

Payment Services Agreement

Last updated on September 29, 2025

This Braintree Payment Services Agreement, and the agreements, policies, and documents incorporated herein, (this “**Agreement**”), is entered into by and between PayPal, Inc., a Delaware corporation whose address is 2211 North First Street, San Jose, CA 95131 (“**Braintree**,” “**PayPal**,” “**we**,” or “**our**”) and the entity or individual who enters into this Agreement (“**Merchant**” or “**you**”). This Agreement sets out the terms and conditions under which you may utilize the Braintree Payment Services.

This Agreement becomes a legally binding contract and is effective as of the earliest date you do any of the following (the “**Effective Date**”):

Create an account on our website; Accept this Agreement online; or begin using the Braintree Payment Services. This Agreement, as it may be amended from time to time, will be available on the “Legal” tab on our website. In addition to the terms of this Agreement, you agree to be bound by the terms of our [Privacy Statement](#) and Acceptable Use Policy, as well as your Commercial Entity Agreement(s) (if applicable), which are incorporated herein by this reference.

Please be advised that this Agreement contains provisions, including an Agreement to Arbitrate, that govern how claims you and PayPal have against each other are resolved, which will, with limited exception, require the parties to submit claims they may have against one another to binding and final arbitration. Under the Agreement to Arbitrate, the parties will (1) only be permitted to pursue claims against each other on an individual basis, not as a plaintiff or class member in any class or representative action or proceeding and (2) only be permitted to seek relief (including monetary, injunctive, and declaratory relief) on an individual basis.

Section 1 — Braintree Payment Services and Commercial Entity Status

1.01 “Braintree Payment Service(s)” means:

- a. “Payment Processing Services” means the payment processing services offered by PayPal which provide merchants with the ability to accept credit cards, debit cards, and other payment methods on a website or mobile application. These services include Gateway Services, Merchant Account, Fraud Maintenance Tools (each as defined in this Agreement), recurring billing functionality, payment card storage, foreign currency acceptance, white glove customer support, and other software,

APIs and services and technology as described on our website. You acknowledge and agree that PayPal will determine where to route your Transactions for processing from among the available Networks.

- b. “Gateway Services” means the gateway services offered by PayPal which provide Merchants with the software and connectivity required to allow real-time secure data transmission for processing of credit card, debit card and certain other available payment method payments on a website or mobile application. The Gateway Services include those additional products and services provided by PayPal, including but not limited to the Forwarding Services, Grant Services and ACH Services, and Fastlane by PayPal (“**PayPal Products and Services**”), which are provided subject to the additional [PayPal Products and Services](#) as set forth on our website which are incorporated into this Agreement by reference. In addition, the Gateway Services include certain payment technology services provided by third parties that are used to facilitate your processing of credit and debit card payments (“**Payment Technology Services**”). In order to use these services, you agree to the applicable Payment Technology Services terms as set forth on our website which are incorporated into this Agreement by reference. You acknowledge and agree that the Payment Technology Services are provided solely by the relevant third party (and not PayPal) as set forth in the applicable [Payment Technology Services terms](#), and that PayPal will under no circumstances be responsible or liable for any damages, losses or costs whatsoever suffered or incurred by you resulting from any Payment Technology Services.
- c. “Fraud Maintenance Tools” means the optional fraudulent transaction management tools made available as part of the Braintree Payment Services that, if enabled by you or PayPal on your behalf, allow you to access fraudulent transaction management features to help detect fraudulent transactions based on the settings you may adopt, as described in more detail on our website (“**Fraud Maintenance Tools**”).
- d. “Dispute Tools” means (1) Dispute Contestation Decision Automation (defined in Section 6.01 below), and (2) Chargeback Protection Tools (defined in Section 7.01 below).

If you elect to enable and use or disable the Fraud Maintenance or Dispute Tools, you are responsible for determining which tools to use and, if applicable, for setting or modifying your own filter rules, which instruct us which Transactions to accept and decline on your behalf. If you set these filter rules too restrictively, you might lose sales volume. It is your responsibility to monitor your filter rules and settings on an ongoing basis. We may suggest

filters and settings for the Fraud Maintenance or Dispute Tools that may be appropriate for your business, based on factors such as your business profile and transaction history, however it is your responsibility to evaluate the usefulness and risk of any information, product or service. It is your sole responsibility to provide any necessary notices and disclosures, and obtain any required consents, on the use of the Fraud Maintenance and Dispute Tools to your Customers on your website or mobile application. You shall use the Fraud Maintenance and Dispute Tools in accordance with the applicable guides and other documentation made available by us, and you shall not use or permit others to use information obtained through the use of the Fraud Maintenance and Dispute Tools for any purpose other than in conjunction with the Payment Processing Services and in a manner described in the applicable documentation for the Fraud Maintenance Tools. You acknowledge and agree that, subject to Section 7.03, PayPal does not represent or warrant that the Fraud Maintenance and Dispute Tools are error free or that they will identify all fraudulent transaction activity, or accurately identify Chargebacks that should be disputed. PayPal reserves the right, in its sole discretion, to cancel or suspend use of the Fraud Maintenance and Dispute Tools for any reason upon reasonable notice to you. In addition, PayPal shall not be liable whether a Transaction or Chargeback is accepted or rejected. You are responsible for your optional use of the Fraud Maintenance or Dispute Tools, including any filters or settings you enable.

1.02 Commercial Entity Status

If your Braintree Payment Services card payments activity reaches certain thresholds or involves certain business segments or activities as determined by Visa and Mastercard, you are required by the Networks to agree to an agreement with each Acquirer that processes your Visa or Mastercard card payments (“**Commercial Entity Agreement**”) to allow you to accept such payments. If you reach the relevant threshold or your card payments involve the relevant business segments or activities for either Network, the Commercial Entity Agreement for your Acquirer(s) will apply to any Visa or Mastercard payment processed through the Braintree Payment Service and will form part of this Agreement. Check the Visa and Mastercard Rules for their most recent thresholds and requirements.

You acknowledge that PayPal will route Transactions, as appropriate, to the Acquirer(s) for processing. The Commercial Entity Agreement associated with the Acquirer(s) will govern the Transactions processed by the respective Acquirer(s), including, but not limited to, any Chargebacks, error resolution procedures, and other aspects of the Braintree Payment Services.

Section 2 — Fees, Payouts, Taxes and Account Activity

2.01 Fees

The fees applicable to the Braintree Payment Services are set forth on our [Braintree Fees page](#), which is incorporated herein by reference. We reserve the right to revise our fees at any time, subject to a thirty (30) day notice period to you prior to the new fees taking effect. Interest shall accrue at the lower rate of 1.5% per month, or the maximum amount permitted by law, on all overdue amounts. In the event that you have a good faith dispute as to the amounts due, you agree to pay the undisputed amounts. Interest shall not accrue on any disputed amounts so long as you pay such amounts within thirty (30) calendar days after resolution of the dispute.

2.02 Payment of Fees, Payouts, Right to Set-off and Receipt of Customer Payments

Subject to the terms of this Agreement, PayPal will remit, or will instruct Acquirer to remit, to your Bank Account or to a Hyperwallet Settlement Account (if available to you), as duly nominated by you, all amounts due to you from your Transactions, minus any fees, Reversals, Invalidated Payments, Chargebacks, Refunds, setoffs, recoupments or other amounts that you owe to PayPal under this Agreement. You authorize us (any related notice and demand are hereby expressly waived) to set-off, recoup and to appropriate and to apply any and all balances or funds or other amounts we may owe you against and on account of your obligations, whether such obligations are liquidated, unliquidated, fixed, contingent, matured or unmatured. If the Payout is not sufficient to cover the amounts due, without limiting our other rights and remedies (all of which are cumulative), you agree that we may debit your Bank Account for the applicable amounts, and/or recoup or set-off the applicable amounts against future Payouts. Upon PayPal's request, you agree to provide PayPal with all necessary bank account routing and related information and grant PayPal permission to debit amounts due from your Bank Account ("Debit Authorization"). In the event Merchant does not grant PayPal Debit Authorization, Merchant shall pay PayPal an additional sum equal to 5% of the amount intending to be debited, but not to exceed one-thousand (\$1,000) dollars, for each failed debit attempt. The parties agree that the damages that would be incurred by PayPal as a result of your failure to grant PayPal Debit Authorization are difficult to calculate, and the fee described above is intended as a reasonable approximation of such damages and not as a penalty.

You represent and warrant to PayPal that each Transaction that you process using the Braintree Payment Services is solely in payment for your provision of bona fide goods or services (including charitable services), other than money transmission services, to your Customers. To the extent any Transaction funds are received by PayPal from your

Customers, you hereby designate PayPal, and PayPal hereby agrees to serve, as your limited agent for the sole purpose of receiving and processing such payments on your behalf. You agree that upon PayPal receiving payment on your behalf: (a) you shall be deemed to have received payment from your Customer; (b) your Customer's obligation to you in connection with such payment shall be satisfied in full; (c) any claim you have for such payment against your Customer shall be extinguished and (d) you are obligated to deliver the applicable goods or services to your Customer, in each case regardless of whether or when PayPal remits such payment to you.

Further, you represent and warrant to PayPal that for each Transaction that you process using the Braintree Payment Services, promptly upon payment by your Customer, you will provide a dated receipt which shall constitute a record of your acceptance of the Customer's payment and the satisfaction of the Customer's obligation to you in the amount stated on the receipt. You agree that the receipts will satisfy all applicable regulatory and Network Rules requirements, and that upon PayPal's request, you will provide to PayPal copies of any such previously issued receipts. You further agree that you will hold out PayPal to your Customers as your agent for purposes of accepting payments on your behalf, including in response to any Customer inquiry as to PayPal's role with respect to a Transaction or other reference to PayPal in connection with a Transaction. You agree that the transaction reports provided by PayPal to you constitute a receipt evidencing your Transactions.

This Section 2.02 states the entirety of PayPal's duties as your agent for receipt of payment, and no other duties shall be implied by PayPal's undertaking to act in that capacity. This section does not limit in any way PayPal's rights against you or any funds held by PayPal, including any right of set-off or security interest in such funds.

2.03 Taxes

Except as otherwise specified herein, or as otherwise mutually agreed upon by the Parties, each Party will bear its own Taxes under this Agreement. **Taxes** means any taxes, charges, or similar assessments of any nature, including, without limitation, value-added, sales, digital services, stamp, transfer, or withholding taxes, assessable by any jurisdiction or governmental authority.

You are responsible for determining any and all Taxes assessed, incurred, or required to be collected, reported, paid, or withheld for any reason for the sale of your products and services and any Payouts you receive in connection with your use of the Braintree Payment Services. You are solely responsible for collecting, withholding, reporting and remitting correct Taxes to the appropriate tax authority. We are not obligated to, nor will we

determine whether Taxes apply or assume any liability in relation thereto, or calculate, collect, report, or remit any Taxes to any tax authority arising from your transactions.

Taxes on Braintree Payment Services. The Parties agree as follows:

- i. Unless otherwise expressly specified in this Agreement, all amounts payable by Merchant to PayPal due under this Agreement are considered exclusive of applicable Taxes. The amounts payable by Merchant to PayPal under this Agreement will therefore be increased by the amount of the applicable Taxes unless: (i) otherwise expressly specified herein, or (ii) PayPal has determined that there is a lawful exemption from such Taxes. If PayPal is required to add such Taxes to the amounts due under this Agreement, it will issue a valid tax invoice to Merchant, made out in accordance with applicable legislation.
- ii. Merchant confirms it will not withhold any Taxes on amounts payable by Merchant to PayPal unless required under applicable law. In the event that Merchant is required to withhold any Taxes on any amounts payable to PayPal or make any deduction in relation hereto, the amounts payable to PayPal by Merchant will be increased by such additional amount to ensure that PayPal receives the full amount which would have been received had there been no deduction. Merchant will timely deliver to PayPal a copy of the tax receipt documenting payment of the withholding tax to the relevant authorities. Upon reasonable request, PayPal will provide such forms, certifications or other documents as Merchant may timely request in order to reduce or exempt withholding taxes.

Information Reporting

We may request that you provide PayPal with your tax identification number and/or other tax-related documentation or information. If you do not provide the requested information to PayPal or keep documentation up to date in your Braintree Payment Services account, you may be subject to limitations on your ability to use the Braintree Payment Services, withholding your Payouts, or placing a Reserve on your Payouts.

If you have a PayPal account, these terms are in addition to the terms in the PayPal User Agreement or any other applicable agreement between you and PayPal. In the event of a conflict, this Agreement will control with respect to your Braintree Payment Services account.

2.04 Account Activity

With respect to your Merchant Account activity accessible through the Braintree Payment Services, Merchant may report to PayPal any discrepancy relating to Transactions, Payouts, fees and amounts owed by Merchant under this Agreement. Merchant shall notify PayPal in

writing of any such discrepancy within ninety (90) days of the date the data is made available to Merchant through the Braintree Payment Services. Following the expiration of this period, Merchant's account activity shall be deemed as accepted and agreed by Merchant and PayPal shall have no obligation to correct any errors or discrepancies identified after such period.

Section 3 —Restricted Activities, Representations and Warranties, American Express Card Acceptance

3.01 Restricted activities

In connection with your use of the Braintree Payment Services, you must comply with the [Braintree Acceptable Use Policy](#).

You agree that you will not:

- a. Breach this Agreement, a Commercial Entity Agreement (if applicable), or any other agreement that you have entered into with us in connection with the Braintree Payment Services;
- b. Violate any federal, state, or local laws, rules, or regulations applicable to your business;
- c. Violate any rule, guideline, or bylaw of any of the Networks (the "Network Rules"), as they may be amended by the Networks from time to time. Some of the Network Rules are available for [Visa](#), [Mastercard](#), [American Express](#), and Discover.
- d. Fail to provide us with any information that we reasonably request, in connection with this Agreement or your use of the Braintree Payment Services, about you or your business activities, including updated business records or financial statements, or provide us with false, inaccurate or misleading information;
- e. Refuse to cooperate in a legal investigation or audit that may be required by the Networks in connection with this Agreement or your use of the Braintree Payment Services;
- f. Integrate or use any of the Braintree Payment Services without complying with our requirements;
- g. Utilize recurring billing or card on file functionality without properly complying with Network Rules, applicable law (including but not limited to the Electronic Funds Transfer Act (Reg E)), including obtaining your Customer's consent to be billed in such a manner, obtaining your Customer's consent to store their card on file for

future or recurring Transactions and making available a mechanism for your Customer to delete their card on file;

- h. Submit any Transaction for processing through the Braintree Payment Services which does not represent a bona fide, permissible Transaction as outlined in this Agreement and in the Network Rules, or which inaccurately describes the product or services being sold or the charitable donations being made;
- i. Process Transactions or receive payments on behalf of any other party, or redirect payments to any other party;
- j. Display with unequal size or prominence, show preference for, or discriminate against one card brand or type over another, including your refund policies for purchases; or
- k. Bill or collect from any cardholder for any purchase or payment on the card unless you have the right to do so under the Network Rules.

3.02 Representations and Warranties by Merchant

Merchant has the full power and authority to execute, deliver and perform this Agreement. This Agreement is binding and enforceable against Merchant and no provision requiring Merchant's performance is in conflict with its obligations under any agreement to which Merchant is a party.

Merchant is duly organized, authorized and in good standing under the laws of the state, region or country of its organization and is duly authorized to do business in all other states, regions or countries/regions in which Merchant's business operates.

3.03 Additional Terms for American Express Card Acceptance

- a. American Express may use the information obtained in your application at the time of setup to screen and/or monitor you in connection with card marketing and administrative purposes.
- b. You may be converted from this Agreement to a direct card acceptance agreement with American Express if you reach certain monthly sales volumes. Upon conversion, (i) you will be bound by American Express' then-current Card Acceptance Agreement; and (ii) American Express will set your pricing and other fees for American Express Card acceptance.
- c. By accepting these terms, you agree to receive commercial marketing communications from American Express. You may opt out by filling out and submitting this Help Form. If you opt out of commercial marketing communications,

you will still receive important transactional or relationship messages from American Express.

- d. American Express shall be a third party beneficiary of this Agreement for purposes of American Express Card acceptance. As a third party beneficiary, American Express shall have the right to enforce directly against you the terms of this Agreement as related to American Express Card acceptance. You acknowledge and agree that American Express shall have no responsibility of liability with regard to PayPal's obligations to you under this Agreement.
- e. American Express may conduct an audit of you at any time, for the purpose of determining compliance with the American Express Network Rules.
- f. You authorize PayPal to submit Transactions to, and receive settlement from, American Express, and to disclose transaction and merchant information to American Express to perform analytics and create reports, and for any other lawful business purposes, including commercial marketing communications purposes and important transactional or relationship communications.
- g. Merchant may terminate its acceptance of American Express at any time upon notice.

Section 4 — Liability for Invalidated Payments and other Liabilities

You are liable for all claims, expenses, fines and liability PayPal incurs arising out of:

- a. a Chargeback, Refund, over-payment, payment error, or other invalid payment (collectively “**Invalidated Payment**”);
- b. any error, negligence, misconduct or fraud by you, your employees, or someone acting on your behalf; and
- c. any losses resulting from your failure to comply with the terms of this Agreement, or your usage of the Braintree Payment Services.

In the event of an Invalidated Payment or other liability, in addition to our other rights and remedies (all of which are cumulative), we may (or we may instruct Acquirer to) deduct, setoff or recoup the amounts due to PayPal from your Payouts.

Without limiting PayPal's other rights under the Agreement, when Merchant's rate of Chargebacks exceed 90 basis point (0.9%) and 100 Transactions in one month (“**Excessive Chargebacks**”), Merchant agrees to pay PayPal the “**Chargeback Maintenance Fee**” corresponding with Merchant's Total Payment Volume as described in the table below every six months of consecutive Excessive Chargebacks. The parties acknowledge and

agree that the Chargeback Maintenance Fee is commensurate to PayPal's additional financial risk exposure to continue providing Merchant the Payment Processing Services hereunder. The Chargeback Maintenance Fee shall only apply to you if you (a) meet the foregoing criteria and (b) applied for Braintree Payment Processing Services after November 15, 2019.

Total Payment Volume	Chargeback Maintenance Fee
\$0 - \$5,000,000.00	\$2,000.00
\$5,000,000.01 - \$ 50,000,000.00	\$20,000.00
\$50,000,000.01 and above	\$200,000.00

In addition to the above, if you have a past due amount owed to us or any of our affiliates under any other agreement, PayPal may (or PayPal may instruct Acquirer to) deduct the amounts owed from your Payouts. This includes amounts owed by your use of our various products and services which may include PayPal, Venmo and Hyperwallet.

Section 5 — Actions We May Take

5.01 Credit Report Authorization and Verification of Information

You authorize PayPal, directly or through third parties, to make any inquiries or take any actions we consider necessary to validate your identity, evaluate your creditworthiness, and verify information that you have provided to us. You authorize PayPal to obtain financial and credit information, such as pulling your personal credit report, or the credit report for your directors, officers, and principals. By completing your application to become a PayPal customer, you are providing PayPal with written instructions and authorization in accordance with the Fair Credit Reporting Act to obtain such financial information or credit reports.

In the event that we are unsuccessful in receiving satisfactory information for us to verify your identity or determine that you are creditworthy, PayPal reserves the right to terminate this Agreement with immediate notice to you, cease to provide access to the Braintree Payment Services, and refuse or rescind any payment by your customers.

5.02 Actions by PayPal

If we believe that your Transactions pose an unacceptable level of risk, that you have breached the terms of this Agreement, or that your Gateway Services and/or Merchant Account has been compromised, we may take various actions to avoid liability. The actions we may take include, but are not limited to, suspending or limiting your ability to use the

Braintree Payment Services, refusing to process any Transaction, reversing a Transaction, withholding (or instructing Acquirer to withhold) your Payouts, and contacting your customers to verify Transactions and reduce potential fraud and disputes. If possible, we will provide you with advance notice of our actions and resolution steps. However, advance notice will not be provided if there is an immediate need to take actions such as a security threat, potential fraud, or illegal activity.

5.03 Reserves

PayPal, in its sole discretion, may (or may instruct Acquirer to) place a Reserve on a portion of your Payouts in the event that we believe that there is a high level of risk associated with your business, your Merchant Account, your PayPal account or your Transactions. If we place a Reserve on your Payouts, we will provide you with notice specifying the terms of the Reserve. The terms may require that a certain percentage of your Payouts are held for a certain period of time, that a fixed amount of your Payouts are withheld from payout to you, or such other restrictions that PayPal determines in its sole discretion. PayPal may change the terms of the Reserve at any time by providing you with notice of the new terms.

PayPal may hold a Reserve as long as it deems necessary, in its sole discretion, to mitigate any risks related to your Transactions. You agree that you will remain liable for all obligations related to your Transactions even after the release of any Reserve. In addition, we may require you to keep your Bank Account available for any open settlements, Chargebacks and other adjustments.

5.04 Security Interest

As security for the payment and performance of all of your now existing or hereinafter arising or incurred obligations under this Agreement or any other obligation to PayPal, you grant to PayPal a lien on, and security interest in and to, all your now existing or hereafter arising right, title and/or interest in, to or under this Agreement, the Reserve, all funds held in Reserve, all Reserves at any time established in accordance with this Agreement, and all proceeds of any of the foregoing. Merchant agrees to duly execute and deliver to PayPal such instruments and documents as may be required to perfect and otherwise give effect to the lien and security interest granted to PayPal under this Agreement.

5.05 Letter of Credit

In the event PayPal, in its sole discretion, believes there is a high level of risk associated with your business, your Merchant Account, your PayPal account or your Transactions, you shall duly cause to be delivered to PayPal a standby, unconditional, irrevocable letter of credit (the "Letter of Credit") in the amount required by PayPal (the "Letter of Credit Amount"), with PayPal, Inc. as beneficiary, by an acceptable bank and in a form and

content satisfactory to PayPal in its sole discretion and within five (5) business days of PayPal's request. If at any time after delivery of the Letter of Credit PayPal determines that the Letter of Credit Amount does not cover PayPal's potential risk related to processing your Transactions hereunder or any other contract entered into by you and PayPal, then you agree to cause the Letter of Credit to be amended or to secure an additional Letter of Credit, within five (5) business days from our written request, in an amount to cover such exposure.

Merchant shall cause the Letter of Credit to be continuously maintained in effect until PayPal consents otherwise and shall furnish PayPal with a new or extended Letter of Credit at least sixty (60) days prior to the expiration of a Letter of Credit and ensure there is no gap in coverage. It shall be a default under this Agreement if a new or extended Letter of Credit is not provided. PayPal shall be entitled to draw the full amount of the Letter of Credit in such event.

PayPal may at any time make one or more draws from the Letter of Credit (without notice to you) up to the amount owed to PayPal hereunder or under any other contract between PayPal, its affiliates and you. PayPal may, but shall not be required to, apply or offset such proceeds of the Letter of Credit to cure such amounts owed to PayPal by Merchant. All fees and/or costs, including without limitation attorneys' fees and costs, incurred related to the Letter of Credit shall be paid solely by Merchant. Merchant authorizes PayPal, at its election, to charge Merchant's account(s) with PayPal for all such fees and costs.

In addition to all of PayPal's other rights and remedies under this Agreement or applicable law, PayPal shall have the right to immediately terminate this Agreement in the event Merchant fails (i) to furnish PayPal with a Letter of Credit within the timeframes stated in this Section; or (ii) to maintain the Letter of Credit as provided herein. In addition, the delivery of the Letter of Credit shall not act as a cure or waiver of any now existing or hereafter arising breaches or defaults under the Agreement.

Section 6 – Account Security, Data, Intellectual Property and Publicity

6.01 Security of your access

You agree to:

- a. Not allow anyone else to have or use your password details and to comply with all reasonable instructions we may issue regarding account access and security. In the event you share your password details, PayPal will not be liable to you for losses or damages caused by such sharing;

- b. Keep your personal details up to date. We may be unable to respond to you if you contact us from an address, telephone number or email account that is not registered with us; and
- c. Take all reasonable steps to protect the security of the personal electronic device through which you access the Braintree Payment Services (including, without limitation, using PIN and/or password protected personally configured device functionality to access the Braintree Payment Services and not sharing your device with other people).

6.02 Data Security Compliance

Merchant agrees to comply with applicable data privacy and security requirements under the Payment Card Industry Data Security Standard ("Network PCI DSS Requirements") and any applicable Network data security requirements (including those made available by [Visa](#), [MasterCard](#), [American Express](#), [Discover](#) and for Star, Nyce, Pulse, and Accel upon request, each as updated from time to time) with regards to Merchant's use, access, and storage of certain credit card non-public personal information. In order to verify your compliance with Network PCI DSS Requirements, you must complete and demonstrate certification pursuant to the requirements that we notify to you. Additionally, Merchant agrees to comply with its obligations under any applicable law or regulation as may be in effect or as may be enacted, adopted or determined regarding the confidentiality, use, and disclosure of cardholder information. You must report any Customer Data breach or incident to PayPal and/or the Networks immediately after discovery of the incident. You also agree to ensure data quality and that any Customer Data is processed promptly, accurately and completely, and complies with the Networks' technical specifications.

PayPal agrees to comply with the applicable Payment Card Industry Data Security Standard ("PCI DSS"). PayPal acknowledges that it is responsible for the security of cardholder data it possesses or otherwise stores, processes or transmits on behalf of the Merchant, or to the extent that PayPal could impact the security of the cardholder data environment.

If you use SAML SSO (Security Assertion Markup Language Single Sign-On) to allow access to your accounts with PayPal, you agree to use multi-factor authentication, or a reasonably equivalent control as determined by your Chief Information Security Officer, as a requirement of that access. For the purpose of this paragraph, "multi-factor authentication" shall mean authentication through verification of at least two types of factors from among knowledge factors, possession factors, and inherence factors. You will provide information to demonstrate compliance with this requirement as reasonably requested by PayPal.

6.03 Data Protection

The data protection terms applicable to this Agreement are set out in the [PayPal Data Protection Addendum](#), and are hereby incorporated by reference into this Agreement; provided that such PayPal Data Protection Addendum shall not apply to PayPal's Venmo Service or to the Fastlane by PayPal service, which are subject to the data protection principles set forth in the Venmo Service Terms and the Fastlane by PayPal Terms, respectively, available at our website. The terms of the PayPal Data Protection Addendum shall prevail over any conflicting terms in this Agreement relating to data protection and privacy.

Merchant represents, covenants, and warrants that it will provide and/or obtain necessary disclosures and consents, as applicable, in connection with any personal data provided by Merchant to PayPal.

6.04 Software License

PayPal grants you a revocable, non-exclusive, non-transferable, royalty-free limited license to access and/or use PayPal's APIs, developer's toolkit, and other software in accordance with the accompanying documentation made available by PayPal for purposes of using the Braintree Payment Services. This license grant includes all updates, upgrades, new versions and replacement software for your use in connection with the Braintree Payment Services. If you do not comply with the documentation and any other requirements provided by PayPal, then you will be liable for all resulting damages suffered by you, PayPal and third parties. Unless otherwise provided by applicable law, you agree not to alter, reproduce, adapt, distribute, display, publish, reverse engineer, translate, disassemble, decompile or otherwise attempt to create any source code that is derived from the Software. Upon expiration or termination of this Agreement, you will immediately cease all use of any Software.

6.05 Trademark License

PayPal grants you a revocable, non-exclusive, non-transferable license to use PayPal's trademarks used to identify the Braintree Payment Service (the "Trademarks") solely in conjunction with the use of the Braintree Payment Service. Merchant agrees that it will not at any time during or after this Agreement assert or claim any interest in or do anything that may adversely affect the validity of any Trademark or any other trademark, trade name or product designation belonging to or licensed to PayPal (including, without limitation registering or attempting to register any Trademark or any such other trademark, trade name or product designation). Upon expiration or termination of this Agreement, you will

immediately cease all display, advertising and use of all of the Trademarks, including the logos and trademarks of the Networks.

6.06 Intellectual Property

Other than the express licenses granted by this Agreement, PayPal grants no right or license by implication, estoppel or otherwise to the Braintree Payment Service or any Intellectual Property Rights of PayPal. Each party shall retain all ownership rights, title, and interest in and to its own products and services (including in the case of PayPal, in the Braintree Payment Service) and all Intellectual Property Rights therein, subject only to the rights and licenses specifically granted herein.

6.07 Publicity

Merchant hereby grants PayPal permissions to use Merchant's name and logo in its marketing materials including, but not limited to use on our website, in customer listings, in interviews and in press releases.

6.08 Confidential Information

The parties acknowledge that in their performance of their duties hereunder either party may communicate to the other (or its designees) certain confidential and proprietary information, including without limitation information concerning the Braintree Payment Services and the know how, technology, techniques, or business or marketing plans related thereto (collectively, the "Confidential Information") all of which are confidential and proprietary to, and trade secrets of, the disclosing party. Confidential Information does not include information that: (i) is public knowledge at the time of disclosure by the disclosing party; (ii) becomes public knowledge or known to the receiving party after disclosure by the disclosing party other than by breach of the receiving party's obligations under this section or by breach of a third party's confidentiality obligations; (iii) was known by the receiving party prior to disclosure by the disclosing party other than by breach of a third party's confidentiality obligations; or (iv) is independently developed by the receiving party. As a condition to the receipt of the Confidential Information from the disclosing party, the receiving party shall: (i) not disclose in any manner, directly or indirectly, to any third party any portion of the disclosing party's Confidential Information; (ii) not use the disclosing party's Confidential Information in any fashion except to perform its duties hereunder or with the disclosing party's express prior written consent; (iii) disclose the disclosing party's Confidential Information, in whole or in part, only to employees and agents who need to have access thereto for the receiving party's internal business purposes; (iv) take all necessary steps to ensure that its employees and agents are informed of and comply with the confidentiality restrictions contained in this Agreement; and (v) take all necessary

precautions to protect the confidentiality of the Confidential Information received hereunder and exercise at least the same degree of care in safeguarding the Confidential Information as it would with its own confidential information, and in no event shall apply less than a reasonable standard of care to prevent disclosure.

6.09 Data Portability

Upon any termination or expiry of this Agreement, PayPal agrees, upon written request from Merchant, to provide Merchant's new acquiring bank or payment service provider ("**Data Recipient**") with any available credit card information including Personal Data relating to Merchant's Customers ("**Card Information**"). In order to do so, Merchant must provide PayPal with all requested information including proof that the Data Recipient is in compliance with the Network PCI-DSS Requirements and is level 1 PCI compliant. PayPal agrees to transfer the Card Information to the Data Recipient so long as the following applies: (a) Merchant provides PayPal with proof that the Data Recipient is in compliance with the Network PCI-DSS Requirements (Level 1 PCI compliant) by providing PayPal a certificate or report on compliance with the Network PCI-DSS Requirements from a qualified provider and any other information reasonably requested by PayPal; (b) the transfer of such Card Information is compliant with the latest version of the Network PCI-DSS Requirements; and (c) the transfer of such Card Information is allowed under the applicable Network Rules, and any applicable laws, rules or regulations (including data protection laws).

6.10 Dispute Automation Services by Chargehound

Any personal data shared by PayPal with you in connection with Chargehound LLC's dispute automation services (and not otherwise generated, collected, or obtained by you by virtue of your Customer's relationship with you without regard to the use of such dispute automation services), shall be used by you solely for the provision of the Chargehound LLC's dispute automation services and for no other purpose unless you have obtained the prior express consent of your Customer.

Braintree may make available an optional service that, if enabled by you or by PayPal on your behalf, provides you with scores related to certain disputes or the ability automatically contest certain disputes using Chargehound LLC's dispute automation services ("**Dispute Contestation Decision Automation Service**").

Section 7 - Chargeback Protection Tool(s)

7.01 Chargeback Protection Tool Options

PayPal's Chargeback Protection and Effortless Chargeback Protection tools (collectively, "**Chargeback Protection Tools**") have two main benefits. First, they analyze credit and debit card transactions for fraud risk, approving or declining transactions based on the risk ("**CBT Risk Assessment**"). Second, for Eligible Transactions and Eligible Chargebacks (defined below), Chargeback Protection Tools allow you to retain the amount that would otherwise be refunded to the buyer as part of the Chargeback process (the "**Chargeback Transaction Amount**"), and have PayPal waive Chargeback Fees and/or Chargeback Maintenance Fees (collectively, the "**Chargeback-Related Fees**") that we would otherwise charge you when a buyer files a Chargeback claim. The Chargeback Transaction Amount and the Chargeback-Related Fees are collectively referred to in this Agreement as "**Chargeback Costs**". Chargeback Costs are waived by PayPal only for Eligible Transactions and only for Eligible Chargebacks.

The waiver of Chargeback Costs does not apply to any fees charged by third parties involved in processing the transaction and managing Chargeback claims, including but not limited to financial institutions, banks, and Networks. Such third parties may assess additional fees related to Chargebacks which cannot be waived by PayPal and will be passed through to you at the amounts established by those third parties.

It is your sole responsibility to provide any necessary notices and disclosures to, and obtain any required consents from, your Customers on your website or mobile application relating to your use of the Chargeback Protection Tools. You acknowledge and agree that PayPal does not represent or warrant that its risk assessment as part of Chargeback Protection Tools will be error free or that it will identify or prevent all fraudulent transaction activity. There are two types of Chargeback Protection Tools:

- a. "**Chargeback Protection**": requires you to provide proof of shipment or proof of delivery for goods or services for Eligible Transactions within two (2) days of PayPal's receipt of the Chargeback claim (or such other time period as specified by PayPal) and in the manner specified by PayPal in order to retain the Chargeback Costs.
- b. "**Effortless Chargeback Protection**": does not require you to provide proof of shipment or proof of delivery for goods or services for Eligible Transactions in order to retain the Chargeback Costs unless the Chargeback claim alleges the product was not received by the buyer. If the Chargeback claim alleges the product was not received by the buyer, in order to retain the Chargeback Costs, proof of shipment or proof of delivery for goods or services must be provided within two (2) days of the Chargeback claim (or such time period as otherwise specified by PayPal) in the manner specified by PayPal.

7.02 Merchant Enrollment Criteria for Chargeback Protection Tools

To be eligible for the Chargeback Protection Tools, you must, at all times, (1) maintain a Braintree account that is neither subject to any unresolved negative balance nor under any active or pending restriction, suspension, or closure, (2) be approved by PayPal for a Chargeback Protection Tool, (3) comply at all times with the Braintree Acceptable Use Policy, other applicable terms of this Agreement and with any [integration](#) and onboarding requirements for Braintree Payment Processing Services and the Chargeback Protection Tools, (4) provide additional data as requested by PayPal; and (5) enable the AVS/CVV in the Braintree Payment Processing Services. PayPal reserves the right to change the integration and onboarding requirements applicable to the Chargeback Protection Tools from time to time in accordance with this Agreement. PayPal may determine, in its sole discretion, which Merchants may enroll in and utilize the Chargeback Protection Tools.

Chargeback Protection cannot be used simultaneously with Fraud Protection or Fraud Protection Advanced on a single merchant ID (“**MID**”). Upon enrolling in a Chargeback Protection Tool, your use and access to Fraud Protection or Fraud Protection Advanced may automatically be terminated.

7.03 Eligible Transactions

The Chargeback Protection Tools only apply to credit or debit card transactions that meet all of the criteria set forth below (“**Eligible Transactions**”):

- a. a transaction processed via the Braintree Payment Processing Services;
- b. a transaction that is payment for goods and services that are not excluded under the terms of the Agreement, including but not limited to the Braintree Acceptable Use Policy;
- c. a transaction processed via the eligible Payment Technology Services, as set forth in our [developer documentation](#); and
- d. a transaction processed using certain processor connections, listed in our [developer documentation](#).

“Eligible Transactions” do not include any of the following:

- i. transactions for goods or services which are ineligible for PayPal’s [Seller Protection program](#);
- ii. checkout transactions initiated by your agent or representative on the buyer’s behalf (for example, a payment transaction initiated via telephone by the buyer with the assistance of one of your agents); or

- iii. transactions which are part of a pre-authorized subscription agreement or recurring billing agreement or other type of reference transaction arrangement between you and the buyer.

To the extent you submit an ineligible transaction for review through the Chargeback Protection Tool, PayPal may, at its option, perform the CBT Risk Assessment for that ineligible transaction and charge the applicable per-transaction fee for the Chargeback Protection Tool. However, such ineligible transactions will not receive the other benefits of the Chargeback Protection Tools.

7.04 Eligible Chargebacks

Chargeback Protection Tools apply only to Chargeback claims involving: (i) fraud, as determined by PayPal; or (ii) transactions where the product was not received by the buyer, as determined by PayPal (collectively, “**Eligible Chargebacks**”).

In addition, where the item sold is a ticket(s) for a future event, to be an Eligible Chargeback:

- a. The event cannot have been cancelled;
- b. At the time of the transaction, Merchant must provide a valid value for “Days to event” to PayPal via the applicable custom API field;
- c. PayPal must receive notice of the Chargeback no more than six (6) calendar days in advance of the event date, or at any time after the event date (the “**Eligible Chargeback Window**”); and
- d. If an event is rescheduled, you must provide a revised “Days to event” value to PayPal within one (1) Business Day of the rescheduling, and only Chargebacks received within the new Eligible Chargeback Window will be considered Eligible Chargebacks.

The value entered in the "Days to event" field must include both the date of the event and the date of the transaction, and cannot be zero, blank, negative, or a fractional number. If the date of the transaction is the same as the event date, the "Days to event" is 1. For the avoidance of doubt, the “Days to event” field may differ from the number of calendar days used to determine the Eligible Chargeback Window.

By way of illustration, if tickets are purchased on August 1 for an event occurring on August 10, the “Days to event” value sent at the time of the transaction must be 10, and a Chargeback must be received by PayPal on or after August 4 in order to be an Eligible

Chargeback. If the event is rescheduled, you must enter a new “Days to event” value as described above and a new Eligible Chargeback Window will begin.

7.05 Establishing Proof of Delivery or Proof of Shipment

The proof of delivery and proof of shipment requirements of PayPal’s Seller Protection program, available [here](#), apply to the Chargeback Protection Tools and are adopted and incorporated by reference.

7.06 Fees for Chargeback Protection Tools

Fees for the Chargeback Protection Tools will vary depending on the Chargeback Protection Tool option you select and your business size and risk profile.

If you choose to and are approved to change the Chargeback Protection Tool option you select, the change will take effect the next calendar day and will apply to Eligible Transactions that occur on that next calendar day after you change the Chargeback Protection Tool option.

7.07 Chargeback Recovery by PayPal

PayPal may recover all chargeback losses from you, including Chargeback Costs and any related fees for prior Eligible Chargebacks, if:

- a. you have provided us with incorrect information or made material misrepresentations during the application process for a Chargeback Protection Tool or during sign up for a Braintree Account;
- b. you violate the Braintree Payment Services Agreement, the Braintree Acceptable Use Policy or this Agreement;
- c. you fail to comply with any integration and onboarding requirements for Braintree Payment Processing Services or the Chargeback Protection Tool for a period of 15 consecutive calendar days; or
- d. if PayPal determines, in its sole discretion, that chargeback losses occurred due to security lapses by you or your agents.

7.08 Termination, Suspension or Cancellation of the Chargeback Protection Tools

PayPal reserves the right, in its sole discretion, to cancel or suspend use of a Chargeback Protection Tool for any reason at any time upon prior notice to you or immediately if reasonable notice is impracticable in order to (1) maintain the security of PayPal’s systems, (2) mitigate risk to PayPal or its customers, or (3) your Merchant Account is no longer in good standing.

PayPal may also cancel or suspend use of a Chargeback Protection Tool, with or without prior notice to you, if:

- a. You fail to comply with the eligibility requirements for the Chargeback Protection Tools or PayPal's integration requirements, including failing to provide information required by applicable developer documents;
- b. You choose not to comply with or you disable any verifications or checks of transaction data as required by PayPal;
- c. Your average chargeback rate exceeds either:
 - i. One and one-half (1.5) times the fees paid for the Chargeback Protection Tool for a period of sixty (60) consecutive days; or
 - ii. Three (3) times the fees paid to PayPal for the Chargeback Protection Tool for more than five (5) days across a period of ten (10) consecutive days or more than ten (10) days across a period of thirty (30) consecutive days;
- d. PayPal determines that there has been a material change in the nature of your business, including to the kinds of goods or services sold, the regions in which you operate, or your average chargeback loss rates; or
- e. PayPal determines that you misrepresented the nature of your business during the onboarding process, including the types of goods or services sold, the regions in which you operate, or your average chargeback losses.

7.09 Loss Cap

Use of the Chargeback Protection Tools is subject to a monthly loss cap rate of 1.20% of your Monthly Eligible Transaction Volume (the "**Loss Cap Rate**"). For chargebacks that would exceed the Loss Cap Rate for a given calendar month, PayPal will debit the Chargeback Transaction Amount as provided in Section 2.02, and PayPal will charge Chargeback-Related Fees for the chargeback. The Loss Cap Rate is calculated at the time a chargeback is received by PayPal ("**Chargeback Receipt Date**").

If the Chargeback Receipt Date occurs in the same calendar month in which the chargeback-related transaction occurred, the Loss Cap Rate is calculated using the following formula:

Eligible Chargebacks received in the month of the transaction up to and including the Chargeback Receipt Date (divided by) Monthly Eligible Transaction Volume received in that month up to and including the Chargeback Receipt Date.

If the Chargeback Receipt Date occurs after the calendar month in which the Chargeback-related transaction occurred, the Loss Cap Rate is calculated using the following formula:

Eligible Chargebacks received in the month of the transaction (divided by) Monthly Eligible Transaction Volume of the month of the transaction.

For purposes of the Loss Cap Rate, “Monthly Eligible Transaction Volume” means Merchant’s monthly successfully processed volume of Eligible Transactions.

Section 8 - Indemnification, Limitation of Liability, Disclaimer of Warranties

8.01 Indemnification

Merchant agrees to indemnify, defend, and hold harmless PayPal, its parent, affiliates, officers, directors, agents, employees and suppliers from and against any lawsuit, claim, liability, loss, penalty or other expense (including attorneys’ fees and cost of defense) they may suffer or incur as a result of (i) your breach of this Agreement or any other agreement you enter into with PayPal or its suppliers in relation to your use of the Braintree Payment Services; (ii) your use of the Braintree Payment Services; (iii) your acts or omissions; and/or (iv) your violation of any applicable law, regulation, or Network Rules and requirements.

8.02 LIMITATION OF LIABILITY

PAYPAL SHALL NOT BE LIABLE TO YOU OR A THIRD PARTY FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, RELIANCE, OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BRAINTREE PAYMENT SERVICES, WHETHER FORESEEABLE OR UNFORESEEABLE, AND WHETHER BASED ON BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, MISREPRESENTATION, NEGLIGENCE, STRICT LIABILITY IN TORT, OR OTHER CAUSE OF ACTION (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF DATA, GOODWILL, PROFITS, INVESTMENTS, USE OF MONEY, OR USE OF FACILITIES; INTERRUPTION IN USE OR AVAILABILITY OF DATA; STOPPAGE OF OTHER WORK OR IMPAIRMENT OF OTHER ASSETS; OR LABOR CLAIMS), EVEN IF PAYPAL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. UNDER NO CIRCUMSTANCES SHALL PAYPAL’S TOTAL AGGREGATE LIABILITY TO MERCHANT OR ANY THIRD PARTY ARISING OUT OF OR RELATED TO THIS AGREEMENT EXCEED THE DIRECT DAMAGES SUFFERED BY SUCH PARTY IN AN AMOUNT EQUAL TO THE AMOUNTS PAID OR PAYABLE BY MERCHANT TO PAYPAL UNDER THIS AGREEMENT DURING THE FIRST TWELVE (12) MONTH PERIOD AFTER THE EFFECTIVE DATE OF THIS AGREEMENT.

8.03 Disclaimer of Warranties

THE BRAINTREE PAYMENT SERVICE IS PROVIDED “AS IS” WITHOUT ANY WARRANTY WHATSOEVER. PAYPAL DISCLAIMS ALL WARRANTIES WHETHER EXPRESS, IMPLIED, OR STATUTORY, TO MERCHANT AS TO ANY MATTER WHATSOEVER, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY PAYPAL OR ITS EMPLOYEES OR REPRESENTATIVES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF PAYPAL’S OBLIGATIONS.

The parties acknowledge that the Braintree Payment Service is a computer network based service which may be subject to outages and delay occurrences. As such, PayPal does not guarantee continuous or uninterrupted access to the Braintree Payment Services.

Merchant further acknowledges that access to our website or to the Braintree Payment Services may be restricted for maintenance. PayPal will make reasonable efforts to ensure that Transactions are processed in a timely manner; however, PayPal will not be liable for any interruption, outage, or failure to provide the Braintree Payment Services.

8.04 ATTORNEY’S FEES; INSOLVENCY AND OTHER PROCEEDINGS

If it becomes necessary for PayPal to use legal counsel to enforce or prevent a breach of this Agreement or your obligations, whether or not suit is filed, you will immediately reimburse us for reasonably incurred attorney fees and other costs and expenses. You will also immediately reimburse us for all reasonable attorney's fees and costs incurred in connection with the representation of PayPal in any bankruptcy, insolvency, reorganization, or other debtor-relief or similar proceeding of or relating to (a) Merchant, (b) any person liable (by way of guaranty, assumption, endorsement, or otherwise) on any of the obligations under this Agreement, (c) this Agreement, or (d) any property that secures any of your obligations under this Agreement.

Section 9 - Term and Termination; Dormancy

9.01 Term and Termination

The term of this Agreement shall commence on the Effective Date and shall continue until terminated as set forth herein. Notwithstanding any other provisions in this Agreement:

- a. you may terminate this Agreement by providing PayPal with one (1) day advance notice.
- b. PayPal may terminate this Agreement at any time by providing you with thirty (30) days advance notice or in the event your Merchant Account becomes dormant as provided under this Agreement. This will not affect PayPal’s right to suspend our services according to Section 5.01 or any other provision of this Agreement.

- c. PayPal may immediately terminate this Agreement or suspend services to you without advance notice if any of the following occurs: (1) we are required by the Networks, the Acquirer, or an order from a regulatory body to cease providing services to you; (2) we believe that you have breached this Agreement, or are likely to do so; (3) if we determine that your use of the Braintree Payment Services carries an unacceptable amount of risk, including credit or fraud risk; or (4) any other legal, reputational, or risk-based reason exists, in PayPal's sole discretion.

In the event that PayPal must terminate this Agreement immediately, PayPal shall provide you with written notice after the termination, and as soon as reasonably practicable.

After termination by either party as described above, Merchant shall cease all use of the Braintree Payment Services and may no longer have access to or use of PayPal's websites, software, systems (including any networks and servers used to provide any of the PayPal services) operated by PayPal or by any third party on our behalf. Any termination of this Agreement does not relieve Merchant of any obligations to pay any fees, costs, penalties, Chargebacks or any other amounts owed by you to us as provided under this Agreement, whether accrued prior to or after termination.

9.02 Dormancy

If there is no processing activity through your Merchant Account(s) for a period of twelve (12) months or longer, PayPal may close such inactive Merchant Account(s) and terminate the Gateway Services or the Agreement upon written notice. If required by applicable law, PayPal will escheat (send) any outstanding funds to your state of residency. If you would like to claim any escheated funds from the applicable state, please contact the applicable state's unclaimed property administrator. You will remain liable for all outstanding obligations under this Agreement related to your Merchant Account(s) prior to closure.

Section 10 – General Provisions

10.01 Independent Contractors

Except as provided in Section 2.02 of this Agreement, the relationship of PayPal and Merchant is that of independent contractors. Neither Merchant nor any of its employees, consultants, contractors or agents are agents, employees, partners or joint ventures of PayPal, nor do they have any authority to bind PayPal by contract or otherwise to any obligation. None of such parties will represent anything to the contrary, either expressly, implicitly, by appearance or otherwise

10.02 Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable for any reason, the remaining provisions not so declared shall nevertheless continue in full force and effect, but shall be construed in a manner so as to effectuate the intent of this Agreement as a whole, notwithstanding such stricken provision or provisions.

10.03 Waiver

No term or provision of this Agreement shall be deemed waived, and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other party, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any different or subsequent breach.

10.04 Assignment

This Agreement will bind and inure to the benefit of each party's permitted successors and assigns. Merchant may not assign this Agreement without the written consent of PayPal. PayPal may assign this Agreement in its sole discretion without the written consent of Merchant.

10.05 Amendment

PayPal may revise this Agreement and any of the other terms, agreements, or policies from time to time. The revised version will be effective at the time we post it, unless otherwise noted. If our changes reduce your rights or increase your responsibilities, we will provide notice of such changes. For business accounts, notice will include posting information about the changes on our [Policy Updates](#) page or providing information about the changes by other written means (which may include email). If you accepted this Agreement prior to us providing notice of the changes on the [Policy Updates](#) page or by other written means, then such notice will be provided at least 5 days before the applicable effective date. By continuing to use the services after any changes to this Agreement or any of the other applicable terms, agreements, or policies, you agree to abide and be bound by those changes.

10.06 Entire Agreement

This Agreement sets forth the entire agreement and understanding of the parties hereto in respect to the subject matter contained herein, and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, by any officer, partner, employee or representative of any party hereto. This Agreement shall be binding upon and shall inure only to the benefit of the

parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer or shall be deemed to confer upon any persons or entities not parties to this Agreement, any rights or remedies under or by reason of this Agreement.

10.07 Survival

Sections 2 (Fees and Tax), 4 (Liability for Chargebacks, Invalidated Payments and other Liabilities), 5 (Actions We May Take), 6.09 (Confidential Information), 7 (Indemnification, Limitation of Liability, Disclaimer of Warranties), 8 (Term and Termination, Data Portability), 9 (General Provisions), Exhibit “A” (Definitions) and the PayPal Data Protection Addendum, as well as any other terms which by their nature should survive, will survive the termination of this Agreement.

10.08 Communication; Recording Calls; and Availability of Contractual Documents

You consent to receive autodialed or prerecorded calls and text messages from PayPal at any telephone number that you have provided us or that we have otherwise obtained to (i) notify you regarding your Merchant Account; (ii) collect a debt; (iii) resolve a dispute; (iv) contact you about exclusive offers; or (v) as otherwise necessary to service your Merchant Account or enforce the Agreement. Standard telephone minute and text charges may apply.

We may share your telephone numbers with our service providers (such as billing or collections companies) who we have contracted with to assist us in pursuing our rights or performing our obligations under the Agreement, our policies, or any other agreement we may have with you. You agree these service providers may also contact you using autodialed or prerecorded calls and text messages, only as authorized by us to carry out the purposes we have identified above, and not for their own purposes.

PayPal may, without further notice or warning and in its discretion, monitor or record telephone conversations you or anyone acting on your behalf has with PayPal or its agents for quality control and training purposes or for its own protection.

If you have a question or complaint relating to the Braintree Payment Services or your Transactions, please contact the Braintree customer support as defined in the “Contact” tab of our website. The general terms and conditions for the Braintree Payment Services will be available at all times on our website in the “Legal” tab, and/or be made available during signup process as an electronic copy per e-mail. You may request at any time free of charge electronic copy of your contractual documents.

10.09 Notices, Contracting Entity, Governing Law, and Jurisdiction

(a) Contracting Entity. “PayPal,” “Braintree,” “we,” and “our” in this Agreement refer to PayPal, Inc., a Delaware corporation in the United States whose address is 2211 North First Street, San Jose, CA 95131.

(b) Notice to Merchant. Merchant agrees that PayPal may provide notices and disclosures to Merchant by posting them on our website, emailing them to Merchant, or sending them to Merchant through postal mail. Notices sent to Merchant by postal mail are considered received by Merchant within three (3) Business Days of the date PayPal sends the notice unless it is returned to PayPal. Disclosures and notices posted on our website or emailed shall be considered to be received by you within 24 hours of the time it is posted to our website or emailed to you unless we receive notice that the email was not delivered. Furthermore, you understand and agree that if PayPal sends you an email but you do not receive it because your primary email address on file is incorrect, out of date, blocked by your service provider, or you are otherwise unable to receive electronic communications, PayPal will be deemed to have provided the communication to you. In addition, PayPal may send Merchant emails, including, but not limited to, those relating to product updates, new features and offers and Merchant hereby consents to such email notification. You also agree that electronic disclosures and notices have the same meaning and effect as if we had provided you with a paper copy.

(c) Notices to PayPal. Notice to PayPal shall be considered valid only if sent by postal mail to PayPal, Inc., Attention: Legal Department, 2211 North First Street, San Jose, California 95131.

(d) Choice of law and jurisdiction. The laws of the State of Delaware, without regard to principles of conflict of laws, will govern this Agreement and any claim or dispute that has arisen or may arise between the parties, except as otherwise stated in this Agreement.

10.10 Agreement to Arbitrate

PLEASE READ THIS SECTION CAREFULLY. IT AFFECTS YOUR RIGHTS AND WILL IMPACT HOW CLAIMS YOU AND PAYPAL HAVE AGAINST EACH OTHER ARE RESOLVED.

You and PayPal agree that any and all disputes or claims that have arisen or may arise between you and PayPal shall be resolved exclusively through final and binding arbitration, rather than in court, except that you may assert claims in small claims court, if your claims qualify and so long as the matter remains in such court and advances only on an individual (non-class, non-representative) basis. The Federal Arbitration Act governs the interpretation and enforcement of this provision.

THE PARTIES ALSO AGREE THAT YOU AND PAYPAL MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER

IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND PAYPAL AGREE OTHERWISE, THE ARBITRATOR(S) MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON'S OR PARTY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR(S) MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S). ANY RELIEF AWARDED CANNOT AFFECT OTHER PAYPAL MERCHANTS.

The arbitration will be conducted by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, as modified by this Agreement to Arbitrate. The AAA's rules are available at www.adr.org. Payment of all filing, administration, and arbitrator fees will be governed by the AAA's rules. All issues are for the arbitrator to decide, except that issues relating to arbitrability, or the scope or enforceability of this Agreement to Arbitrate, shall be for a court of competent jurisdiction to decide. If a court decides that any part of this Section 10.10 is invalid or unenforceable, the other parts of this Section 10.10 shall still apply.

The arbitration shall be held in the county in which you reside or at another mutually agreed location. If the value of the relief sought is \$10,000 or less, you or PayPal may elect to have the arbitration conducted by telephone or based solely on written submissions, which election shall be binding on you and PayPal subject to the discretion of the arbitrator(s) to require an in-person hearing, if the circumstances warrant. In cases where an in-person hearing is held, you and/or PayPal may attend by telephone, unless required otherwise by the arbitrator(s).

The arbitrator(s) will decide the substance of all claims in accordance with the laws of the State of Delaware, including recognized principles of equity, and will honor all claims of privilege recognized by law. The arbitrator(s) shall not be bound by rulings in prior arbitrations involving different merchants, but is/are bound by rulings in prior arbitrations involving the same merchant to the extent required by applicable law. The arbitration award shall be final and binding and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

EXHIBIT A – Definitions

- **“Acquirer”** means the financial institution that provides acquiring services to Merchant with respect to the Braintree Payment Services.

- **“Agreement”** means this Braintree Payment Services Agreement, including all exhibits and other agreements and documents incorporated herein.
- **“Bank Account”** means the bank account that you specify to receive your Payouts.
- **“Business Day”** means a day where banks are generally open in the United States.
- **“Chargeback”** means a challenge to a payment that a buyer files directly with his or her credit or debit card issuer.
- **“Chargeback Fee”** is the flat fee assessed by PayPal for each Chargeback as set forth on our [Fees page](#).
- **“Chargeback Maintenance Fee”** is defined in Section 4 above.
- **“Chargeback Protection”** is defined in section 7.01(a) above.
- **“Chargeback Protection Tool”** is defined in Section 7.01 above.
- **“Commercial Entity Agreement”** is defined in Section 1.02 above.
- **“Confidential Information”** is defined in Section 6.08 above.
- **“Control Panel”** is the user interface for the Braintree Payment Services.
- **“Customer(s)”** means the customer of the Merchant.
- **“Customer Data”** means all information, including personal data, that (i) the Customer provides to Merchant and Merchant passes on to PayPal through the use by Merchant of the Payment Processing Services and (ii) PayPal collects from the Customer’s device and browser through use by Merchant of the Payment Processing Services.
- **“Debit Authorization”** is defined in Section 2.02 above.
- **“Effortless Chargeback Protection”** is defined in Section 7.01(b) above.
- **“Eligible Chargebacks”** is defined in Section 7.04 above.
- **“Eligible Transactions”** is defined in Section 7.03 above.
- **“Excessive Chargebacks”** is defined in Section 4 above.
- **“Fraud Chargeback”** is defined in Section 7.03(c) above.
- **“Fraud Protection Tools”** is defined in Section 1.01 (c) above.

- **“Hyperwallet”** means the Hyperwallet services provided by PayPal, Inc. and its affiliates.
- **“Hyperwallet Customer Funds Account”** means a pooled Hyperwallet customer funds account segregated from Hyperwallet’s proprietary operating accounts where your funds are held in accordance with the Hyperwallet terms of service.
- **“Ineligible Transactions”** is defined in Section 5 above.
- **“Intellectual Property Rights”** means the rights owned by a party in its Intellectual Property.
- **“Invalidated Payment”** is defined in Section 4(a) above.
- **“Letter of Credit”** is defined in Section 5.05 above.
- **“Letter of Credit Amount”** is defined in Section 5.05 above.
- **“Merchant”** or **“you”** means the entity and/or individual who enters into this Agreement.
- **“Merchant Account”** means the account relationship between Merchant, PayPal, and in certain cases Acquirer, for use as part of the Braintree Payment Services under the terms of this Agreement. The term “Merchant Account” does not represent an interest in any specific assets or bank account.
- **“Monthly Eligible Transaction Volume”** is defined in Section 7.09 above.
- **“Networks”** means, collectively, Visa, MasterCard, Discover, American Express, any ATM or debit network, and the other card network organizations.
- **“Network PCI-DSS Requirements”** has the definition ascribed to such term in Section 6.02.
- **“Network Rules”** is defined in Section 3.01(c) above.
- **“Payout”** means the amount due to you from your Transactions minus our fees and any Refunds, Chargebacks, Reversals, setoffs, recoupments or other amounts due to PayPal.
- **“Product Not Received”** is defined in Section 7.03(c) above.
- **“Reversal”** means any payment that PayPal reverses to your customer.
- **“Refund”** means a refund issued by you through the Braintree Control Panel or through your API access.

- **“Reserve”** means an amount or percentage of your Payouts that we (or we instruct Acquirer to) hold in order to protect against the risk of Reversals, Chargebacks, or any other risk, exposure and/or potential liability to us related to your use of the Braintree Payment Services.
- **“Restricted Activities”** means any breaches of our Acceptable Use Policy and any activity specified in Section 3.01 above.
- **“Software”** is defined in Section 6.04 above.
- **“Total Payment Volume”** shall be based on Merchants total Transactions processed, calculated in USD, within the twelve (12) months preceding the month the Chargeback Maintenance Fee becomes due.
- **“Trademark(s)”** is defined in Section 6.05 above.
- **“Transaction”** means the payment of funds between you and a Customer related to the sale of goods and/or services, or charitable donations.