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Commercial Entity Agreement

Last updated on January 13, 2025

The card payments you receive using the Braintree Payment Services require, under the card network rules, that you agree to a Commercial Entity Agreement with each card network member bank that processes such card payments. The applicable Commercial Entity Agreement (as updated from time to time) applies to such card payments processed through the relevant member bank. You may click on each hyperlink below to view the applicable Commercial Agreement for each member bank.

Pathward Commercial Entity Agreement

This Commercial Entity User Agreement (“**CEA**”) applies to Commercial Entities (as defined by Visa and Mastercard), who use PayPal’s service(s), including the Braintree and Venmo services, to accept Network (defined below) branded payment card(s) from customers (collectively, the “**PayPal Services**”). Each such Commercial Entity to whom this CEA is applicable is hereby referred to as “**PayPal Customer**.” In this CEA, “you” and/or “your” also refer to PayPal Customer. This CEA constitutes your separate legally binding contract between (1) you, as a Commercial Entity, and (2) Pathward Bank, N.A. (“**Member**”). In this CEA “we”, “us”, and “our” also refer to Member. PayPal Customer has agreed to the online Payment Services Agreement, the online PayPal Online Card Payment Services Agreement or other online agreement with PayPal related to your direct acceptance of Visa/Mastercard cards found on the applicable PayPal website (each, a “**Card Services Agreement**”) and/or, in certain cases, signed an applicable negotiated agreement with PayPal (a “**Negotiated Agreement**”), each of which set forth requirements regarding the applicable PayPal Services and are incorporated into this CEA by reference. Member may terminate its provision of credit and debit card processing services provided by Member to PayPal and you in connection with payments made to you through the PayPal Services and enforce any of the provisions of a Card Services Agreement or a Negotiated Agreement, as applicable, that relate to the credit and debit card processing services provided by Member. This CEA replaces any other CEA you may have already agreed to with PayPal and Member.

Once this CEA is effective and applies to you (as further described herein) you enter into and agree to the terms and conditions of this CEA and any documents incorporated by reference. You further agree that this CEA forms a legally binding contract between you and Member. Any rights not expressly granted herein are reserved by Member.

1. Purpose of this CEA. When your customer pays you through the PayPal Services, they have the option of paying you through a payment method offered through the PayPal Services, including a credit or debit card. If you are the recipient of a credit or debit card payment, Visa U.S.A., Inc. and Visa International (collectively, “**Visa**”) and Mastercard International Incorporated (“**Mastercard**”) (collectively, the “**Networks**”) require that you enter into a direct contractual relationship with a bank who is a member of the Networks. By entering into this CEA, you are fulfilling the Network rule of entering into a direct contractual relationship with a member bank, and you are agreeing to comply with Network Rules as they pertain to applicable direct card payments you receive through the PayPal Services.

- a. **Network Rules.** Mastercard and Visa have established guidelines, merchant monitoring programs, and reports to track merchant activity such as excessive credits and chargebacks, and increased deposit activity. In the event you exceed the guidelines or submit suspicious transactions, as identified by a Network or any related program or reports, you may be subject to: (i) incremental chargebacks and/or fees; (ii) settlement delay or withholding; (iii) termination of this CEA; (iv) audit and imposition of fines; (v) or any other consequences set forth herein. You agree to follow all requirements of this CEA in connection with each card transaction and to comply with Visa USA Inc. Operating Regulations, the MasterCard Bylaws, and all other applicable Network rules (“**Network Rules**”)
- b. **Deposit Transactions.** You agree to only accept payments through PayPal Services for transactions between you and your customer for the sale of goods or services, or acceptance of donations. You shall not submit a transaction for the refinance or transfer of an existing obligation that was uncollectible. You acknowledge that for Visa and Mastercard payments, you shall obtain an authorization for transaction amounts prior to completing the transaction. You shall not request or use a cardholder’s account number for any purpose other than to support payment for your goods and services, or donations.
- c. **Split Transactions.** You agree to submit a single transaction for the full amount of each sale, except to the extent you and your customer agree on a partial shipment of a product, or where the transaction qualifies for delayed delivery or special order deposits (such as partial shipments based on inventory on hand) or as processed as a partial authorization with full transparency and permitted under the Network Rules, in which cases a sale may be split into multiple transactions.
- d. **Minimum or Maximum/Surcharges; Taxes.** You agree that you shall not set minimum or maximum transaction amounts or impose surcharges as a condition of honoring Visa and Mastercard debit cards. You may not surcharge credit card transactions unless (i) permitted by applicable law, and (ii) done in a non-discriminatory manner in relation to other credit cards. You may not add tax to any transaction unless so permitted by applicable law, and in such case, only if included in the transaction amount and not collected separately.
- e. **Visa and Mastercard Marks.** You shall use the Visa and Mastercard logos or marks only on your promotional materials and website to indicate that Visa and Mastercard cards are both accepted as payment methods in connection with the PayPal Services.

- **f. Cash Disbursements; Scrips.** You agree that if you sell travelers cheques or foreign currency, that transactions shall be limited to the value of cheques, Visa TravelMoney, or currency sold in a single transaction, plus any applicable commissions. Further you agree that you shall not accept a credit card payment for the purchase of a Scrip (a two-part paper receipt that is redeemable by you for goods, services, or cash).
- **g. Discrimination.** You agree that you 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 and Card Data Security.** You acknowledge that some PayPal Services do not provide you access to Cardholder Data (defined as a cardholder's account number, expiration date, and CVV2) for payments received by you through such services. In relation to such PayPal Services, you agree you shall not request access to Cardholder Data from either PayPal or any customer making payment. To the extent you do receive Cardholder Data in connection with the PayPal Services, you agree (x) to the extent the PayPal Services do not inherently provide you access to such Cardholder Data, to promptly notify Member and PayPal of such and (y) that at all times you shall be compliant with the Payment Card Industry Data Security Standards ("**PCI-DSS**") and that you shall certify such compliance in accordance with Network Rules, or when asked by PayPal to do so. You also agree that you will use only PCI-DSS compliant service providers in connection with the storage, or transmission of Cardholder Data. You must not store CVV2 data at any time. If you receive Cardholder Data in connection with the PayPal Services, you further agree that you will not (i) use the Cardholder Data for any purpose other than to support payment for your goods and services, or acceptance of donations, (ii) use the Cardholder Data for any purpose that you know or should know to be fraudulent or in violation of any Network Rules, (iii) sell, purchase, provide, or exchange in any manner or disclose Cardholder Data to anyone other than your acquirer (in this case Pathward, N.A.), Visa, or Mastercard (as applicable), or in response to a government request.
- **i. PayPal Customer Identification.** You agree to prominently and unequivocally inform your customers of your identity at all points of interaction. You must include the address of your permanent establishment on your website (if applicable).
- **j. Chargebacks.** You shall use all reasonable methods to resolve disputes with your customers. Should a chargeback dispute occur, you shall promptly comply with all requests for information from PayPal. You shall not attempt to recharge a customer for an item that has been charged back, unless the customer has authorized such actions.
- **k. Refund Policy Must be on Your Website or Prominently Displayed at Your Business Location (as applicable), Where You Are Using the PayPal Services.** If you limit refund/exchange terms or other specific conditions for sales, your policy must be clearly provided to your customers prior to the sale, as part of the sale confirmation process. Proper disclosure would include wording that is prominently 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 Network Rules frequently allow the cardholder to still dispute these items.

- **l. Compliance with Law; Privacy Policy Display.** You will not access and/or utilize the PayPal Services for illegal purposes and will not interfere or disrupt networks connected with the PayPal Services. You agree to display your consumer privacy policy on your website as well as your security method for transmission of payment data.
- **m. Limited Acceptance.** Pursuant to the Network Rules, you understand that you are allowed to limit your acceptance to either (i) only accept non-PIN debit transactions; or (ii) only accept credit card transactions; however, by using PayPal Services you are electing full acceptance.
- **n. Marketplace Requirements.** If you are a Marketplace (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your retailers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and retailers on your platform; (ii) you are permitted to submit transactions through the PayPal Services for retailers located in a different country than where you are domiciled, provided that any such transactions are compliant with applicable law in both your and the retailer's country; (iii) you will enter into a legally binding contractual relationship with each retailer before submitting transactions through the PayPal Services on the retailer's behalf; (iv) you will immediately comply with Member's instruction to prohibit individual retailers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual retailer for good cause or upon a Network's request; (v) you are liable for all acts, omissions, buyer disputes, and other cardholder customer service-related issues arising from and/or caused by your retailers; (vi) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a retailer; (vii) you must not transfer or attempt to transfer your, or permit a retailer to transfer or attempt to transfer its, financial liability by asking or requiring cardholders to waive their dispute rights; (viii) you must submit transactions through the PayPal Services only on behalf of retailers that use your platform's website or mobile application to sell goods and services to, or accept donations from, cardholders; and (ix) you must not knowingly enter into a contract with a retailer whose card acceptance agreement was terminated at the direction of a Network or a government agency.
- **o. Digital Wallet Operator Requirements.** If you are a Digital Wallet Operator (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your retailers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and retailers on your platform; (ii) you may not use the PayPal Services to process transactions as or for a third party Staged Digital Wallet Operator (as defined from time to time by the Networks); (iii) you must provide the names of principals and their country of domicile for each of your retailers and transaction reports to us or to the Networks upon request; (iii) you will enter into a legally binding contractual relationship with each retailer before submitting transactions through the PayPal Services on the

retailer's behalf; (iv) you will immediately comply with Member's instruction to prohibit individual retailers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual retailer for good cause or upon a Network's request; (v) you are liable for all acts, omissions, cardholder disputes, and other cardholder customer service-related issues arising from and/or caused by you or your retailers; (vi) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a retailer; (vii) you must not transfer or attempt to transfer your, or permit a retailer to transfer or attempt to transfer its, financial liability by asking or requiring cardholders to waive their dispute rights; and (viii) you must not knowingly enter into a contract with a retailer whose card acceptance agreement was terminated at the direction of a Network or a government agency.

- **p. Consumer Bill Payment Service Provider Requirements.** If you are a Consumer Bill Payment Service Provider (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your billers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and billers; (ii) you are permitted to submit transactions through the PayPal Services only where the provision of the underlying goods/services of the transaction and the biller are located in the US; (iii) you will immediately comply with Member's instruction to prohibit individual billers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual biller for good cause or upon a Network's request; (iv) you are liable for all acts, omissions, disputes, and other cardholder customer service-related issues arising from and/or caused by you or your Billers; (v) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a biller.
- **q. Business Payment Solutions Provider Requirements.** If you are a Business Payments Solution Provider (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your suppliers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and suppliers; (ii) you are permitted to submit transactions through the PayPal Services only for suppliers located in the US; (iii) you will immediately comply with Member's instruction to prohibit individual suppliers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual supplier for good cause or upon a Network's request; (iv) you are liable for all acts, omissions, disputes, and other cardholder customer service-related issues arising from and/or caused by you or your suppliers; (v) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a supplier.

2. Payment Instructions: You authorize and direct us to pay to PayPal all amounts due from Member to you hereunder. PayPal shall serve as your agent for purposes of receiving the proceeds of credit and debit card processing services from Member, and shall be responsible for disbursing such amounts to you.

3. Term and Termination. This CEA is effective and applies to you upon the date you clicked through a Card Services Agreement or signed a Negotiated Agreement, as applicable, or otherwise separately agreed to this CEA (by “click-through” or otherwise), and this CEA shall continue so long as you use the PayPal Services. This CEA will terminate automatically upon any termination or expiration of a Card Services Agreement, or upon any termination or expiration of a Negotiated Agreement, if applicable (but only if you do not still receive PayPal Services pursuant to a separate Card Services Agreement), provided that those terms which by their nature are intended to survive termination (including indemnification obligations and limitations of liability) shall survive. This CEA may be terminated by Member at any time based on (i) a breach of any of your obligations under this CEA, a Card Services Agreement, or a Negotiated Agreement, as applicable, or (ii) the termination of the payment processing relationship between PayPal and Member.

4. Indemnification. You agree to indemnify and hold Member harmless from and against all losses, liabilities, damages, and expense resulting from and/or arising out of: (a) any breach of any warranty, covenant, or agreement or any misrepresentation by you under this CEA; (b) your or your employees’ negligence or willful misconduct in connection with your transactions or otherwise arising from your provision of goods and services to customers paying for such goods or services through the PayPal Services; (c) any third-party indemnifications Member is obligated to make as a result of PayPal Customer’s actions (including indemnification of any Network or card issuing bank).

5. Warranty Disclaimer. This CEA is a service agreement. Member disclaims all representations or warranties, express or implied, made to you or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise for any services or any goods provided incidental to the services provided under this CEA to the extent permitted by law.

6. 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 (“Indirect 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 Member 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. The parties acknowledge that Network fees, fines, charges, etc., are not considered Indirect Damages. Notwithstanding anything in this CEA to the contrary, Member’s cumulative liability for all losses, claims, suits, controversies, breaches, or damages for any cause whatsoever (including 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 willful misconduct) shall not exceed \$10,000 as it relates to transactions processed under this CEA.

7. Governing Law; Arbitration. Governing law with respect to this CEA shall be New York, U.S. Any dispute with respect to this CEA between you and Member, including a dispute as to the validity or

existence of this CEA and/or this clause, shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association. Venue for any such arbitration shall be New York City, New York.

8. Assignment; Amendments. This CEA may only be assigned in connection with a permitted assignment under a Card Services Agreement or a Negotiated Agreement, as applicable. Member may assign its rights under this CEA without your consent. This CEA may be amended by you only upon mutual written agreement. Member may amend this CEA at any time via PayPal posting a revised version on the PayPal website(s). The revised version will be effective at the time PayPal posts it. In addition, if the revised version includes a substantial change, Member will provide you with 30 days' prior notice of such change via PayPal posting a notice on the "Policy Updates" page of the PayPal website(s). After this 30-day notice, you will be considered as having expressly consented to all changes to the CEA if you continue to use the PayPal Services. For the purpose of this CEA, a "substantial change" will be any change that involves a reduction to your rights or an increase to your responsibilities. Member may provide less than 30-day notice if less than 30-day notice is provided to Member for changes required by Network Rules or applicable law.

9. Waiver. The failure of a party to assert any of its rights under this CEA, including 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 PayPal Customer and Member by way of this CEA. In the performance of their respective obligations hereunder, the parties are, and will be, independent contractors. 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. 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.

Network Disclosure; Member Bank Information: PayPal may be contacted at <https://www.paypal.com/us/smarthelp/home>; and by phone at 1-844-629-9108; Member, Pathward, N.A., may be contacted by mail at: Pathward, N.A., Attn: Legal, 5501 South Broadband Lane, Sioux Falls, South Dakota 57108, Deutsche Bank CEA.

Commercial Entity Agreement with Deutsche Bank AG New York

This Commercial Entity User Agreement ("**CEA**") applies to Commercial Entities (as defined by Visa and Mastercard), who use PayPal's service(s), including the Braintree and Venmo services, to accept Network (defined below) branded payment card(s) from customers (collectively, the "**PayPal Services**"). Each such Commercial Entity to whom this CEA is applicable is hereby referred to as "**PayPal Customer**." In this CEA, "you" and/or "your" also refer to PayPal Customer.

This CEA constitutes your separate legally binding contract between (1) you, as a Commercial Entity, and (2) Deutsche Bank AG New York (“Member”). In this CEA “we”, “us”, and “our” also refer to Member. PayPal Customer has agreed to the online Payment Services Agreement, the online PayPal Online Card Payment Services Agreement or other online agreement with PayPal related to your direct acceptance of Visa/Mastercard cards found on the applicable PayPal website (each, a “Card Services Agreement”) and/or, in certain cases, signed an applicable negotiated agreement with PayPal (a “**Negotiated Agreement**”), each of which set forth requirements regarding the applicable PayPal Services and are incorporated into this CEA by reference. Member may terminate its provision of credit and debit card processing services provided by Member to PayPal and you in connection with payments made to you through the PayPal Services and enforce any of the provisions of a Card Services Agreement or a Negotiated Agreement, as applicable, that relate to the credit and debit card processing services provided by Member. This CEA replaces any other CEA you may have already agreed to with PayPal and Member.

Once this CEA is effective and applies to you (as further described herein) you enter into and agree to the terms and conditions of this CEA and any documents incorporated by reference. You further agree that this CEA forms a legally binding contract between you and Member. Any rights not expressly granted herein are reserved by Member.

1. Purpose of this CEA. When your customer pays you through the PayPal Services, they have the option of paying you through a payment method offered through the PayPal Services, including a credit or debit card. If you are the recipient of a credit or debit card payment, Visa U.S.A., Inc. and Visa International (collectively, “**Visa**”) and Mastercard International Incorporated (“**Mastercard**”) (collectively, the “**Networks**”) require that you enter into a direct contractual relationship with a bank who is a member of the Networks. By entering into this CEA, you are fulfilling the Network rule of entering into a direct contractual relationship with a member bank, and you are agreeing to comply with Network Rules as they pertain to applicable direct card payments you receive through the PayPal Services.

- a. **Network Rules.** Mastercard and Visa have established guidelines, merchant monitoring programs, and reports to track merchant activity such as excessive credits and chargebacks, and increased deposit activity. In the event you exceed the guidelines or submit suspicious transactions, as identified by a Network or any related program or reports, you may be subject to: (i) incremental chargebacks and/or fees; (ii) settlement delay or withholding; (iii) termination of this CEA; (iv) audit and imposition of fines; (v) or any other consequences set forth herein. You agree to follow all requirements of this CEA in connection with each card transaction and to comply with Visa USA Inc. Operating Regulations, the MasterCard Bylaws, and all other applicable Network rules (“**Network Rules**”).
- b. **Deposit Transactions.** You agree to only accept payments through PayPal Services for transactions between you and your customer for the sale of goods or services, or acceptance of donations. You shall not submit a transaction for the refinance or transfer of an existing obligation that was uncollectible. You acknowledge that for Visa and Mastercard payments, you shall obtain an authorization for transaction amounts prior to completing the

transaction. You shall not request or use a cardholder's account number for any purpose other than to support payment for your goods and services, or donations.

- **c. Split Transactions.** You agree to submit a single transaction for the full amount of each sale, except to the extent you and your customer agree on a partial shipment of a product, or where the transaction qualifies for delayed delivery or special order deposits (such as partial shipments based on inventory on hand) or as processed as a partial authorization with full transparency and permitted under the Network Rules, in which cases a sale may be split into multiple transactions.
- **d. Minimum or Maximum/Surcharges; Taxes.** You agree that you shall not set minimum or maximum transaction amounts or impose surcharges as a condition of honoring Visa and Mastercard debit cards. You may not surcharge credit card transactions unless (i) permitted by applicable law, and (ii) done in a non-discriminatory manner in relation to other credit cards. You may not add tax to any transaction unless so permitted by applicable law, and in such case, only if included in the transaction amount and not collected separately.
- **e. Visa and Mastercard Marks.** You shall use the Visa and Mastercard logos or marks only on your promotional materials and website to indicate that Visa and Mastercard cards are both accepted as payment methods in connection with the PayPal Services.
- **f. Cash Disbursements; Scripts.** You agree that if you sell travelers cheques or foreign currency, that transactions shall be limited to the value of cheques, Visa TravelMoney, or currency sold in a single transaction, plus any applicable commissions. Further you agree that you shall not accept a credit card payment for the purchase of a Scrip (a two-part paper receipt that is redeemable by you for goods, services, or cash).
- **g. Discrimination.** You agree that you 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 and Card Data Security.** You acknowledge that some PayPal Services do not provide you access to Cardholder Data (defined as a cardholder's account number, expiration date, and CVV2) for payments received by you through such services. In relation to such PayPal Services, you agree you shall not request access to Cardholder Data from either PayPal or any customer making payment. To the extent you do receive Cardholder Data in connection with the PayPal Services, you agree (x) to the extent the PayPal Services do not inherently provide you access to such Cardholder Data, to promptly notify Member and PayPal of such and (y) that at all times you shall be compliant with the Payment Card Industry Data Security Standards ("PCI-DSS") and that you shall certify such compliance in accordance with Network Rules, or when asked by PayPal to do so. You also agree that you will use only PCI-DSS compliant service providers in connection with the storage, or transmission of Cardholder Data. You must not store CVV2 data at any time. If you receive Cardholder Data in connection with the PayPal Services, you further agree that you will not (i) use the Cardholder Data for any purpose other than to support payment for your goods and services, or acceptance of donations, (ii) use the Cardholder Data for any purpose that you know or should know to be fraudulent or in violation of any

Network Rules, (iii) sell, purchase, provide, or exchange in any manner or disclose Cardholder Data to anyone other than your acquirer (in this case Deutsche Bank AG New York), Visa, or Mastercard (as applicable), or in response to a government request.

- **i. PayPal Customer Identification.** You agree to prominently and unequivocally inform your customers of your identity at all points of interaction. You must include the address of your permanent establishment on your website (if applicable).
- **j. Chargebacks.** You shall use all reasonable methods to resolve disputes with your customers. Should a chargeback dispute occur, you shall promptly comply with all requests for information from PayPal. You shall not attempt to recharge a customer for an item that has been charged back, unless the customer has authorized such actions.
- **k. Refund Policy Must be on Your Website or Prominently Displayed at Your Business Location (as applicable), Where You Are Using the PayPal Services.** If you limit refund/exchange terms or other specific conditions for sales, your policy must be clearly provided to your customers prior to the sale, as part of the sale confirmation process. Proper disclosure would include wording that is prominently 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 Network Rules frequently allow the cardholder to still dispute these items.
- **l. Compliance with Law; Privacy Policy Display.** You will not access and/or utilize the PayPal Services for illegal purposes and will not interfere or disrupt networks connected with the PayPal Services. You agree to display your consumer privacy policy on your website as well as your security method for transmission of payment data.
- **m. Limited Acceptance.** Pursuant to the Network Rules, you understand that you are allowed to limit your acceptance to either (i) only accept non-PIN debit transactions; or (ii) only accept credit card transactions; however, by using PayPal Services you are electing full acceptance.
- **n. Marketplace Requirements.** If you are a Marketplace (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your retailers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and retailers on your platform; (ii) you are permitted to submit transactions through the PayPal Services for retailers located in a different country than where you are domiciled, provided that any such transactions are compliant with applicable law in both your and the retailer’s country; (iii) you will enter into a legally binding contractual relationship with each retailer before submitting transactions through the PayPal Services on the retailer’s behalf; (iv) you will immediately comply with Member’s instruction to prohibit individual retailers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual retailer for good cause or upon a Network’s request; (v) you are liable for all acts, omissions, buyer disputes, and other cardholder customer service-related issues arising from and/or caused by your retailers; (vi)

you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a retailer; (vii) you must not transfer or attempt to transfer your, or permit a retailer to transfer or attempt to transfer its, financial liability by asking or requiring cardholders to waive their dispute rights; (viii) you must submit transactions through the PayPal Services only on behalf of retailers that use your platform's website or mobile application to sell goods and services to, or accept donations from, cardholders; and (ix) you must not knowingly enter into a contract with a retailer whose card acceptance agreement was terminated at the direction of a Network or a government agency.

- o. **Digital Wallet Operator Requirements.** If you are a Digital Wallet Operator (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your retailers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and retailers on your platform; (ii) you may not use the PayPal Services to process transactions as or for a third party Staged Digital Wallet Operator (as defined from time to time by the Networks); (iii) you must provide the names of principals and their country of domicile for each of your retailers and transaction reports to us or to the Networks upon request; (iii) you will enter into a legally binding contractual relationship with each retailer before submitting transactions through the PayPal Services on the retailer's behalf; (iv) you will immediately comply with Member's instruction to prohibit individual retailers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual retailer for good cause or upon a Network's request; (v) you are liable for all acts, omissions, cardholder disputes, and other cardholder customer service-related issues arising from and/or caused by you or your retailers; (vi) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a retailer; (vii) you must not transfer or attempt to transfer your, or permit a retailer to transfer or attempt to transfer its, financial liability by asking or requiring cardholders to waive their dispute rights; and (viii) you must not knowingly enter into a contract with a retailer whose card acceptance agreement was terminated at the direction of a Network or a government agency.
- p. **Consumer Bill Payment Service Provider Requirements.** If you are a Consumer Bill Payment Service Provider (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your billers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and billers; (ii) you are permitted to submit transactions through the PayPal Services only where the provision of the underlying goods/services of the transaction and the biller are located in the US; (iii) you will immediately comply with Member's instruction to prohibit individual billers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual biller for good cause or upon a Network's request; (iv) you are liable for all acts, omissions, disputes, and other cardholder customer service-related issues arising from and/or caused by you or your Billers; (v) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a biller.

- **q. Business Payment Solutions Provider Requirements.** If you are a Business Payments Solution Provider (as determined by, and registered with, the Networks), you represent, warrant and agree as follows: (i) you and your suppliers will comply with the Network Rules and applicable law in relation to the processing of transactions using the PayPal Services and your provision of services to cardholders and suppliers; (ii) you are permitted to submit transactions through the PayPal Services only for suppliers located in the US; (iii) you will immediately comply with Member's instruction to prohibit individual suppliers from participating in the Networks and to immediately stop submitting transactions through the Networks via the PayPal Services for any individual supplier for good cause or upon a Network's request; (iv) you are liable for all acts, omissions, disputes, and other cardholder customer service-related issues arising from and/or caused by you or your suppliers; (v) you are responsible and financially liable for all transactions you submit through the PayPal Services on behalf of a supplier.

2. Payment Instructions: You authorize and direct us to pay to PayPal all amounts due from Member to you hereunder. PayPal shall serve as your agent for purposes of receiving the proceeds of credit and debit card processing services from Member, and shall be responsible for disbursing such amounts to you.

3. Term and Termination. This CEA is effective and applies to you upon the date you clicked through a Card Services Agreement or signed a Negotiated Agreement, as applicable, or otherwise separately agreed to this CEA (by "click-through" or otherwise), and this CEA shall continue so long as you use the PayPal Services. This CEA will terminate automatically upon any termination or expiration of a Card Services Agreement, or upon any termination or expiration of a Negotiated Agreement, if applicable (but only if you do not still receive PayPal Services pursuant to a separate Card Services Agreement), provided that those terms which by their nature are intended to survive termination (including indemnification obligations and limitations of liability) shall survive. This CEA may be terminated by Member at any time based on (i) a breach of any of your obligations under this CEA, a Card Services Agreement, or a Negotiated Agreement, as applicable, or (ii) the termination of the payment processing relationship between PayPal and Member.

4. Indemnification. You agree to indemnify and hold Member harmless from and against all losses, liabilities, damages, and expense resulting from and/or arising out of: (a) any breach of any warranty, covenant, or agreement or any misrepresentation by you under this CEA; (b) your or your employees' negligence or willful misconduct in connection with your transactions or otherwise arising from your provision of goods and services to customers paying for such goods or services through the PayPal Services; (c) any third-party indemnifications Member is obligated to make as a result of PayPal Customer's actions (including indemnification of any Network or card issuing bank).

5. Warranty Disclaimer. This CEA is a service agreement. Member disclaims all representations or warranties, express or implied, made to you or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise for any services or any goods provided incidental to the services provided under this CEA to the extent permitted by law.

6. 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 (“**Indirect 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 Member 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. The parties acknowledge that Network fees, fines, charges, etc., are not considered Indirect Damages. Notwithstanding anything in this CEA to the contrary, Member’s cumulative liability for all losses, claims, suits, controversies, breaches, or damages for any cause whatsoever (including 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 willful misconduct) shall not exceed \$10,000 as it relates to transactions processed under this CEA.

7. Governing Law; Arbitration. Governing law with respect to this CEA shall be New York, U.S. Any dispute with respect to this CEA between you and Member, including a dispute as to the validity or existence of this CEA and/or this clause, shall be resolved by binding arbitration in accordance with the rules of the American Arbitration Association. Venue for any such arbitration shall be New York City, New York.

8. Assignment; Amendments. This CEA may only be assigned in connection with a permitted assignment under a Card Services Agreement or a Negotiated Agreement, as applicable. Member may assign its rights under this CEA without your consent. This CEA may be amended by you only upon mutual written agreement. Member may amend this CEA at any time via PayPal posting a revised version on the PayPal website(s). The revised version will be effective at the time PayPal posts it. In addition, if the revised version includes a substantial change, Member will provide you with 30 days’ prior notice of such change via PayPal posting a notice on the "Policy Updates" page of the PayPal website(s). After this 30-day notice, you will be considered as having expressly consented to all changes to the CEA if you continue to use the PayPal Services. For the purpose of this CEA, a “substantial change” will be any change that involves a reduction to your rights or an increase to your responsibilities. Member may provide less than 30-day notice if less than 30-day notice is provided to Member for changes required by Network Rules or applicable law.

9. Waiver. The failure of a party to assert any of its rights under this CEA, including 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 PayPal Customer and Member by way of this CEA. In the performance of their respective obligations hereunder, the parties are, and will be, independent contractors. 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. 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.

12. Network Disclosure; Member Bank Information: PayPal may be contacted at <https://www.paypal.com/us/smarthelp/home>; and by phone at 1-844-629-9108; Member, Deutsche Bank AG New York, may be contacted by mail at: DB Merchant Solutions, Deutsche Bank, 10 Columbus Circle 17S, New York, New York 10019, ATTN: Bin Sponsorship Team.

Chase Paymentech Submitter Merchant Payment Processing Instructions and Guidelines (US)

Paymentech, LLC ("Paymentech"), for itself and on behalf of JPMorgan Chase Bank, N.A. ("Member"), is very excited about the opportunity to join **Braintree, a division of PayPal, Inc. ("Braintree")** (referred to herein as "Submitter") in providing state-of-the-art payment processing services. When your Customers pay you through Submitter, you may be the recipient of a Card funded payment. The organizations that operate these Card systems (such as Visa and Mastercard; collectively, the "Payment Brands") require that you (i) enter into a direct contractual relationship with an entity that is a member of the Payment Brand and (ii) agree to comply with all applicable Payment Brand Rules and Security Standards as they pertain to Transactions you submit through Submitter. You are also required to fill out an application with Paymentech. The application provides Paymentech with information about you, your Card acceptance history and practices, and your business.

By executing this document, you are fulfilling the Payment Brand Rule of entering into a direct contractual relationship with a member, and you agree to comply with all applicable Payment Brand Rules and Security Standards, as they pertain to Transactions you submit for processing through Submitter. We understand and acknowledge that you have contracted with Submitter to obtain Card processing services on your behalf.

1. Card Acceptance Policies and Prohibitions

You must:

- a. notify Paymentech (on the Application) of all of your Card acceptance methods (e.g. card-present, card-not-present, recurring transactions, etc.);
- b. accept all categories of Visa and Mastercard Cards, unless you have stated otherwise on your Application, and elected one of the following "limited acceptance" options: (i.) Visa and Mastercard **consumer credit (but not debit) cards** and Visa and Mastercard **commercial credit and debit cards only**; or (ii.) Visa and Mastercard **debit cards only**;
- c. honor all foreign bank-issued Visa or Mastercard Cards;

- d. publicly display appropriate signage to indicate all Cards accepted by you, including any limited acceptance categories;
- e. examine each Card (credit, debit, etc.) presented at the point of sale to ensure the Card is valid, has not expired and that the Customer's signature on the Transaction Receipt corresponds to the authorized signature on the back of the Card;
- f. in situations where the Card is not physically presented to you at the point of sale (e.g. on-line, mail order, telephone order, pre-authorized, or recurring transactions), have appropriate procedures in place to ensure that each Transaction is made only to the Customer; and
- g. provide the Customer with a Transaction Receipt for each Transaction. All Transaction Receipts must conform to applicable law and Payment Brand Rules.

Except to the extent permitted by law or the Payment Brand Rules, you must not:

- h. engage in any practice that unfavorably discriminates against or provides unequal treatment of any Payment Brand relative to any other Payment Brand;
- i. set a dollar amount above or below which you refuse to honor otherwise valid Cards;
- j. issue a Refund in cash or a cash equivalent (e.g. checks) for any Transaction originally conducted using a Card;
- k. request or use a Card account number for any purpose other than to process a payment for goods or services sold; or
- l. add any tax or surcharge to a Transaction; if any tax or surcharge amount is permitted, such amount shall be included in the Transaction amount and shall not be collected separately.

You must not:

- m. require a Customer to complete a postcard or similar device that includes Card Information in plain view when mailed;
- n. require the Customer to pay the processing fees payable by you to Submitter or Paymentech;
- o. split a single Transaction into two or more Transactions to avoid or circumvent authorization limits or monitoring programs;
- p. submit any Transaction that you know or should know to be either fraudulent, illegal, damaging to the Payment Brand(s), not authorized by the Customer, or otherwise in violation of any provision of this Agreement, applicable law, or Payment Brand Rules; and
- q. accept Cards for the purchase of scrip.

You represent, warrant, and covenant that, to the best of your knowledge, each Transaction:

- r. represents payment for or Refund of a bona fide sale or lease of the goods, services, or both, which you has the legal right to sell and which is provided by you in the ordinary course of your business;
- s. is not submitted on behalf of a third party;
- t. represents a current obligation of the Customer to you solely for the amount of the Transaction;
- u. does not represent the collection of a dishonored check or the collection or refinancing of an existing debt;
- v. represents goods that have been provided or shipped, or services that have actually been rendered, to the Customer;
- w. is free from any material alteration not authorized by the Customer;
- x. or the amount thereof, is not subject to any dispute, setoff, or counterclaim; and
- y. if such Transaction represents a credit to a Customer's Card, is a Refund for a Transaction previously submitted to Paymentech; and

2. Chargebacks

You are liable for all Chargebacks. Some of the most common reasons for Chargebacks include:

- a. you fails to issue a Refund to a Customer after the Customer returns or does not receive goods or services;
- b. you did not obtain an authorization/approval code;
- c. the Transaction was prepared incorrectly or fraudulently;
- d. Paymentech did not receive your response to a Retrieval Request;
- e. the Customer disputes the Transaction or the authenticity of the signature on the Transaction Receipt, or claims that the Transaction is subject to a set-off, defense, or counterclaim;
- f. The Customer refuses to make payment for a Transaction because, in the Customer's opinion, a claim or complaint has not been resolved or has been resolved in an unsatisfactory manner; and
- g. The Customer disputes making the Transaction and the Card was not physically presented at the time of the Transaction. In this case you acknowledge that if you do not have an electronic record or physical imprint of the Card, the Payment Brand Rules may not allow you to challenge the Chargeback.

3. Settlement and Funding

You authorize and instruct us to allow Braintree to direct all amounts due to you for credit or debit card processing through Paymentech. Braintree will serve as your agent for purposes of directing your proceeds from credit and debit card funded processing services.

4. Transactions; Card Information

- a. By accepting Cards from your Customers, you acknowledge and understand the importance of protecting Transactions and Card Information and complying with the Payment Brand Rules, Security Standards, and applicable law. You also acknowledges the heightened risk associated with access to Transactions and Card Information, and, to the extent you do have access to Transactions and Card Information, you must establish policies and procedures to protect such information in conformity with the Payment Brand Rules, Security Standards, and applicable law, including the storage and disclosure of such information. You shall exercise reasonable care to prevent use or disclosure of Transactions, Card Information, other than to (a) your agents and contractors for purpose of assisting you in completing a Transaction; (b) to the applicable Payment Brand; or (c) as specifically required by law. **You are permitted by the Payment Brand Rules to store only certain Transaction data and Card Information (currently limited to the Customer's name, Card account number, and expiration date) and are prohibited from storing additional Transaction data and Card Information, including, without limitation, any security code data, such as CVV2, CVC2, and PIN data, and any magnetic stripe track data. You shall store all media containing Transactions and Card Information in an unreadable format wherever it is stored and in an area limited to selected personnel on a "need to know" basis only. Prior to discarding any material containing Transactions or Card Information, you must render all Card account numbers unreadable.** If at any time you determine or suspect that Transactions or Card Information have been compromised, you must notify Paymentech immediately and assist in providing notification to **such parties as may be required by law or Payment Brand Rules, or as Paymentech otherwise reasonably deems necessary. You further agree to provide Paymentech, upon its request, with such tests, scans, and assessments of your compliance with the Payment Brand Rules and Security Standards as may from time to time be required by the Payment Brands.**
- b. You acknowledge that your failure to comply with the Payment Brand Rules, including the Security Standards, or the compromise of any Transaction or Card Information, may result in assessments, fines and/or penalties by the Payment Brands. In the event Paymentech or Member incurs any damage, liability, fee, fine, assessment or penalty ("Loss") as a result of your breach or violation of the Payment Brand Rules or Security Standards, you shall reimburse Paymentech and Member, as applicable, immediately for all such Losses. Furthermore, if any Payment Brand requires a forensic examination of you or any of your agents, business partners, contractors, or subcontractors due to a Data Compromise Event, you agree to cooperate with such forensic examination until it is completed, including, without limitation, the engagement of an examiner acceptable to the relevant Payment Brand. Notwithstanding the foregoing, the Payment Brands may directly, or demand that Paymentech, engage an examiner on your behalf in order to expedite the investigation of the Data Compromise Event.

5. Definitions

- a. **“Card”** is an account, or evidence of an account, authorized and established between a Customer and a Payment Brand, or representatives or members of a Payment Brand that you accept from Customers as payment for a good or service. Cards include, but are not limited to, credit and debit cards, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates and credit accounts.
- b. **“Card Information”** is information related to a Customer or the Customer’s Card, that is obtained by you or Gov-Pay from the Customer’s Card, or from the Customer in connection with his or her use of a Card (for example a security code, a PIN number, or the customer’s zip code when provided as part of an address verification system). Without limiting the foregoing, such information may include a the Card account number and expiration date, the Customer’s name or date of birth, PIN data, security code data (such as CVV2 and CVC2) and any data read, scanned, imprinted, or otherwise obtained from the Card, whether printed thereon, or magnetically, electronically or otherwise stored thereon.
- c. **“Chargeback”** is a reversal of a Transaction you previously presented to Paymentech pursuant to Payment Brand Rules.
- d. **“Convenience Fee Transaction”** is a Transaction representing a charge to a Customer’s Card for the convenience of using the payment channel offered by Merchant through Submitter.
- e. **“Customer”** is the person or entity to whom a Card is issued or who is otherwise authorized to use a Card and who initiates a payment with you.
- f. **“Data Compromise Event”** means an occurrence that results, or could result, directly or indirectly, in the unauthorized access to or disclosure of Transactions and/or Card Information.
- g. **“Member”** is JPMorgan Chase Bank, N.A. or other entity providing sponsorship to Paymentech as required by all applicable Payment Brands. Your acceptance of Payment Brand products is extended by the Member.
- h. **“Payment Brand”** is any payment method provider whose payment method is accepted by you from your Customers and which is accepted by Paymentech for processing, including, but not limited to, Visa, Inc., Mastercard International, Inc., Discover Financial Services, LLC and other credit and debit card providers, debit network providers, gift card and other stored value and loyalty program providers. Payment Brand also includes the Payment Card Industry Security Standards Council.
- i. **“Payment Brand Rules”** are the standards, bylaws, rules, and regulations, as they exist from time to time, of the Payment Brands.
- j. **“Paymentech”**, **“we”**, **“our”**, and **“us”** is Paymentech, LLC, a Delaware limited liability company, having its principal office at 14221 Dallas Parkway, Dallas, Texas 75254.

- k. **“Refund”** means any refund or credit issued for any reason, including, without limitation, for a return of merchandise or cancellation of services, and any adjustment of a Transaction.
- l. **“Security Standards”** are all rules, regulations, standards or guidelines adopted or required by the Payment Brands or the Payment Card Industry Security Standards Council relating to privacy, data security and the safeguarding, disclosure and handling of Card Information, including but not limited to the Payment Card Industry Data Security Standards (“PCI DSS”), Visa’s Cardholder Information Security Program (“CISP”), Discover’s Information Security & Compliance Program, American Express’s Data Security Operating Policy, Mastercard’s Site Data Protection Program (“SDP”), Visa’s Payment Application Best Practices (“PABP”), the Payment Card Industry’s Payment Application Data Security Standard (“PA DSS”), Mastercard’s POS Terminal Security program and the Payment Card Industry PIN Entry Device Standard, in each case as they may be amended from time to time.
- m. **“Transaction”** is a transaction conducted between a Customer and you utilizing a Card in which consideration is exchanged between the Customer and you, either directly or through Submitter. Transaction also means the written or electronic record of a Transaction, including, without limitation, an authorization code or settlement record, which is submitted to Paymentech.
- n. **“Transaction Receipt”** means an electronic or paper record of a Transaction generated upon completion of a sale or Refund, a copy of which is presented to the Customer.

By clicking the accept button, you acknowledge your receipt of these Payment Processing Instructions and Guidelines and agreement to comply therewith.