

PayPal Hosted Solution and eTerminal Agreement

Last Update: Jan 09, 2018

 [Print](#)  [Download PDF](#)

This PayPal Hosted Solution and eTerminal Agreement ("**Agreement**") is a contract between you, as the merchant (hereafter referred to as "you", "your" or the "Merchant") and PayPal (Europe) S.à r.l. et Cie, S.C.A. ("**we**", "**our**" or "**PayPal**"). You agree that any use by you of the Services shall constitute your acceptance of the Agreement.

This Agreement applies to your use of PayPal Hosted Solution and/or eTerminal (the "**Products**"). To proceed with obtaining the Product, you must read, agree with and accept all of the terms and conditions contained in this Agreement.

We may make Changes to this Agreement by giving notice of such Change by posting a revised version of this Agreement on the PayPal website(s). A Change will be made unilaterally by us and you will be deemed to have accepted the Change after you have received notice of it. We will give you 2 months' notice of any Change with the Change taking effect once the 2 month notice period has passed, except the 2 month notice period will not apply where a Change relates to the addition of a new service, extra functionality to the existing Service or any other change which we believe in our reasonable opinion to neither reduce your rights nor increase your responsibilities. In such instances, the change will be made without notice to you and shall be effective immediately upon giving notice of it.

If you do not accept any Change, you must close your Account following the account closure procedure set out in the User Agreement. If you do not object to a Change by closing your Account within the 2 month notice period, you will be deemed to have accepted it. While you may close your Account at any time and without charge, please note that you may still be liable to us after you terminate this Agreement for any liabilities you may have incurred and are responsible for prior to terminating this Agreement and please further note our rights under the User Agreement.

Please view [download and save](#) this policy.

1. Setting up and activating your Product

1. **Getting started.** To obtain and use your Product, you must first do all of the following:
 - a. Complete the online application process for your Product, open a PayPal Business Account (if you do not already have one), and follow the instructions set out in PayPal's online process to access and use your Product.
 - b. Integrate your Product into the payment process of your website, if your Product is PayPal Hosted Solution. You are not required to integrate your Product into the payment process of your website if you only access and use eTerminal. PayPal is not responsible for any problems that could occur by integrating your Product into your 'live' website. You are solely responsible for choosing, setting, integrating and customizing your Product and ensuring that it suits your needs.
 - c. Activate your Product by using it in a 'live' payment transaction for the first time.

If you chose to use PayPal Hosted Solution, you will automatically be given access to eTerminal. However, you can access and use eTerminal on its own.

2. **Credit report authorisation.** You agree to allow PayPal to obtain from a third party your credit history and financial information about your ability to perform your obligations under this Agreement in the manner set out in the PayPal Privacy Policy. PayPal will review your credit and other risk factors of your Account (reversals and chargebacks, customer complaints, claims etc.) on an ongoing basis. PayPal will store, use and disclose the information obtained in conformity with PayPal's Privacy Policy.
3. **Cancellation.** PayPal may decline your application for the Product(s) due to your credit history, PayPal history, or for any other reason in PayPal's discretion. You agree and acknowledge that we and/or our agents reserve the right in our sole discretion to reject your application and enrolment for the Product(s) and PayPal may limit your access to or use of the Product(s) without any further obligation to you.

2. Fees

1. **How fees are paid.** You agree to pay the fees in this Agreement as they become due without set-off or deduction. You authorise PayPal to (and PayPal may) collect Monthly Fees first from any available Balance in your Account and then also from the funding source(s) registered for your Account, and you authorise PayPal to (and PayPal may) collect fees for receiving payments from the payments you receive before those funds are credited to your account. If PayPal is unable to collect a past due fee from your Account and its funding source(s), we may take action against you as provided in the User Agreement for unpaid fees.

Except as further provided in this Agreement, you agree to pay the fees set out in the User Agreement.

Fees will be charged in the currency of the payment received.

See the Glossary at clause 2.6 for further reference.

2. **Monthly Fees**

Product	Monthly Fee
PayPal Hosted Solution	EUR 15.00
Virtual Terminal only	EUR 15.00

3. Transaction Fees for Standard PayPal Payments

If you receive the payment:	the PayPal Standard Rate fee is:	the PayPal Merchant Rate is as follows:	
		where the aggregate monetary amount of payments received in your PayPal Account in the previous calendar month is:	the PayPal Merchant Rate fee (subject to the further terms and conditions in this section 2.8) is:
as a Standard PayPal Payment	3.4% + Fixed Fee	€ 0.00 – € 2,500.00	3.4% + Fixed Fee
		€ 2,500.01 –€ 10,000.00	2.9% + Fixed Fee
		€ 10,000.01 – € 50,000.00	2.7% + Fixed Fee
		€ 50,000.01 –€ 100,000	2.4% + Fixed Fee
		Above € 100,000	1.9 % + Fixed Fee

4. Transaction Fees for Card Payments under the Blended Pricing Fee Structure

If you receive a payment:	the PayPal Standard Rate fee is:	the PayPal Merchant Rate is as follows:	
		where the aggregate monetary amount of payments received in your PayPal Account in the previous calendar month is:	the PayPal Merchant Rate fee (subject to the further terms and conditions in this section 2.8) is:

from a card (Visa or MasterCard) using the Online Card Payment Services	2.9% + Fixed Fee	€ 0.00 – € 2,500.00	2.9% + Fixed Fee
		€ 2,500.01 –€ 10,000.00	2.4% + Fixed Fee
		€ 10,000.01 – € 50,000.00	2.2% + Fixed Fee
		Above € 50,000.00	1.9% + Fixed Fee

5. Transaction Fees for Card Payments under the Interchange Plus Fee Structure

If you receive a payment:	the PayPal Standard Rate fee is:	the PayPal Merchant Rate is as follows:	
		where the aggregate monetary amount of payments received in your Account in the previous calendar month is:	the PayPal Merchant Rate fee (subject to the further terms and conditions in this section 2.8) is:
from a card (Visa or MasterCard) using the Online Card Payment Services	Interchange Fee (approximately ranges from 0.10% to 2.0%) + 2.5% + Fixed Fee	€ 0.00 – € 2,500.00	Interchange Fee (approximately ranges from 0.10% to 2.00%) + 2.5% + Fixed Fee
		€ 2,500.01 – € 10,000.00	Interchange Fee + 2.0% + Fixed Fee
		€ 10,000.01 – € 50,000.00	Interchange Fee + 1.8% + Fixed Fee
		Above € 50,000.00	Interchange Fee + 1.5% + Fixed Fee

6. Glossary

a. Interchange Fees are set by Visa and MasterCard. They approximately range from 0.10% to 2.00% and vary for different types of cards (for example by categories and brand). PayPal shall always charge you the Interchange Fee as set by Visa and MasterCard and as passed on by its Acquirer. Single Interchange fees may change from time to time. For more information on Interchange Fees, please see [MasterCard's](#) and [Visa's](#) websites as well as our [simplified overview](#).

b. Percentage-based fees (such as 3.4%) refer to an amount equal to that percentage of the payment amount.

c. Fixed Fees are based on the currency received, as follows:

Argentine Peso:	2.00 ARS	New Zealand Dollar:	\$0.45 NZD
Australian Dollar:	\$0.30 AUD	Norwegian Krone:	2.80 NOK
Brazilian Real:	0.60 BRL	Philippine Peso:	15.00 PHP
Canadian Dollar:	\$0.30 CAD	Polish Zloty:	1.35 PLN
Czech Koruna:	10.00 CZK	Russian Ruble	10.00 RUB
Euro:	€0.35 EUR	Singapore Dollar:	0.50 SGD
Danish Kroner:	2.60 DKK	Swedish Kronor:	3.25 SEK
Hong Kong Dollar:	\$2.35 HKD	Swiss Franc:	0.55 CHF
Hungarian Forint:	90 HUF	Taiwan New Dollar:	10.00 TWD
Israeli New Shekels:	1.20 ILS	Thai Baht:	11.00 THB
Japanese Yen:	¥40 JPY	Turkish Lira:	0.45 TRY
Malaysian Ringgit:	2 MYR	UK Pounds Sterling:	£0.20 GBP
Mexican Peso:	4.00 MXN	US Dollar:	\$0.30 USD

7. Blended Pricing or Interchange Plus Transaction Fees?

When you receive card payments using any of our Online Card Payment Services via Hosted Solution or Virtual Terminal:

1. the Blended Pricing fee structure shall apply until PayPal implements the Interchange Plus fee structure (which shall be by further notice of the same published by PayPal on a

date falling on or after 9 June 2016 on the Policy Updates page accessible via the Legal footer on most PayPal site pages) ("**Interchange Plus Launch**");

2. you may choose the fee structure applicable to you on or after Interchange Plus Launch, by the methods or procedures that PayPal may make available to you before and after Interchange Plus Launch. If you do not make an election, you will stay on your previous fee structure.

You may choose your fee structure for future transactions only, not for past transactions.

8. **Merchant Rate**

Merchant Rate applies only to Accounts with Merchant Rate status. Merchant Rate status is subject to eligibility, application and approval by PayPal. PayPal may evaluate applications on a case-by-case basis, including, without limitation, on the following criteria: qualifying monthly sales volume, size of average shopping cart and an Account in good standing.

9. **Additional Transaction Fee for Receiving Cross Border Payments**

The fee for Receiving Cross Border payment applies as outlined in the User Agreement, except that it does not apply to:

- payments received from **cards using the Online Card Payment Services under the Interchange Plus fee structure.**

2. **Monthly Reports on Transaction Costs.** PayPal shall make available monthly reports on transaction costs (inclusive of interchange fees) for card transactions which you process with PayPal Hosted Solution and eTerminal. These reports will be downloadable from your PayPal account. The reports do not include any Standard PayPal Payments.

3. Settlement of Card Payments within the Interchange Plus Fee Structure

You agree that, when PayPal receives a card payment for you, PayPal may hold those funds in your Reserve Account and you are thereby giving a Payment Order that instructs PayPal to pay those funds to your Payment Account only on the Business Day on which PayPal receives the information about the interchange fee applicable to the card payment, at which time the funds will then be made available to you in your Payment Account. While the funds are held in your Reserve Account, the transaction will appear to you as "Pending" in your Account details. PayPal does not consider that the proceeds of the card payment in your Reserve Account are at your disposal until PayPal has received the information on the applicable interchange fee from our Processor (which can be within the next Business Day following the day on which the card payment was initiated by the card holder).

4. Information Security

1. **Compliance with Data Security Schedule.** You agree (as a "Merchant") to comply with Schedule 1 below, which forms part of this Agreement.
2. **PCI DSS compliance.** You also agree to comply with the PCI Data Security Standard (PCI DSS) as they may apply to you in your specific circumstances. You must protect all Card Data that comes within your control according to PCI DSS, and you must design, maintain and operate your website and other systems in conformity with PCI DSS. PayPal is not responsible for any costs that you incur in complying with PCI DSS.
3. **Audit.** If PayPal receives an indication of a security breach involving your website or of a possible compromise of Card Data, PayPal may require you to have an independent third party auditor, approved by PayPal, conduct a security audit of your systems and facilities and issue a report. You agree to comply with PayPal's request under this clause at your own expense. You must provide a copy of the auditor's report to PayPal, and PayPal may provide copies of it to the banks (including without limitation, Acquiring Institutions) and Card Associations involved in processing card transactions for PayPal. If you do not initiate a security audit with 10 business days of PayPal's request, PayPal may conduct or obtain such an audit at your expense. PayPal may advise Shared Customers, if PayPal has reason to believe that a fraud or other illegitimate activity may be occurring or may have occurred, and if PayPal reasonably believes that the fraud or other illegitimate activity may affect those Shared Customers' Accounts.
4. **Security of Card Data.** Unless you receive and record the express consent of the cardholder:
 - a. You may not retain, track, monitor or store any Card Data, or use Card Data beyond the scope of the specific transaction for which Card Data was given, and
 - b. You must completely remove all Card Data from your systems, and any other place where you store Card Data, within 24 hours after you receive an authorization decision relevant to that Card Data.

If, with the cardholder's consent, you retain Card Data, you may do so only to the extent that the Card Data are necessary for processing your payment transactions. You must never give or disclose the retained Card Data to anyone, not even as part of the sale of your business.

Moreover, and regardless of anything to the contrary, you must never retain or disclose the CVV2 Data, not even with the cardholder's consent.

5. **Price and currency.** You may not submit payment transactions in which the amount is the result of dynamic currency conversion. This means that you may not list an item in one currency and then accept payment in a different currency. If you are accepting payments in more than one currency, you must separately list the price for each currency.

5. User Agreement

1. **User Agreement applies.** You acknowledge and agree that the User Agreement, and not this Agreement, is the "framework contract" between you and PayPal as defined in laws transposing the Second Payment Services Directive ((EU)2015/2366). The terms of the User Agreement also apply to you and are incorporated by reference into this Agreement. The definition of "Services" in the User Agreement shall be amended to include your Product, and the definition of "Agreement" shall include this Agreement. In case of any inconsistency between this Agreement and the User Agreement, this Agreement supersedes the User Agreement, but only to the extent of that inconsistency. The User Agreement includes important provisions which:
 - a. Permit PayPal to take a Reserve to secure your obligation to pay Chargebacks, Reversals and fees;
 - b. Obligate you to follow PayPal's Acceptable Use Policy in your use of PayPal;

- c. Give legal effect to PayPal's Privacy Policy, which governs our use and disclosure of your information and that of Shared Customers; and
 - d. Permit PayPal to restrict a payment or your PayPal Account in circumstances listed in the User Agreement.
- 2. **Failed payments and Product tools.** You are responsible for Chargebacks, Reversals and other invalidated payments as provided in the User Agreement (except as provided in clause 4.3 below) regardless of how you use and configure your Product, including its fraud filtering technology and similar preventive tools (if any). Those tools can be useful in detecting fraud and avoiding payment failures, but they do not affect your responsibility and liability pursuant to the User Agreement for Chargebacks, Reversals and payments which are otherwise invalidated.
- 3. **PayPal seller protection.** PayPal seller protection under this Agreement is available to:
 - a. Payment Recipients with registered PayPal Account(s) in Spain who receive PayPal and/or card payments from buyers making an eligible purchase via eBay (worldwide and everywhere PayPal is accepted); and
 - b. Payment Recipients with registered PayPal Account(s) in Spain who receive PayPal and/or card payments from buyers making eligible purchases outside of eBay.

For the sake of clarity, all other terms of the [User Agreement](#) relating to PayPal Seller Protection as defined in Article 11 of such [User Agreement](#) are fully applicable to You.

6. Software License

1. License. PayPal hereby grants to you a non-exclusive, non-transferable, revocable, non-sublicenseable, limited license to (a) use your Product in accordance with the documentation provided on the PayPal Website; and to (b) use the documentation provided by PayPal for your Product and reproduce it for internal use only within your business. Your Product as licensed is subject to change and will evolve along with the rest of the PayPal system; see clause 8(1). You must comply with the implementation and use requirements contained in all PayPal documentation and instructions accompanying the Product issued by PayPal from time to time (including, without limitation, any implementation and use requirements we impose on you to comply with applicable laws and card scheme rules and regulations).

2. ID codes. PayPal may provide you with certain identifying codes specific to you. Use of those codes may be necessary for the PayPal system to process instructions from you (or your website). You agree to follow reasonable safeguards advised by PayPal from time to time in order to protect the security of those identifying codes; see also Schedule 1. If you fail to protect the security of the codes as advised, you must notify PayPal as soon as possible, so that PayPal can cancel and re-issue the codes. PayPal may also cancel and re-issue the codes if it has reason to believe that their security has been compromised, and after notifying you whenever notice can reasonably be given.

3. No warranty. Your Product and all accompanying documentation are provided to you on an "as is" basis. Within the limits permitted by applicable law, PayPal does not give or offer any warranty, express or implied, by operation of law or otherwise, in relation to your Product, the licensed software or user documentation provided. Nothing provided by PayPal under this Agreement or otherwise for your Product has PayPal's authorization to include a warranty, and no obligation or liability will arise or grow out of

PayPal's rendering of technical, programming or other advice or service in connection with any Product, licensed software and user document provided (including, without limitation, services that may assist you with the customization of your Product). PayPal recommends that you test the implementation of your Product thoroughly as PayPal is not responsible for any loss caused by a defect in it.

7. Banking terms for Card Transactions

PayPal utilizes services from banking (including, without limitation, acquiring) partners in processing Card Transactions, including both direct payments to you from a card as well as Card Transactions that fund a PayPal payment to you. Schedule 2 below applies in relation to those services. In accepting this Agreement, you also accept the terms for Card Transactions in Schedule 2, the terms of which form part of this Agreement.

8. Termination and suspension

1. **By you.** You may terminate this Agreement by doing either of the following:
 - a. Cancelling your billing agreement in the Preferences section of your PayPal Account or giving 10 days notice to PayPal Customer Service on of your intent to terminate this Agreement. In the latter case, PayPal Customer Service will confirm termination via email. This option lets you stop using your Product and paying for it, but your PayPal Account remains open and its User Agreement remains in effect.
 - b. Closing the PayPal Account that you use with your Product (see the User Agreement for more information).
2. **By PayPal.** PayPal may terminate this Agreement by doing any of the following:
 - a. Giving you 2 months notice by email to your registered email address associated with your Account of PayPal's intent to terminate this Agreement. Unless otherwise notified, this option does not affect your User Agreement and your PayPal Account remains open.
 - b. Terminating the User Agreement that applies to the PayPal Account used with your Product.
3. **By events.** PayPal may terminate this Agreement immediately without notice if you:
 - a. Breach this Agreement or the User Agreement;
 - b. Become unable to pay or perform your obligations as they fall due;
 - c. Become subject to an *actio concursal*, after PayPal has sent to the administrator via a letter with acknowledgment of receipt a formal notice which remained unanswered, in accordance with applicable law;
 - d. A material adverse change occurs in your business, operations, or financial condition; or
 - e. You provide inaccurate information in applying for your Product or in your dealings with us.
4. **Effect of termination.** When this Agreement terminates, you must immediately stop using your Product, and PayPal may prevent or hinder you from using it after termination. If you nevertheless use a Product after termination of this Agreement, then this Agreement will continue to apply to your use of that Product until you give effect to the termination by stopping your use of that Product. The following clauses in this Agreement shall survive termination of this Agreement and continue in full force and effect: Clauses 2, 4(1) 8(2), 8(4). Termination of this agreement shall not affect any rights, remedies or obligations of the parties that have accrued or become due prior to termination and you will not be entitled to a refund of any Monthly Fee paid prior to termination.
5. **Breach and suspension.** If you breach this Agreement, the User Agreement, or a security requirement imposed by PCI DSS, PayPal may immediately suspend your use of your Product. PayPal may require you to take specified corrective actions to cure the breach and have the suspension lifted, although nothing in this Agreement precludes PayPal from pursuing any other

remedies it may have for breach. In addition, if PayPal reasonably suspects that you may be in breach of this Agreement or PCI DSS, PayPal may suspend your use of your Product pending further investigation.

9. Miscellaneous

1. **Future of the Products.** PayPal retains sole and absolute discretion in determining (a) the future course and development of the Products, (b) which improvements to make in them and when, and (c) whether and when defects are to be corrected and new features introduced. PayPal welcomes feedback from users in planning the future of the Products but is not required to act in accordance with any feedback received. In giving us feedback, you agree to claim no intellectual property interest in your feedback.
2. **Indemnity.** You agree to indemnify PayPal and keep PayPal fully indemnified on a continuing basis from any direct loss, damage and liability, and from any claim, demand or cost (including reasonable attorneys' fees) incurred in relation to any third party (including a Shared Customer) and arising out of your breach of this Agreement, the User Agreement and the documents incorporated in it by reference (including the Acceptable Use Policy), or the violation of any law.
3. **PayPal Hosted Solution and your intellectual property.** You hereby grant to PayPal a royalty-free, worldwide non-exclusive license to use your or any of your affiliates' names, images, logos, trademarks, service marks, and/or trade names as you may provide to PayPal when using the Products ("Your Marks") for the sole purpose of enabling your use of the Products (including, without limitation, the customization of your PayPal Hosted Solution). Title to and ownership of Your Marks and all goodwill arising from any use hereunder will remain with you. You represent and warrant that you have the authority to grant PayPal the right to use Your Marks and you shall indemnify PayPal and keep PayPal fully indemnified on a continuing basis from any claims or losses suffered by it arising from the use of Your Marks in connection with the Products.
4. **Assignment, amendment and waiver.** You may not assign this Agreement without first obtaining PayPal's written consent. PayPal may assign, novate or otherwise transfer this Agreement without your consent by notifying you. Neither party may amend this Agreement or waive any rights under it except in a written document signed by both parties.
5. **Spanish law and jurisdiction.** This Agreement is governed by Spanish law. The parties submit to the non-exclusive jurisdiction of the courts of Spain.

10. Definitions

Capitalized terms not listed in this clause are defined in the User Agreement.

Acquiring Institution: means a financial institution or bank that provides services to you to enable you to (a) accept payment by Cardholders using cards; and (b) receive value in respect of Card Transactions.

Card Association: A company or consortium of financial institutions which promulgates rules to govern Card Transactions that involve the card that carries the company's or the consortium's brand. Examples include Visa USA, Visa Europe, and the other Visa regions; MasterCard International Incorporated; American Express Company and similar organizations.

Card Data: All personal or financial information relevant to a Card Transaction, including information recorded on the card itself (whether in human-readable form or digitally).

Card Transaction: A payment made using a credit or debit card or any other payment method using a physical data-carrying item intended to be held in the payer's possession. The Products support only certain types of Card Transactions; see the PayPal Website for more information.

CVV2 Data: The three-digit number printed to the right of the card number in the signature panel area on the back of the card. (For American Express cards, the code is a four-digit unembossed number printed above the card number on the front of the American Express card.) The CVV2 Data are uniquely associated with each individual plastic card and ties the card account number to the plastic.

Direct Payments API: Functionality for performing credit and debit card transactions, where the card details are entered online by the cardholder.

eTerminal: Functionality provided by PayPal to enable you to receive a card payment by manually entering Card Data given you by the cardholder.

Online Card Payment Services: Functionality provided online by PayPal to enable merchants to receive payments directly from a payer's card (without the funds passing via the payer's PayPal Account), without the card being present at the website or other point of sale. Online Card Payment Services are integral to the Products such as Direct Payments API and Virtual Terminal.

PayPal Hosted Solution: The Direct Payments API integrated into the payment process of your website pursuant to clause 1.1.b by being hosted entirely on PayPal's server (rather than on your website).

PayPal Website: The website provided by PayPal for the country in which you reside. In the case of Spain, the PayPal Website is currently at <http://www.paypal.es>. References to PayPal Websites for other countries can be found via a link from any other PayPal Website.

Product(s): PayPal Hosted Solution and/or eTerminal. "your Product" means whichever one of the Products you access and use after accepting this Agreement.

Shared Customer: A person who both has a PayPal Account and is also your customer.

Standard PayPal Payments: All Payments which you receive from another PayPal account or payments via PayPal's Account Optional Service.

User Agreement: The contract entered into online as part of the online registration process required to open a PayPal Account. The current User Agreement is to be found via a link from the footer of nearly every page on the PayPal Website. It includes certain policies, notably the Acceptable Use Policy and Privacy Policy, which are also listed on the PayPal Website.

Schedule 1
Data Security

1. Merchant's Security Codes obligations

1. Merchant acknowledges and agrees that it is solely responsible for maintaining adequate security and control of any and all IDs, passwords or other security codes (collectively, the "Security Codes") that are issued to the Merchant by PayPal or the Acquiring Institution.
2. Merchant agrees to restrict use of, and access to, the Merchant's Security Codes to the Merchant's employees, agents or contractors as may be reasonably necessary to allow Merchant to use eTerminal and to ensure that such persons comply with the provisions set out in this Schedule or the other security advice provided to the Merchant by PayPal or the Acquiring Institution (as the case may be).

2. Merchant's obligations to comply with Data Security requirements

1. Merchant acknowledges and agrees that it is fully responsible for the security of data on its website or otherwise within its possession or control.
2. Merchant agrees to do the following with respect to its processing of its customers' personal identifiable information and the collection, security and dissemination of such data:
 - a. comply with all applicable laws and regulations, including, without limitation, the *Ley Orgánica 15/1999, de 13 de diciembre*, de Protección de *Datos de Carácter Personal* or any statutory modification or re-enactment thereof for the time being in force (the "LOPD") and the guidance issued by the *Agencia Española de Protección de Datos*;
 - b. comply with the applicable obligations, rules and guidelines issued by Visa USA, Europe, Asia Pacific, Canada and all Visa regions, Mastercard International Incorporated or other applicable card associations (the "Associations" and the "Association Rules"), including, without limitation, the Visa Cardholder Information Security Program (CISP), Visa Account Information Security Program (AISP), the Mastercard Site Data Protection Program and the Payment Card Industry Data Security Standard ("PCI DSS"). Further information can be found by visiting the following URLs: <http://www.visabrc.com> www.visabrc.com; <http://www.visaeurope.com/acceptingvisa/ais.html> www.visaeurope.com/acceptingvisa/ais.html and <https://sdp.mastercardintl.com> <https://sdp.mastercardintl.com> DSS include the requirements that the Merchant must, without limitation:
 - i. install and maintain a firewall configuration to protect data;
 - ii. not use vendor supplied defaults for system passwords and other security parameters;
 - iii. protect stored data;
 - iv. encrypt transmission of cardholder data and sensitive information across public networks;
 - v. use and regularly update anti-virus software;
 - vi. develop and maintain secure systems and applications;
 - vii. restrict access to data by business need-to-know;
 - viii. assign a unique ID to each person with computer access;
 - ix. Restrict physical access to cardholder data;
 - x. Track and monitor all access to network resources and cardholder data;
 - xi. regularly test security systems and procedures; and
 - xii. maintain a policy that addresses information security.

At PayPal's request, Merchant must provide PayPal with evidence to PayPal's satisfaction that it is in compliance with PCI DSS. Merchant acknowledges and agrees that nothing in this Agreement nor PayPal providing the Products shall constitute compliance by the Merchant to the PCI DSS whether via a third party "Qualified Security Assessor" and such compliance services are not provided under the scope of this Agreement. Merchant agrees to independently arrange evidence from a Qualified Security Assessor or otherwise to PayPal's satisfaction.

- c. undertake non penetrative scans (either quarterly or annually depending on the volume of Merchant's annual transactions as notified by either PayPal or the Acquiring Institution to Merchant) of Merchant's web accessible ports and an on site audit if Merchant processes six million Visa and/or MasterCard/Maestro transactions annually) which must be completed by a Qualified Security Assessor. For details of Visa and MasterCard Qualified Security Assessors log onto https://sdp.mastercardintl.com/vendors/vendor_list.shtml.
 - d. conspicuously display and follow a privacy policy which complies with the laws, regulations, rules and guidelines referred to in sub-paragraphs 2.2(a) and 2.2(b) and which is consistent with good business practice;
 - e. notify PayPal of any agent, including any web hosting service, gateway, shopping cart or other third party provider, that has access to cardholder data and ensure that such agent is compliant with PCI DSS and all current legal obligations associated with the collection, security and dissemination of data and the processing of personal information. Merchant shall be liable to PayPal for any and all damages, losses, costs, expenses and/or claims made to, or suffered by, PayPal as a result of a breach by such third parties obligations under this sub-paragraph;
 - f. provide PayPal with all information or access to records as needed by PayPal to ensure Merchant's compliance with this paragraph 3; and
 - g. notify PayPal immediately of any security breach to Merchant's records or system as it relates to the Merchant's access to, and/or utilization of the Products.
 3. Merchant agrees to not store any personal identification number data, AVS data or card validation codes (for example, the three digit values printed in the signature panel of most cards and the four digit code printed on the front of the American Express card) of any cardholder or any other payment method information of any cardholder (whether received electronically, verbally, by fax, hardcopy or otherwise) and will be liable for any fines associated with the breach of any relevant Association rule or guidance.
 4. Merchant acknowledges and agrees that if PayPal receives notice of a security breach or compromise of cardholder data in connection with the Merchant, Merchant will allow a third party forensic auditor certified by the Associations to conduct a security review of the Merchant's systems, controls and facilities and to issue a report to PayPal and the Associations. If Merchant fails to initiate such a process after PayPal's requesting it to do so, Merchant authorizes PayPal to take such action at the Merchant's expense.
 5. PayPal may immediately suspend Merchant's access to or use of the Products or terminate without notice the Agreement upon notice of the Merchant potentially breaching or breaching any provision set out in this paragraph 3.
 6. If PayPal suspends your access to or use of the Products, PayPal will set out in a notice to Merchant and explain the basis of PayPal's actions in suspending the Merchant, including measures reasonably calculated to rectify breach. PayPal's suspension of the Merchant's access or use of the Products will remain in effect and until such time as PayPal is satisfied that the Merchant has remedied the applicable breach(es).
- 3. PayPal's obligations to keep data secure**
1. When processing the personal data (as defined under the *LOPD*) of cardholders whose transaction data Merchant submits to PayPal, PayPal will only carry out processing on

the instructions of the Merchant, at all times, ensure, or procure that any third party processing data on our behalf ensures, that the security measures employed in respect of the storage, transmission or any other processing of such personal data:

- a. comply with obligations equivalent to those imposed on the Merchant by the *LOPD*; and
- b. employ industry standard or better encryption and security methods as being appropriate for use by financial institutions.

4. Merchant's use of cardholder information

1. Merchant agrees to only use, disclose or process, any cardholder information obtained in connection with a card transaction (including the names, addresses and card account numbers of cardholders) except for the purposes of authorizing, completing and settling card transactions and resolving any chargeback or reversal disputes, retrieval requests or similar issues involving card transactions. Merchant will only be able to process cardholder information differently than set out in this paragraph if the Merchant obtains the prior written consent from PayPal and each applicable Association, card issuing bank and cardholder or as otherwise pursuant to a court order or otherwise required by law.
2. Merchant agrees to:
 - a. establish and maintain sufficient controls for, limit access to and render unreadable prior to discarding, all records containing cardholder account numbers and card imprints;
 - b. not sell or disseminate any cardholder information obtained in connection with a card transaction held in a database or otherwise (including the names, addresses and card account numbers of cardholders);
 - c. not retain or store magnetic stripe data or hardcopies containing cardholder data (including faxes) after a transaction has been authorized; and
 - d. not reproduce any electronically captured signature of a cardholder except on PayPal's specific request (upon such a request Merchant agrees to comply).
3. Merchant acknowledges that Association rules prohibit the sale or disclosure of databases containing Cardholder account numbers, personal information or other Association transaction information to third parties as an asset of a failed business. In such cases, Merchant agrees that transaction information is to be returned to the Acquiring Institution or acceptable proof of destruction of this data is provided.
4. Merchant agrees that it is responsible and liable for compliance with this paragraph 4 by any third party processor, hosting service or other agent of the Merchant engaged in the processing or storage of cardholder data. Merchant agrees to notify PayPal in writing of any third party engaged by any third party processor, hosting service or other agent prior to the Merchant engaging them and further immediately notify PayPal in writing of any access to transaction data by any unauthorized person.

5. Merchant's use of a Technical Service Provider

1. Merchant may utilize third parties to perform certain of the Merchant obligations set out in this Schedule with our express written consent which may contain conditions as to the Merchant's use of such a person (each such a party known as a "Technical Service Provider"). To be eligible for consent, each Technical Service Provider must (among other things) be registered with the applicable Association.
2. If the Merchant is permitted to utilize a Technical Service Provider, the Merchant agrees and will procure that the Technical Service Provider will comply with the provisions relating to data and information security as set out in this Schedule (including, without limitation, PCI DSS requirements) as they apply to storing, processing or transmitting cardholder data to PayPal.
3. Prior to, or from the appointment of a Technical Service Provider, Merchant agrees to:
 - a. notify PayPal in writing of the details of the Technical Service Provider that engages in, or proposes to engage in, the processing, storing or transmitting of Cardholder data on the Merchant's behalf, regardless of the manner or duration of such activities;
 - b. provide satisfactory evidence to PayPal that the Technical Service Provider is registered with the applicable Association;

- c. comply with any requirements of the Technical Service Provider including, without limitation, complying with any requirements relating with respect to the Technical Service Provider's services, hardware or software and obtaining any required end user consents for transmission of data through the Technical Service Provider; and
 - d. at PayPal's discretion, provide PayPal with permission to register Merchant with the relevant Technical Service Provider (as required).
4. The Merchant agrees that it is solely responsible for the relationship with the Technical Service Provider and any data transmitted or made available to the Technical Service Provider. The Merchant's failure to comply with the provisions set out in this paragraph 5, or the failure of the Technical Service Provider or gateway processor to register and/or comply with the applicable data security requirements may result in fines or penalties which the Merchant is liable for. PayPal may immediately terminate the Agreement upon the Merchant breaching this paragraph 5.

Schedule 2

Terms for processing card transactions

PayPal uses services from WorldPay and Global Payments/HSBC Bank as Acquiring Institutions in processing card transactions. One of the agreements set out in this schedule will apply in relation to a card transaction, depending on which Acquiring Institution processes the transaction.

For card transactions performed by WorldPay:

This Commercial Entity User Agreement for PayPal Payment Card Funded Processing Services ("Commercial Entity Agreement" or "CEA") is provided to all PayPal Users that are Commercial Entities (as defined by Visa Europe, Visa Inc, Visa International, MasterCard Worldwide, UK Maestro, Solo and/or International Maestro (together the "Associations")) and open a Premier or Business Account (such use of such accounts collectively termed the "Premier/Business Service"). Each such PayPal User is hereby referred to as "Merchant" and may be referred to herein as "you" and/or "your". This CEA constitutes your separate legally binding contract for credit and debit card processing for PayPal transactions between you and the WorldPay entity (as defined below) and its Affiliate(s) (collectively, the "Acquirer").

For the purpose of this CEA, "WorldPay Entity" shall mean (a) WorldPay (UK) Limited if Merchant is based in Europe; and/or (b) The Royal Bank of Scotland N.V. if Merchant is based in Singapore and/or Hong Kong; and/or (c) The Royal Bank of Scotland PLC if Merchant is based in the United States.

For the purpose of this CEA, "Affiliate(s)" shall mean the financial institution(s) domiciled in the same Association region as you are domiciled in for Association purposes and which Acquirer has formed a relationship with in accordance with Association requirements to allow the processing of card transactions the identity of which you can obtain on contacting PayPal. In accordance with the provisions of this CEA,

Acquirer may terminate its provision of credit and debit card processing services and enforce any of the provisions of Merchant's PayPal Payment Processing Agreement (also known as the PayPal User Agreement) ("PPA"), agreed by and between Merchant and PayPal. In this CEA "we", "us" and "our" refer to Acquirer.

Merchant agrees to the terms and conditions of this CEA. Merchant further agrees that this CEA forms a legally binding contract between Merchant and Acquirer.

This Commercial Entity Agreement may be amended at any time by us via PayPal posting a revised version of the CEA on the PayPal website(s). The revised version will be effective at the time PayPal posts it. If we propose to change this CEA in a substantial manner, we will provide you with at least 30 days' prior notice of such a change by posting notice on the "Policy Updates" page of PayPal's web site(s). After this 30 days' notice, you will be considered as having expressly consented to all amendments to the CEA. If you disagree with those proposed amendments, you may close your account before the expiry of such 30 day period in accordance with the terms of the PPA and this CEA will terminate on the closure of your account. For the purpose of the CEA a change to this CEA will be considered to be made in a "substantial manner" if the change involves a reduction to your rights or increases your responsibilities.

1. **Purpose of this CEA.** When your customers pay you through PayPal, they have the option of paying you through a funding source offered on the PayPal website including a card funded payment. In most instances, you will not know the funding source that your customer selected. Since you may be the recipient of a card funded payment, the Associations require that you enter into a direct contractual relationship with an Acquirer who is a member of the Associations. By entering into this CEA, you are fulfilling such Association requirement and you are agreeing to comply with Association rules as they pertain to payments you receive through the PayPal service.
2. **Association Rules**
 - a. **Deposit Transactions.** Merchant agrees that it shall only accept payments through PayPal Processing Services for bona fide transactions between the Merchant and its customer for the sale of goods or services. Merchant shall not submit a transaction for the refinance or transfer of an existing obligation that was uncollectible. Merchant acknowledges that for Visa and MasterCard payments, PayPal shall obtain an authorization for transaction amounts prior to completing the transaction.
 - b. **Split Transactions.** Merchant agrees to submit a single transaction for the full amount of each sale. Except, however in an instance where the Merchant and cardholder agree on a partial shipment of product, or where the transaction qualifies for delayed delivery or special order deposits (such as partial shipments based on inventory on hand), a sale may be split into multiple transactions.
 - c. **Minimum or Maximum/Surcharges.** Merchant agrees that it shall not set minimum or maximum transaction amounts or impose surcharges as a condition of honouring Visa and MasterCard cards unless otherwise permitted in the particular jurisdiction of a transaction.
 - d. **Visa and MasterCard Marks.** Merchant is authorized to use the Visa and MasterCard logos or marks only on Merchant's promotional materials and website to indicate that Visa and MasterCard cards are accepted as funding sources for PayPal transactions.

- e. **Credit Vouchers.** Credit vouchers may only be submitted for the purpose of refunding a prior transaction from the same card.
 - f. **Cash Disbursements.** Merchant agrees that if it sells travellers cheques or foreign currency that disbursements shall be limited to the value of cheques, Visa TravelMoney, or currency sold in a single transaction, plus any applicable commissions.
 - g. **Discrimination.** Merchant agrees that it shall not engage in any acceptance practice that discriminates against or discourages the use of Visa or MasterCard in favor of any other card brand.
 - h. **Access to Cardholder Data.** Merchant acknowledges that it does not have access to Cardholder Data (defined as the cardholder's account number, expiration date, and CVV2) and will not request access to Cardholder Data from either PayPal or the cardholder. In the event that Merchant receives Cardholder Data in connection with the PayPal Processing Services provided under this Agreement, Merchant agrees that it will not use the Cardholder Data for any purpose that it knows or should know to be fraudulent or in violation of any Association Rules. Merchant also agrees that it will not sell, purchase, provide or exchange in any manner or disclose Cardholder Data to anyone other than its acquirer, Visa or MasterCard (as applicable) or in response to a government request. In the event that Merchant receives Cardholder Data, it will promptly notify Acquirer and PayPal of such.
 - i. **Merchant Identification.** Merchant agrees to prominently and unequivocally inform the cardholder of the identity of the Merchant at all points of interaction.
 - j. **Chargebacks.** Merchant shall use all reasonable methods to resolve disputes with the cardholder. Should a chargeback dispute occur, Merchant shall promptly comply with all requests for information from PayPal. Merchant shall not attempt to recharge a cardholder for an item that has been charged back to the cardholder, unless the cardholder has authorized such actions.
3. **Merchant's Refund Policy must be on Merchant's Website.** If Merchant limits refund/exchange terms or other specific conditions for Card sales, Merchant's policy must be clearly provided to the cardholder prior to the sale and Merchant must conform with all applicable laws and the Association Rules.
4. **Term and Termination.** This CEA is effective upon the date Merchant agrees to the CEA and continues so long as the PPA remains in force between Merchant and PayPal but shall automatically terminate without notice on termination of such PPA for any reason, provided that those terms which by their nature are intended to survive termination (including without limitation, indemnification obligations and limitations of liability) shall survive. This CEA may be terminated by Acquirer at any time based on a breach of any of Merchant's obligations under this CEA or the PPA, or by Merchant based on a breach of any of Acquirer's obligations under this CEA, or by Acquirer based on the termination of the acquiring services agreement entered into between PayPal (or its applicable group company) and Acquirer as notified to the Merchant.
5. **Indemnification.** Merchant agrees to indemnify and hold Acquirer harmless from and against all losses, liabilities, damages and expense: (a) resulting from any breach of any warranty, covenant or agreement or any misrepresentation by Merchant under this CEA; (b) arising out of Merchant's or its employees' negligence or willful misconduct, (c) arising in connection with Card transactions or otherwise arising from Merchant's provision of goods and services to Cardholders or customers; (d) arising out of Merchant's use of the PayPal Service; or (e) resulting from any Fines or arising out of any third party indemnifications Acquirer is obligated to make as a result of Merchant's actions (including indemnification of any Association or Issuing Bank).
6. **Assignment/Amendments.** This CEA may not be assigned by Merchant without the prior written consent of Acquirer. Acquirer may assign its rights under this CEA without Merchant's consent.
7. **Warranty Disclaimer.** This CEA is a service agreement. Acquirer disclaims all representations or warranties, express or implied, made to Merchant or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise of any services or any goods provided incidental to the services provided under this CEA to the extent permitted by law.
8. **Limitation of Liability.** Notwithstanding anything in this CEA to the contrary, in no event shall Acquirer, or its Affiliate(s) or any of its directors, officers, employees, agents or subcontractors, be

liable under any theory of tort, contract, strict liability or other legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of the parties, regardless of whether such damages were foreseeable or whether Acquirer has been advised of the possibility of such damages. Notwithstanding anything in this CEA to the contrary, in no event shall Acquirer be liable or responsible for any delays or errors in its performance of the services caused by our service providers or other parties or events outside of Acquirer's reasonable control, including PayPal. Notwithstanding anything in this CEA to the contrary, Acquirer's cumulative liability for all losses, claims, suits, controversies, breaches or damages for any cause whatsoever arising out of or related to this CEA and regardless of the form of action or legal theory and whether or not arising in contract or tort (including negligence shall not exceed the total volume of all transactions, expressed as a U.S. dollar amount processed by the Merchant under this CEA via PayPal. Nothing in this CEA shall exclude or limit any liability of any party for death or personal injury caused by negligence or fraud, deceit or fraudulent misrepresentation, howsoever caused.

9. **Waiver.** The failure of a party to assert any of its rights under this CEA, including, but not limited to, the right to terminate this CEA in the event of breach or default by the other party, will not be deemed to constitute a waiver by that party of its right to enforce each and every provision of this CEA in accordance with its terms.
10. **Relationship between the Parties.** No agency, partnership, joint venture or employment relationship is created between Merchant and Acquirer by way of this CEA. In the performance of their respective obligations hereunder, the parties are, and will be, independent contractors. Nothing in this CEA will be construed to constitute either party as the agent for the other for any purpose whatsoever. Neither party will bind, or attempt to bind, the other party to any contract or the performance of any obligation, and neither party will represent to any third party that it has any right to enter into any binding obligation on the other party's behalf.
11. **No Illegal Use of Services.** Merchant will not access and/or utilize the Services for illegal purposes and will not interfere or disrupt networks connected with the Services.
12. **Severability.** Whenever possible, each provision of this CEA will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof will be prohibited by or determined to be invalid by a court of competent jurisdiction, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this CEA.
13. **Governing Law.** This CEA (and the relationships referred to or contemplated by it) shall be governed and construed in accordance with the laws of England and Wales.

For card transactions performed by HSBC and Global Payments:

The following terms pertain to card transactions used to fund a PayPal Account, which in turn can be used to pay the Merchant. Card transactions by the Merchant that do not fund a PayPal Account are not affected by the terms below.

This Commercial Entity User Agreement for Credit Card Processing Services ("Commercial Entity Agreement" or "CEA") is provided to all PayPal Users that meet the definition of "Commercial Entities" or the equivalent under Association Rules (defined below) and that open and use a Premier or Business Account (such use of such Accounts collectively termed the "Premier/Business Service"). (Each such entity or person receiving this document is hereby referred to as "Merchant"). This CEA constitutes Merchant's separate legally binding contract for credit card processing between (1) Merchant, as a Commercial Entity; (2) Member; and (3) GPUK LLP trading as Global Payments ("Processor"). The CEA

is also for the benefit of any of the HSBC group of companies other than the Member that provide access to a Bank Identification Number (“BIN”) in the Merchant’s country of residence) for MasterCard and Visa transactions acquired for the Merchant (“HSBC Company), to the extent that the CEA relates to use of that BIN. Member or Processor may terminate its provision of credit card processing services and enforce or rely on any term or provision of the Merchant’s PayPal User Agreement (“PUA”), all of which Member or Processor considers relevant are incorporated in this CEA by reference. In this CEA “we”, “us” and “our” refer to Member and Processor together unless, for the purpose of Association Rules or membership, it must mean Member alone. For the avoidance of doubt, Processor is not a subsidiary or affiliate or member of the HSBC Group. For the purposes of this CEA and the performance of it by the Processor: (i) the Processor is the exclusive agent of Member; (ii) Member is responsible for the Processor performance of the CEA; (iii) Member must approve, in advance, any fee payable by, or obligation of, the Merchant under the CEA; and (iv) the Processor may not have access, directly or indirectly, to any account for funds or funds due to a Merchant and/or funds withheld from a Merchant for chargebacks arising from, or related to, performance of this CEA.

Any reference to the PUA shall mean the PayPal User Agreement made between Merchant and PayPal.

By accepting the Commercial Entity Agreement, Merchant agrees to the terms and conditions of this CEA and any documents incorporated by reference. Merchant further agrees that this CEA forms a legally binding contract between Merchant, Processor and Member. Any rights not expressly granted herein are reserved by Member and Processor. Descriptions of material amendments to this CEA will be provided as applicable. Any capitalised terms used in this CEA and not otherwise defined shall have the meanings set forth in the PUA.

Association Rules

1. **Deposit Transactions.** Merchant agrees that it shall only submit card transactions that directly results from bona fide cardholder transactions with that Merchant. Merchant agrees that it will not submit a transaction until Merchant: (i) obtains an authorisation, (ii) completes the transaction, and either: (iii) ships or provides goods, (iv) performs the purchased service, or (v) obtains the cardholder’s consent for a recurring transaction.
2. **Anti Money Laundering.** Merchant agrees that it shall not submit a transaction that does not result from a purchase of goods or services between the cardholder and Merchant.
3. **Split Transactions.** Split sales transactions are not allowed. Specifically, Merchant agrees that it will not use two or more sales transaction receipts for a single transaction to avoid or circumvent authorisation limits, or monitoring programs.
4. **Minimum or Maximum.** Merchant agrees that it shall not set minimum or maximum transaction amounts as a condition of honouring Visa and MasterCard cards.
5. **Surcharges.** Merchant agrees that it will not impose surcharges on debit card transactions subject to any express variations by local law.
6. **Visa and MasterCard Marks.** Merchant is authorised to use the Visa and MasterCard logos or marks only on Merchant’s promotional materials and website to indicate that Visa and MasterCard cards are accepted as payment for the business goods and services. Merchant

agrees that it shall not use the logos and marks either directly or indirectly, to imply that Visa or MasterCard endorses Merchant's goods or services; nor may Merchant refer to Visa or MasterCard when stating eligibility requirements for purchasing its products, services, or memberships.

7. **Credit Vouchers.** Credit vouchers may not be submitted for non-credit transactions. Merchant agrees that it shall not: (i) accept a payment from a card holder for the purpose of depositing funds to the cardholder's Account, or (ii) process a credit transaction without having completed a previous debit transaction with the same cardholder.
8. **Cash Disbursements.** Merchant agrees that if it sells travellers cheques or foreign currency that Disbursements shall be limited to the value of cheques, Visa TravelMoney, or currency sold in a single transaction, plus any applicable commissions. Merchant agrees that under no circumstances shall a Visa or MasterCard transaction represent collection of a dishonoured cheque.
9. **Authorisation Requirements.** Merchant agrees to obtain an authorisation for all transaction amounts.
10. **Discrimination.** Merchant agrees that it shall not engage in any acceptance practice that discriminates against or discourages the use of Visa or MasterCard in favour of any other acceptance brand.
11. **Present Transactions within 30 Business Days.** Merchant agrees that a debit transaction shall not be presented until after the goods are shipped, or services provided, unless, at the time of the transaction, the cardholder agrees to a properly disclosed delayed delivery of the goods or services. Merchant agrees that when it receives authorisation for delayed presentment, the words "Delayed Presentment" or something substantially similar must be disclosed to the cardholder.
12. **Fraudulent or Unauthorised Use of Account Information Prohibited.** Merchant agrees that it shall not request or use Visa or MasterCard Account number information for any purpose that it knows or should have known to be fraudulent or in violation of Visa and MasterCard standards, Association Rules, the PUA, or this CEA, or for any purpose that the cardholder did not authorise.
13. **Merchant Identification.** Merchant agrees to prominently and unequivocally inform the cardholder of the identity of the Merchant at all points of interaction so that the cardholder readily can identify the transaction.

Card Associations

Visa Europe Ltd, Visa U.S.A., Inc. and Visa International ("Visa") and MasterCard International Incorporated ("MasterCard") (the "Associations") have developed rules and regulations (the "Association Rules") that govern their member banks and merchants in the procedures, responsibilities and allocation of risk for payments made through the Associations. By accepting this CEA, Merchant is agreeing to comply with all such Association Rules.

14. **Merchant's Refund Policy must be on Merchant's Website.** If Merchant limits refund/exchange terms or other specific conditions for Card sales, Merchant's POLICY MUST BE CLEARLY PROVIDED TO THE CARDHOLDER PRIOR TO THE SALE AND AS PART OF YOUR SALE CONFIRMATION PROCESS. PROPER DISCLOSURE WOULD INCLUDE WORDING THAT IS PROMINANTLY DISPLAYED AND STATES "NO REFUND, EXCHANGE ONLY", OR SOMETHING SUBSTANTIALLY SIMILAR AND INCLUDES ANY SPECIAL TERMS. NOTE: QUALIFYING YOUR REFUND OR EXCHANGE TERMS DOES NOT COMPLETELY ELIMINATE YOUR liability for a refund because consumer protection laws and Association Rules frequently allow the cardholder to still dispute these items. In particular, by implementing Directive 97/7/EC many European Union member states will have distance selling regulations which allow a consumer to cancel its contract with the Merchant within a defined period and receive a refund.
15. **Term and Termination.** This CEA is effective upon the date Merchant accepts the terms and conditions set out herein and continues so long as Merchant uses the PayPal Service ("Services")

or until terminated by Merchant, Processor or Member, provided that those terms which by their nature are intended to survive termination (including without limitation, indemnification and chargeback obligations and limitations of liability) shall so survive termination. This CEA may be terminated by Member or Processor at any time based on a breach of any of Merchant's obligations hereunder or for any other reason that Member or Processor deem exceptional. This CEA will terminate automatically upon any termination of Merchant's PUA.

16. **Indemnification.** Merchant agrees to indemnify, defend, and hold Member and Processor harmless from and against all losses, liabilities, damages and expenses (including legal fees and collection costs) which the Member, Processor and/or their affiliates or agents may suffer or incur arising from any breach of any warranty, covenant or misrepresentation by Merchant under this CEA, or arising as a result of any tortious conduct by Merchant or Merchant's employees or agents, in connection with Card transactions or otherwise arising from Merchant's provision of goods and services to cardholders or from any contravention of any legal requirements.
17. **Arbitration.** Any dispute with respect to this CEA between Merchant, Processor and/or Member, including a dispute as to the validity or existence of this CEA and/or this clause, shall be resolved by arbitration in London, England, conducted in English by a single arbitrator in accordance with the ICC Rules. The parties agree to waive any right of appeal against the arbitration award. In the event of a failure by the parties to agree on the sole arbitrator within 30 days of one party calling upon the other to do so, one shall be appointed by the ICC.
18. **Assignment/Amendments.** This CEA may not be assigned by Merchant without the prior written consent of Member and Processor. Member may assign their rights under this CEA without Merchant's consent and subject to the Association Rules. The Processor may not subcontract, sublicense, assign, license, franchise, or in any manner extend or transfer to any third party, any right or obligation of the Processor set forth in the CEA.

This CEA may be amended by Member as provided under the PUA, and otherwise shall not be modified in any respect without the express written agreement of the Member.

19. **Warranty disclaimer.** This CEA is a service agreement. We disclaim all representations or warranties, express or implied, made to merchant or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise of any services or any goods provided incidental to the services provided under this CEA to the extent permitted by law.
20. **Logo usage.** In using each other's logos and other trademarks, each agrees to follow the guidelines prescribed by the other, as notified by the parties to each other from time to time.
21. **Limitation of Liability.** Notwithstanding anything in this CEA to the contrary, in no event shall the parties hereunder, or their affiliates or any of their respective directors, officers, employees, agents or subcontractors, be liable under any theory of tort, contract, strict liability or other legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of the parties, regardless of whether such damages were foreseeable or whether any party or any entity has been advised of the possibility of such damages. Notwithstanding anything in this CEA to the contrary, in no event shall we be liable or responsible for any delays or errors in our performance of the services caused by our service providers or other parties or events outside of our reasonable control, including PayPal. Notwithstanding anything in this CEA to the contrary, the parties' cumulative liability for all losses, claims, suits, controversies, breaches or damages for any cause whatsoever (including, but not limited to, those arising out of or related to this CEA) and regardless of the form of action or legal theory and whether or not arising in contract or tort (excluding negligence and wilful misconduct) shall not exceed the total volume of all transactions, expressed as a U.S. dollar amount, processed under this CEA. Nothing in this CEA shall exclude or limit any liability of any party for death or personal injury caused by negligence or fraud, deceit or fraudulent misrepresentation, howsoever caused.
22. **Enforceability.** No term of this CEA shall be enforceable by a third party (other than the HSBC Companies) and in particular a person who is not a party to this CEA has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy any of the benefits of this CEA (being a person other than the parties, the HSBC Companies and their permitted successors and assignees).

23. **Governing Law.** Governing law with respect to this CEA shall be the laws of England and Wales. Each party hereby submits to the non-exclusive jurisdiction of the courts of England and Wales.
24. **Waiver.** The failure of a party to assert any of its rights under this CEA, including, but not limited to, the right to terminate this CEA in the event of breach or default by the other party, will not be deemed to constitute a waiver by that party of its right to enforce each and every provision of this CEA in accordance with its terms.
25. **Relationship between the Parties.** No Partnership or Agency; Independent Contractors No agency, partnership, joint venture or employment relationship is created between Merchant, Processor and/or Member by way of this CEA. In the performance of their respective obligations hereunder, the parties are, and will be, independent contractors. Nothing in this CEA will be construed to constitute either party as the agent for the other for any purpose whatsoever. Neither party will bind, or attempt to bind, the other party to any contract or the performance of any obligation, and neither party will represent to any third party that it has any right to enter into any binding obligation on the other party's behalf.
26. **No Illegal Use of Services.** Merchant will not access and/or utilise the Services for illegal purposes and will not interfere or disrupt networks connected with the Services.
27. **Severability.** Whenever possible, each provision of this CEA will be interpreted in such a manner as to be effective and valid under applicable law, but if any provision hereof will be prohibited by or determined to be invalid by a court of competent jurisdiction, such provision will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this CEA.