the Payment Methods can be handed out to Customers in physical stores of the Merchant provided that the Merchant follows the instructions provided in Klarna's shipping policy for the respective country. Klarna further reserves the right to restrict the usage of the Payment Methods with regards to recurring payments and/or implement technical or other requirements with regard to the usage thereof.

**7. Credit limit**

Klarna will at its own discretion set a credit limit for each Customer. Klarna reserves the right to change such credit limit at any time.

**8. Module Support**

Klarna aims to support all modules and API's that the Merchant uses to connect to Klarna's Order Handling System. However, as technology progresses, Klarna reserves the right to decide in its sole discretion which modules and API's to support. If Klarna at some point cancels support of a certain module or API, Klarna will first provide a notice of one (1) year. Information on which modules and API's Klarna supports can be found at <http://developers.klarna.com/en>.

**9. Duty to inform**

For, inter alia, anti-money laundering ("AML") purposes, the Merchant shall immediately inform Klarna:

- (a) regarding circumstances concerning the Merchant and its owner, which may be of significant importance for assessment of the Merchant's financial status;
- (b) about changes relating to the Merchants address, its management, its board or AML relevant changes to the ownership structure;
- (c) if there are any material changes with regard to the type of products or services offered by the Merchant or if the name under which the Merchant conducts its business is changed; or
- (d) if there are any other material changes relating to the Merchant or its activities.

**10. Termination**

- 10.1 This Agreement shall enter into force upon acceptance by the Merchant and shall remain in force until terminated by the Merchant upon written notice with immediate effect, and if terminated by Klarna with one month written notice.
- 10.2 Each Party has the right to terminate the Agreement with immediate effect if:
- (a) the other Party materially breaches any provision of the Agreement;

- (b) the other Party repeatedly or continuously fails to meet its obligations under the Agreement and does not upon the other Party's request remedy such failure within the time frame given by such other Party;
- (c) the other Party has provided incorrect or misleading information, or has concealed circumstances of importance; or
- (d) the other Party's financial situation is significantly deteriorated.

10.3 In addition, Klarna has the right to terminate the Agreement if:

- (e) the Merchant offers services or goods that violate Klarna's from time to time applicable Ethical Instructions; or
- (f) Klarna suspects a breach of the Agreement, and the Merchant does not, without undue delay, provide such reasonably requested information that is of importance in order to determine whether the Merchant has breached the Agreement.

10.4 In case Klarna terminates this Agreement under this section 10, Klarna has the right to, after deduction of the Service Charges or any other charges which Klarna is entitled to claim under the Agreement, return to the Merchant all unsettled Claims that have been acquired and to claim a refund.

10.5 The Merchant is aware and accepts that the Payment Method(s) and payment options included in Klarna Checkout or in an IFrame may change from time to time and that Klarna may remove single payment options at any point in time, e.g. due to a request of a Third Party Payment Option Provider.

**11. Right to retain payments/ Set-off**

- 11.1 In the event of termination by one of the Parties, Klarna reserves the right to retain further payments to the Merchant and instead undertake a final account and payout after Klarna has checked the status of the outstanding Claims and the deadline for returns has passed.
- 11.2 Klarna may temporarily retain payments corresponding to the amount of damages/increased risks which might be incurred by Klarna if the Merchant materially or, after a warning, repeatedly fails to meet its obligations. The same applies if the Merchant's sales through Klarna show a significantly elevated level of returns or complaints in comparison to the Merchant's historic figures. Prior to withholding funds in accordance with this sub-section 11.2, Klarna undertakes to inform the Merchant as to the reason why funds will be withheld.
- 11.3 Klarna may temporarily retain payments corresponding to the amount of damages/ increased risks if Klarna reasonably suspects that the Merchant's financial situation has deteriorated significantly. Klarna may retain such payments until the Parties have agreed on a solution to mitigate the risk or until the Merchant has provided adequate proof of a sound financial situation. In connection with withholding funds in accordance with this sub-section 11.3 Klarna undertakes to inform the Merchant as to the reason why funds will be withheld.
- 11.4 Klarna may, in its own discretion, offset any amounts owed to the Merchant against any claims Klarna may have against the Merchant.

**12 Liability**

- 12.1 If a Party does not fulfill its obligations under this Agreement, the other Party shall be entitled to claim damages. Each Party's annual liability to pay any compensation or similar under this Agreement is limited to the greater of (i) an amount corresponding to the Service Charges paid or payable by the Merchant to Klarna in the twelve (12) months immediately preceding any claim or (ii) EUR 5,000. Neither Party is liable for unforeseeable damages or damages atypical for the Agreement, and particularly not for indirect or consequential damages.
- 12.2 Notwithstanding the above, the Merchant has to fully indemnify Klarna from and against any losses, claims or damages (including, but not limited to, fines and penalties) arising out of the failure to fulfill its information obligations in relation to the Customers. Additionally, the Merchant's liability in relation to any amounts or claims relating to a return of a Claim under section 4



or 10 shall not be subject to the above stated limitation of liability.

- 12.3 In relation to Klarna Checkout, the Merchant also has to fully indemnify Klarna from any fines, penalties or any other claims imposed by a Third Party Payment Option Provider due to (i) circumstances which form a breach of this Agreement (e.g. the failure to comply with the Third Party Payment Option Provider Instructions), or (ii) a significantly elevated chargeback level compared to average market levels.

### 13 Data protection – Controller of Personal Data

#### 13.1 Handling of Customer data

The Parties agree and acknowledge that they will both be independently acting as data controllers in respect of personal data processed by them respectively pursuant to the Agreement, and that Klarna will be data controller in respect of any data received from Customers. Both Parties agree to comply with applicable privacy laws in respect of personal data processed pursuant to the Agreement. If, and to the extent that, a Party processes personal data on behalf of the other, the Parties shall in good faith discuss and agree upon a separate data processing agreement.

#### 13.2 Handling of Merchant contact data

Klarna will electronically process personal data pertaining to the contact persons of the Merchant, such as contact information, in order to provide the Merchant with the Payment Method(s) and to administer the business relationship with the Merchant. The data may also be used for statistical analysis and business reporting purposes, during fraud investigations and to comply with applicable laws and regulations. Klarna may disclose the information to other companies within the Klarna group, which may also use the information for the purposes described herein. The data may be transferred outside the EU/EEA area to states that do not have the same level of protection of personal data. Klarna is committed to protecting personal data and will put in place adequate safeguards in order to protect the data. Registered persons have upon written request the right of access to the data related to them. They also have the right to rectify such data. Further information may be obtained by contacting the controller of the data at [dataprotectionofficer@klarna.com](mailto:dataprotectionofficer@klarna.com) or at the registered address stated above.

#### 13.3 Handling of Merchant contact data for marketing purposes

Klarna may use Merchant contact data in order to send Newsletters, to conduct product surveys, to advertise similar products or services of Klarna and for event invitations. Klarna is entitled to submit data of the Merchant including its contact persons to companies within the Klarna Group which are entitled to use the data for the purpose described above, to the extent permitted by law. The recipient of such advertising can opt out from receiving further marketing communication by contacting [dataprotectionofficer@klarna.com](mailto:dataprotectionofficer@klarna.com). BY PROVIDING PERSONAL DATA ABOUT OTHER PERSONS THE MERCHANT CONFIRMS THAT IT HAS CONSENT TO DISCLOSE SUCH DATA AND FOR THE DATA TO BE USED FOR THE PURPOSES AND IN THE WAYS DESCRIBED IN 13.2 AND 13.3.

### 14 Exclusivity

- 14.1 In relation to the provision of single payment methods (*even if provided via an iframe*):

In relation to all sales to customers in the E-store and other agreed purchase channels against invoice, credit arrangement or any other service similar to the Payment Method(s) agreed with Klarna, the Merchant will exclusively offer the Payment Method(s) agreed with Klarna. Example: In case this Agreement merely covers provision of Invoice, –the Merchant is not entitled to offer invoice via any other provider or on its own, but is allowed to offer a service similar to Part Payment and other payment options via external providers or on its own.

- 14.2 In relation to the provision of Klarna Checkout:

The Merchant undertakes to ensure that all its sales via the E-store or any other purchase channel agreed between the Parties are made through Klarna Checkout. Notwithstanding the foregoing, the Merchant is allowed to carry backup/ failover solutions.

Latest update on 11 December 2018

# General Terms & Conditions

The general terms and conditions set out below (the “**GTC Agreement**”) constitutes an integral part of the online order form, and together with the online order form and its other appendices, specific terms & conditions and service descriptions, is collectively referred to as the “**Agreement**”. Definitions and expressions used in the Agreement shall, unless specifically stated otherwise, have the same meaning in this GTC Agreement.

## 1. Force majeure

If the Parties are prevented from fulfilling their obligations under this Agreement due to circumstances which the Parties have no control over - e.g. lightning strike, fire, changed legal provisions or regulations provided by authorities, intervention by authorities, strike, communication or transport disruptions, changes in exchange rates or natural disasters - the Parties shall be released from its liabilities until the circumstance given rise to the Parties' inability to fulfill their respective obligations no longer exists. This section 1 shall be viewed in the light of Klarna having a redundant system with geographically dispersed server sites. If a Party is prevented to fulfill its obligation for a longer period than 30 days due to any such circumstance mentioned above, the Parties shall have the right, without being liable to pay compensation, to terminate the Agreement with immediate effect.

## 2. Communication

Notice of termination or any other correspondence under this Agreement shall be made in writing by letter, fax or E-mail to the contact details provided in the merchant portal.

## 3. Amendments to the Agreement

Amendments to this Agreement require written form (letter, fax or E-mail). Klarna is entitled to unilaterally change any conditions of this Agreement, provided that Klarna notifies the Merchant of the changes. In such cases, and if the Merchant is unwilling to accept the new terms, the Merchant is entitled to terminate the Agreement with immediate effect.

## 4. Transfers

Neither Party may transfer its rights and obligations under the Agreement without the other Party's prior written consent. Notwithstanding the foregoing, Klarna has the right to transfer, pledge or in any other way dispose over the Claims without the Merchant's consent. Klarna is entitled to engage subcontractors in order to provide its Services.

## 5. Confidentiality

5.1 The Parties undertake, during the term of this Agreement and for a period of two (2) years thereafter, not to disclose Confidential Information to any third party without the other Party's written consent. "Confidential Information" means any information, in whatever form, disclosed or provided by one Party to the other party (the “**Receiving Party**”) in the context of this Agreement. Non-confidential information means any information which;

- (a) Is or becomes generally available to the public other than as the result of a disclosure by the Receiving Party;
- (b) the Receiving Party can show that it already had in its possession before it was received;
- (c) information which the Receiving Party is obliged to provide in accordance with any applicable laws, court order or decision by a governmental authority; or
- (d) information which the Receiving Party has received from a third party without being bound by confidentiality in relation to it.

5.2 For the avoidance of doubt, Confidential Information also refers to third party information of technical, commercial or other nature unless there are objective and reasonable grounds to assume that such information is non-confidential. This provision applies to any information relating to third parties that the Merchant obtains when using Klarna's Order Handling System or when communicating with Klarna, and where it is clear that the dissemination of the above mentioned information is not desired by third parties. Klarna is entitled to share Confidential Information with subcontractors, external advisors and other companies within the Klarna group provided that such parties are subject to confidentiality obligations corresponding to those under this Agreement.

## 6. IP rights and know-how

Klarna retains all ownership and intellectual property rights to anything developed by Klarna and provided to or accessed by the Merchant under the Agreement. The Merchant's use of Third Party Payment Option Providers' trademarks, whether registered or not, does not entail any transfer of ownership, rights or copyrights. After termination of the Agreement or the removal of a certain payment method, the Merchant undertakes to immediately remove all respective logotypes and similar of Klarna and/or of any Third Party Payment Option Provider specifically relating to such payment method. This does not apply if the Third Party Payment Option Provider entitles the Merchant to continue the use of its logotypes. Klarna is entitled to refer to the Merchant as user of the Services in marketing, sales or similar material.

## 7. Governing law and jurisdiction

This Agreement is governed by the laws of Sweden. Any dispute or controversy under or relating to this Agreement shall be settled by the District Court of Stockholm (Sw. Stockholms Tingsrätt) as first instance.

## 8. Severability clause

Should a provision of this Agreement become invalid or unenforceable, this will not affect the other provisions and the validity of this Agreement. Instead of the invalid or unenforceable provision, the Parties shall decide on a wording that comes as close as possible to the commercial meaning and purpose of such provision.

Latest update on 10 July 2018

# Cooperation with Third Party Payment Option Providers

The Payment Method(s) may contain payment options which are provided via external payment option providers and acquirers (such third parties being hereinafter referred to as the “**Third Party Payment Option Providers**”). A customer may choose a payment option provided via a Third Party Payment Option Provider (i) to pay directly in the checkout, or (ii) to settle the debt to Klarna at a later stage (together referred to as the “**Third Party Payment Options**”). A list of the acquirers Klarna co-operates with from time to time can be found [here](#) (“**Acquirer List**”).

With regard to Third Party Payment Options, the following applies:

- a) Unless specifically agreed otherwise, the Merchant will not be charged any additional fees for the provision of Third Party Payment Options.
- b) The Merchant is aware of and accepts that Klarna may at any time change or remove the Third Party Payment Options available to the Merchant, e.g. due to a request of a Third Party Payment Option Provider. Klarna may also change the acquirer used to process the Merchant's transactions from time to time and understands that Klarna may amend the Acquirer List from time to time. The Merchant accepts that a Third Party Payment Option Provider may terminate the Agreement in relation to a specific Third Party Payment Option provided by a specific acquirer in relation to the Merchant at any time.
- c) Third Party Payment Option Providers may issue rules and/or instructions which the Merchant has to comply with (the “**Third Party Payment Option Provider Rules or Instructions**”). In case of conflict between this Agreement and such Third Party Payment Option Provider Rules or Instructions, the Third Party Payment Option Provider Rules or Instructions will prevail. Links to such Third Party Payment Option Provider Rules or Instructions can be found in the Acquirer List. Klarna will inform the Merchant of any other Third Party Payment Option Provider Rules or Instructions issued from time to time. Klarna is responsible for the fulfilment of the Third Party Payment Option Provider Rules or Instructions insofar as the respective aspect of the Third Party Payment Option is handled solely by Klarna.
- d) Klarna undertakes at all times to be Payment Card Industry Data Security Standard (“**PCI DSS**”) validated. The Merchant undertakes at all times to be compliant with the rules of PCI DSS applicable from time to time. As long as the Merchant uses the Services in a compliant way, Klarna will be responsible for the security of cardholder data that Klarna possesses or otherwise stores, processes, or transmits when providing the Services. If the Merchant stores Customer card account numbers, expiration dates, and other personal Customer data in a database, the Merchant must adhere to any Third Party Payment Option Providers' rules and guidelines on securing such data, any applicable law as well as the standards of the Payment Card Industry Security Standards Council (or its replacement body or successor) in force from time to time and applicable to Merchant's business (currently set out at: <https://www.pcisecuritystandards.org/>). The Merchant acknowledges and agrees that it will bear all costs for ensuring compliance hereunder and is solely responsible for any fines, costs or charges arising from non-compliance or where data held by it is used for fraudulent or unauthorized purposes. Klarna may ask for evidence that Merchant uses the Services in a compliant way and/or is PCI DSS compliant (e.g. in the form of the applicable self-assessment form prescribed by the PCI council).
- e) The Merchant has to ensure that the following information is displayed in the E-store: (i) from the landing page and onwards: the logotype of the Third Party Payment Option Provider; (ii) during the order process on the pages leading up to and including the payment page: the registered name and any trading name of the Merchant used in connection with the transaction, the address of its permanent establishment and a complete description of the goods or services offered; (iii) before the order is completed: a reference to the privacy policy and the terms and conditions of the Merchant (including information on length of any trial period, delivery policy, return, cancellation policies and split shipment of goods) and, if any, information on legal and export restrictions; (iv) an active customer service E-mail address and a customer service telephone number. Klarna may instruct the Merchant on how such information is to be displayed.
- f) In addition to the circumstances listed in the section “Duty to inform” of the GTC, the Merchant shall immediately inform Klarna about changes to the Merchant's (i) address; (ii) country of permanent residence; (iii) registered office; (iv) trading name under which the business is conducted; (v) E-store website address.
- g) The Merchant's use of Third Party Payment Option Providers' trademarks and logos, whether registered or not, does not entail any transfer of ownership, rights or copyrights. After termination of the Agreement, the removal of a certain Third Party Payment Option, or at the request of a Third Party Payment Option Provider, the Merchant undertakes to immediately remove all logotypes and similar of any such Third Party Payment Option Provider and Third Party Payment Option. This does not apply if the Third Party Payment Option Provider entitles the Merchant to continue the use of its logotypes.
- h) In relation to marketing activities which include a reference to the Third Party Payment Option or a Third Party Payment Option Provider, the Merchant shall coordinate such activities with Klarna in advance by contacting Klarna at [marketing@klarna.com](mailto:marketing@klarna.com). Such marketing activities require Klarna's prior approval. The Merchant will not indicate that a Third Party Payment Option Provider endorses or states eligibility for any goods or services sold by the Merchant. The Merchant further undertakes that it will not do anything which could be disreputable or otherwise capable of damaging the reputation or goodwill of any Third Party Payment Option Provider.
- i) When using and marketing the Third Party Payment Options, the Merchant will observe and abide by any applicable laws and regulations and other provisions and guidelines issued by any responsible public authority. The Merchant is not entitled to use the Services in relation to transactions which are deemed illegal or fraudulent under any applicable law, or which violate Klarna's from time to time applicable ethical instructions ([https://cdn.klarna.com/1.0/shared/content/policy/ethic/en\\_gb/merchant.pdf](https://cdn.klarna.com/1.0/shared/content/policy/ethic/en_gb/merchant.pdf)), the “**Ethical Instructions**”) or any Third Party Payment Option Provider Rules or Instructions.
- j) The Merchant may not use the Services to submit transactions (i) where the Merchant is not acting as seller of the respective goods or services, or (ii) transactions which the Merchant should reasonably know were not authorized by the Customer. Any refund or cancellation of a transaction is to be done via Klarna and via the Payment Option used by the Customer in connection with the original transaction.
- k) Klarna may share information regarding the Merchant with Third Party Payment Option Providers if this is necessary for the provision of the Services e.g. for due diligence or operational processes of the Third Party Payment Option Providers. Klarna may create specific accounts for the Merchant at Third Party Payment Option Providers. Any actions Klarna undertakes on behalf of the Merchant based on this provided empowerment may not create additional obligations or costs for the Merchant.
- l) The Merchant hereby consents to and authorizes the Third Party Payment Option Provider to store, use, share and release data, provided or generated pursuant to this Agreement to any person (i) for the purpose of processing the transaction; (ii) as required by applicable rules of Third Party Payment Option Providers or by applicable law; (iii) to assess financial and insurance risks arising in connection with this Agreement; (iv) to recover debt (to the extent such is not recoverable from Klarna) or in relation to the Merchant's insolvency; (v) in aggregated (anonymous and generalised) format to facilitate analysis and comparisons; (vi) to investigate, prevent and/or detect fraud or crime; or (vii) to mitigate information security risk, sector risk or credit risk.
- m) Klarna, any Third Party Payment Option Provider or their designees may conduct onsite audits for compliance purposes. The Merchant shall provide the information requested and necessary to complete such audit. Furthermore, the Merchant shall allow the Third Party Payment Option Providers such access to their premises and facilities, systems, data, information and material as may be necessary and shall permit them to take and retain copies of all such records to ascertain that the Merchant is performing its obligations hereunder and shall provide all

reasonable cooperation in relation to such audit. The Third Party Payment Option Provider may opt to utilize a third party to conduct such audit subject to (i) the Third Party Payment Option Provider issuing its appointment and authorization of such third party in writing and furnishing the Merchant with a copy thereof, and; (ii) such third party entering into a confidentiality agreement.

- n) The Merchant shall fully indemnify and hold Klarna harmless from any fines, penalties or any other claims imposed by a Third Party Payment Option Provider due to (i) circumstances which form a breach of this Agreement, especially but not limited to the failure to comply with this Appendix and the Third Party Payment Option Provider Rules or Instructions; or (ii) a significantly elevated chargeback level compared to average market levels.
- o) The Merchant shall fully indemnify and hold each relevant acquirer harmless from and against all losses, liabilities, damages and expenses such acquirer suffers or incurs arising as a result of, or in connection with: (i) any breach of any obligation or any misrepresentation by the Merchant; (ii) any breach by the Merchant of any Third Party Payment Option Provider Rules or Instructions; (iii) the Merchant's or its employees' negligence or wilful misconduct; (iv) transactions processed by a Third Party Payment Option Provider or otherwise arising from the Merchant's provision of goods and services to Customers (including without limitation any refunds or chargebacks); (v) any assessments or fines or arising out of any third party claims against a Third Party Payment Option Provider as a result of the Merchant's acts or omissions; (vi) any security breach, compromise or theft of transaction data held by the Merchant or on the Merchant's behalf; (vii) the Merchant's failure to comply with its PCI DSS obligations; or (ix) any allegation of fraud in connection with the Merchant's business. Notwithstanding the above, Klarna shall indemnify the Merchant from such claims imposed by a Third Party Payment Option Provider under (iv) where Klarna bears the credit and fraud risk for the Claim under the terms of this Agreement.
- p) The Merchant and Klarna acknowledge and agrees that the Third Party Payment Option Providers are entitled to directly enforce the terms of this Appendix of the Agreement ("**Cooperation with Third Party Payment Option Providers**") against the Merchant.

## Price List

This Price List includes applicable Service Charges for the Services offered by Klarna and payment terms with regards to settlement of acquired Claims.

Country	Pay Now		Pay in X days/ Pay Later		Financing / Slice It		Instalments		KCO	
	Fixed Fee	Variable Fee	Fixed Fee	Variable Fee	Fixed Fee	Variable Fee	Fixed Fee	Variable Fee	Fixed Fee	Variable Fee
SE	2.00kr	1.35%	5.90kr	2.79%	5.90kr	0.99%			3.50kr	2.79%
DK	2.00kr	1.35%	5.90kr	2.79%	5.90kr	0.99%				
NO			5.90kr	2.79%	5.90kr	0.99%			3.50kr	2.79%
FI	€0.20	1.35%	€0.59	2.79%	€0.59	0.99%			€0.35	2.79%
DE	€0.20	1.35%	€0.35	2.99%	€0.00	2.99%			€0.35	1.99%
AT	€0.20	1.35%	€0.35	2.99%	€0.00	2.99%			€0.35	1.99%
NL	€0.20	1.35%	€1.00	2.99%					€0.25	1.19%
UK			£0.20	3.40%			£0.20	5.40%	£0.20	2.49%
BE			€1.00	2.99%						
IT	€0.20	1.35%					€0.20	3.99%		
FR							€0.20	3.99%		
ES	€0.20	1.35%					€0.20	3.99%		
									Global	
									*3.50kr	2.79%

\*Local currency of merchant, otherwise 0,35€

Klarna pays to the Merchant, after deduction of Service Charges and other claims Klarna may charge under this Agreement, the amount of the acquired Claims once per week according to the following schedule: For Claims that Klarna acquires during week 1, the payment to the Merchant will be made week 4. For Claims that Klarna acquires during week 2, the payment to the Merchant will be made week 5, etc. The weekly period for which payments are made can differ from country to country. Payments are made to the bank account specified in the online order form. Each Party bears its own bank transfer costs (if any). No additional fees will be charged from the Merchant by Third Party Payment Option Providers for the respective Payment Method. Any Service Charges and other claims Klarna may have under this Agreement are quoted excluding VAT where VAT is applied (and calculated on the transaction amount including VAT).

Latest update on 04 June 2021