Klarna

Network Rules

Version : April 2025

Table of contents

1. Introduction....2
1.1 How to use this document?.... 2
1.2 Definitions.... 3
1.3 Overview of Changes....6
2. Klarna Network Principles.... 10
Chapters 3–14: Acquiring Partner Rules (not included in this edition)
15. Partner Rules....13
15.1 Background....13
15.2 Relationship between the Partner, Acquiring Partner and Klarna....13
15.3 The Klarna Payment Services....13
15.4 Partner Responsibilities.... 14
15.5 Repayment of Claims....17
15.6 Compensation for Costs.... 19
15.7 Incorrect Customer Payments and Settlement.... 19
15.8 Pricing.... 19
15.9 Brand and Marketing Terms for Partners....20
15.10 Integration Requirements for Partners.... 20
15.11 Prohibited and High-Risk Businesses.... 23
15.12 Tokenization Terms for Partners....25
15.13 Partner Requirements for Disputes.... 29
15.14 Partner Rules Updates....38
15.15 Risk Programs for Partners.... 39
15.16 Operational Fees....43
15.17 Partner Portal Terms....44
15.18 Miscellaneous....46
Appendix 1 to the Partner Rules: Data Protection.... 49

1. Introduction

Klarna is a global provider of a wide range of shopping services, including payment services. Klarna's Payment Services include the API Suite, Disputes, Transaction Management, among other features. The Klarna Payment Services offer a range of debit and credit payment programs, and features that enable Customers to make purchases online, in physical stores, and via mobile apps.

Customers can access the Klarna Payment Services through different types of entities offering goods or services, referred to here as Partners. The Klarna Network Rules are the set of terms and conditions that govern the use of the Klarna Payment Services.

Within the Klarna Network, Partners have the flexibility to choose to integrate the Klarna Payment Services through their preferred licensed and regulated entities authorized to distribute these services, known as Acquiring Partners.

1.1 How to use this document?

Who is the target audience?

The Klarna Network Rules are primarily intended for use by the Acquiring Partner and Partners. Depending on the context, some of these terms may apply specifically to Klarna, the Acquiring Partner, Partners, Platforms, or any combination of them.

Chapters 3-14 of the document outline the Network Rules for the Acquiring Partner, while Chapter 15 outlines the Network Rules for the Partner. The Acquiring Partner is responsible for transmitting these rules to their Partners and ensuring compliance.

The Acquiring Partner is required to comply with any terms applicable to the Acquiring Partner and is required to ensure Partners using Klarna Payment Services via the Acquiring Partner comply with any requirements applicable to Partners.

By adhering to these rules, both the Acquiring Partner and Partners contribute to a reliable and secure network that benefits all parties using services from Klarna's Product Suite. These rules are essential for maintaining trust, security, and operational excellence across the board.

Is this document part of an agreement? Is it an attachment?

Klarna will operate with all Klarna Partners according to the Klarna Network Rules, irrespective of whether they have a formal agreement with Klarna. The Acquiring Partner, who enters into agreements with Klarna, is contractually obligated to adhere to the Klarna Network Rules as referenced herein.

When to use this document?

Klarna Partners should use this document to understand how Klarna will apply the Klarna Network Rules to them. Klarna will apply the Klarna Network Rules for all Klarna Partners, irrespective of whether the Klarna Partner has a formal agreement with Klarna. As a Klarna Partner integrating with or utilizing any service from Klarna's Product Suite, the Klarna Partner is obligated to adhere to the applicable parts of the Klarna Network Rules.

Are the Klarna Network Rules globally applicable?
The Klarna Network Rules are global in scope, ensuring uniformity in operations and compliance across different countries and jurisdictions, unless a specific rule states otherwise.

How can you use Klarna Network Rules?
The Klarna Network Rules may only be copied or adapted by the Acquiring Partner for the benefit of its Partners with Klarna's explicit consent. This ensures that any dissemination of the rules maintains their original intent and integrity. If the Acquiring Partner adapts the rules without Klarna's consent, they do so at their own risk and will be responsible for any resulting issues or discrepancies.

When is the Klarna Network Rules updated?
Klarna periodically updates the Klarna Network Rules to ensure compliance, and operational efficiency. For detailed information on the schedule, process, and communication of these updates, please refer to Chapter 13 Klarna Network Updates.

When was this document last updated?
This document was last updated on April 1, 2025.

1.2 Definitions

The following definitions are used throughout the Klarna Network Rules:

Acquiring Partner: Licensed and regulated company that enables the distribution of Klarna Payment Services to Partners. As detailed in the corresponding Klarna Payment Network Agreement, the Acquiring Partner is responsible for conducting the necessary and applicable Know-Your-Customer ("KYC") and Anti-Money Laundering ("AML") checks (including ongoing due diligence ("ODD")) required to onboard and maintain Partners. They facilitate the authorization, settlement, and management of Klarna transactions, and continuously monitor Partners and transactions. Any term defined in the respective Klarna Payment Network Agreement shall retain its meaning throughout the Klarna Network Rules unless explicitly stated otherwise.

Partner Market: The country or jurisdiction under which laws a Partner is legally incorporated or registered to conduct business.

Customer Market: The country or jurisdiction, as determined by the approved Customer billing address for a given transaction, where Klarna enables Customers to make purchases via the Klarna Payment Services from a Partner's store or point of transaction.

API Suite: Collection of related APIs that provide developers with the tools and functions needed to integrate Klarna Payment Services into their applications and websites.

Billing Currency: The currency in which the Customer makes a payment to Klarna as determined by the billing address approved for the Customer in the specified country or jurisdiction.

Claim: Refers to the right to collect payment from the respective Customer.

Currency Conversion Delta: The difference in Transaction Amount derived from the currency conversion between Billing Currency and Transaction Currency at the time of the return of a Claim compared to the conversion at the time of the capture.

Klarna Currency Conversion: The exchange rate applied by Klarna for currency conversions performed as part of a transaction. This rate is used for conversions between currencies supported by Klarna Payment Services for the specific transaction. It may differ from the rate Klarna receives or the rate mandated by a government or governing authority in the country where the transaction takes place. The Klarna Currency Conversion is used for conversions between the Customer's Billing Currency and the Transaction Currency and, when applicable, conversion between the Transaction Currency and the Settlement Currency of an Acquiring Partner.

Customer: Shoppers using the Klarna Payment Services to pay for their purchases.

Dispute: A Klarna dispute arises when a Customer contests their obligation to settle payment(s) for purchases made from a Partner.

Dispute Fee: The fee Klarna may charge in the event of an Dispute issued by a Customer.

Feature: Refers to a distinct functional component or capability that enhances the user experience, security, or efficiency of the payment processing system.

Integration Guidelines: Klarna's guidelines specifying the technical and procedural requirements and recommended practices necessary for Klarna Partners to incorporate Klarna's services or products into their solutions, ensuring compatibility, security, and an optimal user experience.

Integration Recommendations: These are suggested practices aimed at enhancing the integration of Klarna Payment Services. While not mandatory, they are highly encouraged to ensure the best possible outcome. Integration recommendations provide guidance on best practices, preferred tools, and methods that can improve efficiency, security, and user experience when incorporating Klarna's services into a partner integration.

Integration Requirements: These are the mandatory technical and procedural practices that must be completed to successfully integrate Klarna Payment Services into a partner integration. They are essential for ensuring compatibility, security, and optimal performance. Integration requirements must be strictly adhered to, ensuring all necessary standards and protocols are followed to achieve the desired functionality and interoperability with Klarna's systems.

Interoperability Token: A token provided by Klarna used to enable interoperability across Klarna's Product Suite. This token helps in ensuring that all interactions, transactions, and preferences related to the customer are consistently recognized and applied throughout their experience.

Issuing Bank: Means a third-party issuing bank with which Klarna cooperates to provide certain Klarna Payment Services.

Klarna Network: A global network that connects the Acquiring Partner, Partners and Customers to Klarna's Product Suite services.

Klarna Payment Network Agreement: The agreement executed between Klarna and the Acquiring Partner to distribute the Klarna Payment Services to Partners.

Klarna Partner: A joint reference to the Acquiring Partner, Platforms and Partners.

Klarna Payment Services: Klarna is a provider of shopping solutions that allows for Customers to make a purchase from the Partner's store or point of transaction. These shopping solutions include enabling Customers to pay for their purchases via Klarna, such as, post-purchase customer experience and administrative services such as customer support. Klarna's payment services cover everything related to Klarna's payment offering, including Klarna's full API Suite, disputes and Transaction Management, among other features.

Parties: Klarna, Partner and the Acquiring Partner are collectively referred to as the Parties.

Partner: A business entity that uses Klarna's Product Suite (e.g. payments, placements, identity, express checkout or advertising services) through an active Klarna business account independently of the type of the integration being used.

Partner Portal: Klarna's online platform for all Partners. It provides resources, documentation, and support for integrating services from Klarna's Product Suite. Partners can access technical guides, API documentation, integration tools, receive updates on new features, and opt into specific payment programs.

Platform: A third-party service provider engaged by the Acquiring Partner to extend the distribution of Klarna Payment Services. Platforms distribute the Klarna Payment Services under the authorization and supervision of the Acquiring Partner to ensure compliance with relevant regulations and the Klarna Network Rules and the Integration Guidelines.

Product Suite: A comprehensive collection of Klarna's services, including payment processing, performance-driven marketing solutions, Transaction Management, conversion increasing products and additional features designed to enhance the shopping experience.

Settlement Currency: The currency Klarna uses for payments to the Acquiring Partner as determined by Klarna and the Acquiring Partner. If the Acquiring Partner and Klarna support settlements in multiple currencies, multiple Settlement Currencies may apply.

Supplementary Purchase Data: A set of data points related to a purchase beyond the basic information required for the use of Klarna Payment Services.

Third Party Payment Option: Refers to a payment method offered by a third party or acquirer, included in any of the Services.

Third Party Payment Option Provider: Refers to a provider of a Third Party Payment Option.

Transaction Amount: The order value of a Customer purchase specified in the Transaction Currency.

Transaction Currency: The currency used to initiate a transaction for a purchase, as supported by Klarna and determined by the Acquiring Partner or Partner.
Transaction Management: A service that allows the Acquiring Partner or Partners to manage and track Customers who use the Klarna Payment Services to make a purchase.

Note: Other terms may be defined directly in the text rather than using a glossary to ensure clarity and ease of reference, making it simpler for readers to understand the context without having to

cross-reference multiple Chapters.

1.3 Overview of Changes

The following updates have been made to the Klarna Network Rules since the previous version. Changes are presented in the order of the relevant Chapters and Sections within the document.

Change Overview
Line Item Data Documentation Requirements and Recommendations Effective 1 April 2025 Impacted Section(s): • Section 3.4 Klarna Network Documentation
Updated Naming for Standard and Discretionary Payment Programs Effective 1 April 2025 Impacted Section(s): • Section 5.1 Payment Program Offering, Section 10.2 Dispute Categories, Section 15.4.1 Payment Programs, Section 15.13.2 Dispute Categories, Section 15.13.6.8 Dispute Category: Non Guaranteed Payment Reversal
Third Party Payment Option Provider Rules Updated to Include Breaches of the Klarna Network Agreement and Rules of Third Party Payment Option Providers Effective 1 April 2025 Impacted Section(s): • Section 6.2 Third Party Payment Option Providers, Section 15.5.4 Third Party Payment Option Providers
Tokenization Terms Updated to Reference Klarna Network Rules Instead of Chapters and Subchapters Effective 1 April 2025 Impacted Section(s): • Section 6.3 Tokenization Terms
Clarification of Activity Restrictions When Using Klarna's Tokenization Service Effective 1 April 2025 Impacted Section(s): • Section 6.3.1 Acquiring Partner Participation Requirements, Section 15.12.5 Partner Participation Requirements
Fraud and Risk Program Updates: Removal of Fraud and Risk Reasons and Addition of Collusion Fraud Effective 1 April 2025

Impacted Section(s):

- Section 9.2.1 Fraud Program for the Acquiring Partner, Section 15.15.1 Risk Program for Partners

Dispute Program Threshold and Ratio Calculation Updates for Acquiring Partners and Ratio Calculation Updates for Partners

Effective 1 April 2025
Impacted Section(s):

- Section 9.2.2 Dispute Program for the Acquiring Partner, Section 15.15.2 Dispute Program for Partners

Clarified Methodology for Determining Klarna Transaction Fees

Effective 1 April 2025
Impacted Section(s):

- Section 11.1 Transaction Fees

Clarification of Dispute Fee Table to Specify Charges in Settlement Currency

Effective 1 April 2025
Impacted Section(s):

- Section 11.4.1 Dispute Fees

New Section Introduced on Partner Business Entities

Effective 1 April 2025
Impacted Section(s):

- Section 12.2 Partner Business Entities

Removal of Language Referring to Klarna's Corporate Group

Effective 1 April 2025
Impacted Section(s):

- Chapter 15. Partner Rules

Updated Language to Reflect Klarna Acting as Acquiring Partner

Effective 1 April 2025
Impacted Section(s):

- Section 15.2 Relationship between the Partner, Acquiring Partner and Klarna

Clarifications to Partner Responsibility Rules (a), (g), and (p)

Effective 1 April 2025
Impacted Section(s):

- Section 15.4 Partner Responsibilities

New Rule Added Requiring Customer Disclosure by Partners for Use of Certain Products from Klarna's Product Suite

Effective 1 April 2025
Impacted Section(s):
- Section 15.4 Partner Responsibilities

Clarifications to Claim Returns and Compensation for Costs

Effective 1 April 2025
Impacted Section(s):
- Section 15.5.2 Claim Returns, Section 15.6 Compensation for Costs

Updates to Section Title and Rule on Incorrect Customer Payments and Settlement

Effective 1 April 2025
Impacted Section(s):
- Section 15.7 Incorrect Customer Payments and Settlement

Removal of Language on Currency Capabilities Within Acquiring Partner Integration

Effective 1 April 2025
Impacted Section(s):
- Section 15.10.4 Currency Conversion

Updates to Prohibited and High-Risk Business, Jurisdictions and Regions for Acquiring Partners and Partners

Effective 1 April 2025
Impacted Section(s):
- Chapter 8. Prohibited and High-Risk Restricted Business, Jurisdictions and Regions, Section 8.1 Prohibited Jurisdictions, Regions and Businesses, Section 8.2 High-Risk Business, Section 8.3 Indemnification, Section 15.11 Prohibited and High-Risk Businesses, Section 15.11.1 Prohibited Jurisdictions and Regions, Section 15.11.2 Prohibited Businesses, Section 15.11.3 High-Risk Businesses, Section 15.11.4 Indemnification

Updates to Resolution Period for Pre-Escalation in Cases of Major Breach or Acts in Violation of Law

Effective 1 April 2025
Impacted Section(s):
- Section 15.13.4.2 Pre-Escalation

Removal of Additional Information Deadline for Escalation to Klarna

Effective 1 April 2025

Impacted Section(s): • Section 15.13.4.3 Escalation to Klarna
Removal of "Market" Column from Dispute Fees Table for Partners Effective 1 April 2025 Impacted Section(s): • Section 15.16.1 Dispute Fees

2. Klarna Network Principles

Klarna Network Principles are six cornerstones of Klarna's operational framework, embodying Klarna's core values and standards. The principles set the foundation to ensure that the Klarna Payment Services are reliable, secure, and adaptable to the evolving needs of all Klarna Partners and Customers. By adhering to these principles, all relevant parties commit to maintaining the highest quality of integration and cooperation, creating a seamless and trustworthy Klarna Network.

Klarna Network principles are:

- Safe and Secure Shopping
- Global Availability
- Integration Simplicity
- Product Suite Interoperability
- High Performance
- Payment Program Availability

Safe and Secure Shopping
Klarna is committed to providing a safe and secure shopping experience to our +100 million Customers. As part of the Klarna Network, you play a vital role in maintaining this trust. We expect all Klarna Partners to treat security, safety, disputes and fraud prevention as a top priority to maintain Klarna's strong reputation as a highly trusted Customer brand.

Global Availability
Klarna Payment Services enable great experiences for Customers in every checkout. By empowering seamless, flexible, and fair commerce, Klarna connects Customers and Partners efficiently to drive value for both. The trust we have earned from Customers globally means Partners can confidently offer Klarna in every checkout, knowing we help deliver the best possible purchase experience and support your growth.

Integration Simplicity
Klarna's goal is to ensure that integrating Klarna is simple and straightforward and that the integration follows the industry's standard practices. Klarna Payment Services must be equally accessible and follow the same integration pattern as any other payment methods offered by the Acquiring Partner. To maintain a consistent and high-quality experience across the Klarna Network, the Acquiring Partner must support all functionality outlined in the Integration Guidelines.

Product Suite Interoperability
Klarna offers a wide range of services from its Product Suite such as Klarna Payment Services, Klarna Express Checkout, On-site Messaging, and Sign in with Klarna amongst others. Klarna's Product Suite is designed to work together to improve Customer experience and Partner sales. To ensure full product interoperability, the Acquiring Partner is required to build its integration to Klarna Payment Services in a way which enables all Klarna services in the Product Suite to function seamlessly together as defined in Klarna Network Rules and Integration Guidelines.

High Performance

The Klarna Payment Services are built to offer a predictable, highly performing, and smooth shopping experience for Customers and drive an increase in sales for Partners. Acquiring Partners implementing Klarna Payment Services are required to undergo a review of the Customer shopping experience, which requires Klarna's prior approval before the Klarna Payment Services integration is completed. By following the Integration Requirements and Integration Recommendations as defined in the Integration Guidelines, the Acquiring Partner and a Partner can ensure the best performance of the Klarna Payment Services.

Payment Program Availability

The Klarna Payment Services offers a range of debit and credit payment programs, giving Customers the freedom to choose how they want to pay in accordance with their preferences while ensuring compliance and fulfillment of regulatory requirements. Klarna Partners who offer Klarna Payment Services are required to support the complete range of payment programs made available to such Klarna Partner.

Network Rules for Partners

*The Network Rules for Partners (**Partner Rules**) outline the requirements and recommendations in the following chapters, that are applicable to Partners using any product or service from Klarna's Product Suite through the Acquiring Partner. The Acquiring Partner is required to ensure that Partners receive and accept the latest version of the Partner Rules.*

15. Partner Rules

The below rules and undertakings apply to any entity's use of the Klarna Payment Services provided by its Acquiring Partner (the **Partner Rules**). The Partner agrees to adhere to the Partner Rules when using the Klarna Payment Services.

15.1 Background

Klarna provides the Klarna Payment Services to Customers to make a purchase from the Partner's store or point of transaction.

15.2 Relationship between the Partner, Acquiring Partner and Klarna

Where the Customer makes a purchase of goods or services from the Partner and uses the Klarna Payment Services to pay for the purchase, Klarna has the sole right to receive payment from the Customer, or the applicable Third Party Payment Option provider, in relation to that purchase. The right to collect payment following a purchase paid with Klarna by a Customer is hereinafter referred to as a "**Claim**".

The exclusive right to receive payment from Customers in relation to a Claim is assigned by the Partner to the Acquiring Partner, and, where Klarna is not the Acquiring Partner, subsequently immediately assigned by the Acquiring Partner to Klarna. Klarna settles the value of the Claim to the Acquiring Partner, or, where Klarna is the Acquiring Partner, to the Partner, net of amounts Klarna is authorized to retain under any its agreement.

The Acquiring Partner is authorized by Klarna to make the Klarna Payment Services available to the Partner and it is the Acquiring Partner's sole responsibility to settle towards the Partner. The Acquiring Partner will settle to the Partner in the currency agreed between the Acquiring Partner and the Partner.

15.3 The Klarna Payment Services

The Klarna Payment Services will be made available to the Partner through the Acquiring Partner. The Partner will receive access to the Klarna Partner Portal. The Partner is responsible for complying with Section 15.17 Partner Portal Terms. Klarna reserves the right to restrict the Partner's access to the Partner Portal at any time at its reasonable discretion.

In relation to the usage of the Klarna Payment Services, Klarna will control, in its sole discretion, all decisions concerning Customer transaction approvals and underwriting of Customer's use of the Klarna Payment Services, including decisions on applicable credit limits for Customers and the Klarna Payment Services offering to Customers.

15.4 Partner Responsibilities

(a) The Partner represents and warrants at all times to comply with the Partner Rules as well as any applicable laws and regulations (including any guidelines, instructions or directions provided by governmental authorities).

(b) The Klarna Payment Services shall be presented and marketed by the Partner in accordance with Section 15.9 Brand and Marketing Terms for Partners**.** Any marketing (either in the Partner's own or third party media) other than as set out in Section 15.9 Brand and Marketing Terms for Partners is always subject to prior approval from Klarna.

(c) The Partner shall process Disputes and returns promptly and in accordance with the Partner obligations set out in Section 15.13.5 Dispute Handling. If the Partner has agreed with the Customer regarding a return of the purchase or a price reduction, the Partner shall, without undue delay, process this through the Acquiring Partner's integration. Any repayments to Customers will be made by Klarna. Information relating to fraudulent or disputed Claims shall be exchanged between the Partner and Klarna as per Klarna's current technical and/or operational processes, as outlined in the Integration Guidelines.

(d) The Partner must have a transparent and compliant return and disputes process. This includes but is not limited to: (i) displaying contact details for customer service, such as an email or phone number; (ii) maintaining a working website with a live URL that does not redirect to another site, (iii) displaying all applicable terms and conditions with specific references to topics such as, the entity providing the goods/services, the return policy, shipping policy, and estimated delivery time; and (iv) ensuring the return address is visible. Partners must clearly publish its return address and return process on its website. If Customers are required to cover the costs of returns, this must be explicitly stated on such a website. It is prohibited to have instructions such as "email us" or "fill in this form" without also including the return address. Without limiting each Partner's responsibility to remain fully compliant with applicable laws and regulations, Klarna's Payment solution guidelines offer additional insights (e.g. Compliance requirements for a Partner's website) to help Partners remain compliant.

(e) The Partner is strictly prohibited from displaying fake Customer reviews or falsified ratings and scores on their website. This includes, but is not limited to, creating or using fabricated reviews, manipulating Customer feedback, or presenting misleading information regarding product or service quality. All Customer reviews and ratings must be authentic and accurately reflect the genuine opinions and experiences of actual Customers.

(f) In relation to its sale of goods or services, it is the Partner's sole responsibility to ensure that all requirements relating to VAT, GST or any equivalent value added sales tax are complied with. If specific information has to be provided by the Partner to Customers under local applicable laws, or if a Customer requests certain information to be provided by the Partner (e.g. specific sales tax or other tax information), it is the Partner's responsibility to provide a document containing such information. To avoid presenting multiple different settlement details to Customers, such aforementioned documents shall not contain any bank details of the Partner. Should the content of the document sent out by the Partner lead to an increased number of complaints (e.g. due to Customers paying to the Partner's bank account or using

incorrect reference numbers), the Partner will, in cooperation with the Acquiring Partner, adjust the content of such documentation to mitigate such problems.

(g) The Partner may not (i) impose any fees or penalties on the Customer on the basis that the purchase is made through the Klarna Payment Services, or (ii) act in a discriminatory manner towards Klarna by e.g. discounting other payment providers or making it unduly burdensome to access and use the Klarna Payment Services.

(h) **Order capture for physical goods:** The Partner undertakes to capture the respective authorized order upon shipment of the goods. For orders that are customized or being made to order based on a Customer's specification, the Partner may capture the order upon placement by the Customer provided that the Partner provides the Customer with clear written notice thereof upon checkout.

(i) **Order capture for services:** The Partner undertakes to capture the respective authorized order upon performance of the services.

(j) **Order capture for intangible goods:** The Partner undertakes to capture the respective authorized order only when the purchased intangible goods have been fully delivered to the Customer (e.g. when a digital ticket has been shared with the Customer).

(k) **Uncollected goods**: Charging Customers a fee for uncollected goods must be clearly stated in the terms and conditions of the Partner before the purchase. The fee shall not exceed the order value. The Partner accepts that Customers are entitled to a full refund if the Partner's terms and conditions are unlawful or do not clearly and transparently specify otherwise.

(l) **Record Keeping**: To comply with customer protection regulations and ensure timely processing of Customer Disputes, the Partner is required to store the proof of deliveries no less than 180 days after the activation date.

(m) **Discounts**: The Partner is not permitted to negotiate discounts with Customers during a Dispute process when the Customers wish to return goods.

(n) In the event the Klarna Payment Services include payment programs issued by Third Party Payment Option providers or an Issuing Bank, the terms and conditions of such parties will apply, as applicable to the Partner. For purposes of these Partner Rules, (i) Third Party Payment Option means a payment option offered by a third party or acquirer, included in any of the Klarna Payment Services, and (ii) Issuing Bank means a third party issuing bank with which Klarna cooperates to provide certain Klarna Payment Services.

(o) Klarna is Payment Card Industry Data Security Standard (**PCI DSS**) validated. The Partner undertakes at all times to be compliant with the rules of PCI DSS applicable from time to time. As long as the Partner uses the Klarna Payment Services in a compliant way, Klarna will be responsible for the security of cardholder data that Klarna possesses or otherwise stores, processes, or transmits when providing the Klarna Payment Services.

(p) In the event Klarna discovers fraud or suspicious circumstances relating to a transaction, Klarna may instruct the Partner, either directly or, as applicable, through the Acquiring Partner, to stop the order process and/or shipping. The Partner agrees to abide by such

instructions immediately upon receipt provided that such instructions are given at the latest within twenty-four (24) hours of capture of the applicable Claim.

(q) To the extent the Partner engages a third party that will deliver the goods to the Customers, the Partner is fully responsible for such third party, and the acts and omissions of such a third party shall be treated as the acts and omissions of the Partner under these Partner Rules.

(r) The Partner is not entitled to misuse the Klarna Payment Services or disloyally use data obtained from Klarna for transactional purposes. This includes but is not limited to using the authorization functionality solely for credit checks or use the personal data shared to promote or facilitate the provision of non-Klarna payment options, or to facilitate or promote the Customer's access to, or use of, any services or functionality provided by any third parties.

(s) The Partner is not entitled to use the Klarna Payment Services for transactions which are deemed illegal under any applicable laws or which do not comply with Section 15.11 Prohibited and High-Risk Businesses.

(t) Depending on the Partner's MCC, the Partner has to share Supplementary Purchase Data with Klarna to the extent required under the Integration Guidelines.

(u) The Partner shall accept Klarna Payment Services for any Customer Market(s) made available for the Partner's Partner Market(s). The Partner agrees that the Partner Rules will apply whenever the Klarna Payment Services are used.

(v) The Partner's usage of the Klarna Payment Services may be refused or suspended at any time.

(w) Any Claim transferred to Klarna shall be free from any third-party rights ensuring that there are no restrictions for Klarna to pledge, transfer or otherwise dispose over the Claim.

(x) If the Partner enables additional products from Klarna's Product Suite, such as Sign-in with Klarna, On-site Messaging, Klarna Express Checkout, the Partner is required to inform Customers about the tracking technologies employed to the extent required under the Integration Guidelines.

15.4.1 Payment Programs

(a) The Partner is required to offer Klarna Payment Services in a manner that allows Customers to choose from the full range of dynamically available Payment Programs.
(b) The Acquiring Partner may offer Klarna's Payment Programs that can be activated at a Partner's discretion "Discretionary Programs" (e.g. "Financing 0% APR").
(c) The Payment Programs available to Customers through the Klarna Payment Services are determined solely by Klarna and can change at any time.
(d) Unless explicitly required by applicable law, the Partner is prohibited from setting minimum or maximum transaction limits for Customers utilizing the Klarna Payment Services.

15.5 Repayment of Claims

15.5.1 The Claim

The Partner has the right to receive payment for the respective Claim from the Acquiring Partner as per the conditions set out in the Klarna Network Rules and any other terms and conditions applied by the Acquiring Partner.

15.5.2 Claim Returns

The Partner has to facilitate a repayment for Claims where:

(a) a refund to the Customer has been initiated;
(b) a Dispute has been resolved in favor of the Customer and/or Klarna;
(c) Partner is deemed to have engaged in illegal or fraudulent behavior, or are in breach of applicable law(s) and regulation(s);
(d) Partner is deemed to be in material breach of their requirements under Section 15.11 Prohibited and High-Risk Businesses
(e) Partner is deemed to be in breach of Section 15.12 Tokenization Terms for Partners and such breach results in an unauthorized purchase; and/or
(f) there are obstacles restricting the pledge or transfer of the Claim (e.g. if a Claim is already pledged or transferred to a third party).

Where applicable, the Acquiring Partner may seek repayment from the Partner as agreed between the Acquiring Partner and the Partner for any Claim Returns made by Klarna to the Acquiring Partner.

Only applicable if Klarna is not the Partner's Acquiring Partner: In view of Klarna being a licensed bank under the supervision of the Swedish Financial Supervisory Authority, and for the purpose of ensuring that Klarna is able at all times to fulfill its obligations in relation to Customers, the Partner acknowledges and agrees that if the Acquiring Partner fails or is unable to repay Klarna for any reversed Claims or any other amounts owed by the Acquiring Partner under any agreement with Klarna, the Partner grants Klarna the right to directly collect these same amounts from the Partner, and the Partner agrees to settle such amounts to Klarna. Any such aforementioned amounts to be collected by Klarna shall in no event exceed the amount owed by the Partner to the Acquiring Partner relating to the use of the Klarna Payment Services. Klarna may exercise this right solely during the period when the Acquiring Partner is incapable of fulfilling its repayment obligations.

15.5.3 Claim Returns Compensation

In the event of repayment of a Claim under Section 15.5.2 Claims Returns, in addition to the amount of the Claim, the Acquiring Partner may apply one or more of the charges and fees outlined in Section 15.5.3.2 Operational Costs and 15.5.3.3 International Transactions and currency related costs for Claim Returns below. Subject to reasonable notice, the Acquiring Partner reserves the right to introduce additional fees to cover any costs, expenses or losses incurred in connection with the Klarna Payment Services.

15.5.3.1 Retention of Service Charges and Repayment to Customers

In the event of a Claim Return, the Acquiring Partner may retain any corresponding costs related to the provision of the Klarna Payment Services charged to the Partner. If Klarna at the time of the

return has already received payment from the Customer or a third party in respect of the Claim, Klarna is entitled to repay those amounts to them.

15.5.3.2 Operational Costs

The Acquiring Partner reserves the right to charge the Partner the fees outlined in Section 15.16 Operational Fees.

15.5.3.3 International Transactions and Currency Related Costs for Claim Returns

Currency related costs may apply for Claim Returns involving currency conversion as per the following:

(a) In cases where a currency conversion was performed at the time of capture using the Klarna Currency Conversion, the Partner will be subject to the application of the Klarna Currency Conversion for the currency conversion during a Claim Return. The Claim Return amount will be the equivalent to the Transaction Amount, converted using the Klarna Currency Conversion at the time of the Claim Return.
(b) In addition to any Klarna Currency Conversion applied under (a), the party determined by Klarna to bear final liability or responsibility in relation to a Claim Return under sub-sections (b)-(f) of Section 15.5.2 Claim Returns is subject to the application of any Currency Conversion Delta, the Klarna Currency Conversion applied at the time of the Claim Return, and any applicable Section 15.16 Operational Fees.
(c) In cases where the Partner has initiated a refund to Customer where the Billing Currency is different from the Transaction Currency, the Partner is not subject to the Klarna Currency Conversion applied in relation to the currency conversion from Transaction Currency to Billing Currency for a Claim Return under Section 15.5.2(a) Claim Returns.

15.5.4 Third Party Payment Option Providers

In the event the Klarna Payment Services include Third Party Payment Option Providers or a separate Issuing Bank, the terms and conditions of such parties will automatically apply to the Partner. In respect of the Klarna Payment Services for which Klarna has partnered with Third Party Payment Option Providers, a Customer may choose to use its regular debit or credit card to:

(a) pay directly in the checkout; or
(b) settle the debt to Klarna at a later stage.

The Partner hereby agrees to and authorizes such Third Party Payment Option Providers to store, use, share and release cardholder data, provided or generated pursuant to these Klarna Network Rules to any person:

(a) for the purpose of processing the transaction;
(b) as required by applicable rules of Third Party Payment Option Providers or by applicable law;
(c) in aggregated (anonymous and generalized) format to facilitate analysis and comparisons;
(d) to investigate, prevent and/or detect fraud or crime; or
(e) to mitigate information security risk, sector risk or credit risk.

Klarna is Payment Card Industry Data Security Standard (**PCI DSS**) validated. The Partner undertakes at all times to be compliant with the rules of PCI DSS applicable from time to time.

Further, if Klarna receives a non-compliance notification from a Third Party Payment Option Provider, the Partner will provide Klarna, or as the case may be, the Acquiring Partner, with reasonable assistance and information that is necessary to respond to such non-compliance notification.

Notwithstanding any limitation of liability set out in these Partner Rules or in the Klarna Payment Network Agreement, the Partner shall fully indemnify and hold Klarna, or as the case may be, the Acquiring Partner, harmless against any fines, penalties or any other claims imposed by a Third Party Payment Option Provider as well as any other incurred costs due to (i) circumstances which form a breach of the Klarna Network Agreement and/or these Partner Rules or any rules issued by Third Party Payment Option Provider; or (ii) a significantly elevated chargeback level compared to average market levels.

15.6 Compensation for Costs

The Acquiring Partner reserves the right to seek compensation from the Partner for any fees that Klarna applies to the Partner's use of the Klarna Payment Services.

15.7 Incorrect Customer Payments and Settlement

If a payment has been made by the Customer directly to the Partner, the Partner must immediately communicate this to the Acquiring Partner, and the amount must immediately be paid to the Acquiring Partner with a specification as to what the payment relates to.

15.8 Pricing

To incentivize the Partner to deliver value to Customers and maintain high-quality operations, Klarna may choose to reduce the Acquiring Partner's transaction fees applicable to a Partner fulfilling specific incentive criteria(s) as determined by Klarna. In such an event, the Acquiring Partner will apply these adjustments to the Partner's price in full. The details and requirements of such Partner incentives will be made available on Klarna's Partner Portal, via email, or through specific Partner campaigns from Klarna.

15.9 Brand and Marketing Terms for Partners

This Section provides requirements and guidelines to Partners related to conducting marketing activities for the Klarna Payment Services.

15.9.1 Klarna Marketing

The Klarna Payment Services shall be marketed by the Partner in accordance with Klarna's Brand Guidelines and the Partner Rules. It is understood and agreed that any marketing activities related to the Klarna Payment Services shall be confined solely to promoting the use of these services for purchasing the products or services offered by the Partner. When marketing and using the Klarna Payment Services, the Partner warrants that it will observe and comply with all applicable laws and regulations and other provisions and guidelines issued by any public authority. Unless otherwise instructed by Klarna, the Partner will only advertise the Klarna Payment Services by either integrating Klarna's On-site messaging or using Klarna's pre-approved marketing assets. Klarna reserves the right to suspend the Klarna Payment Services immediately should the Partner fail to comply with these requirements. For certain markets, Klarna has made available additional country specific guidelines, such as e.g. for the United Kingdom via Klarna Financial Promotion Rules UK.

15.9.2 Recommended Marketing Activities

To enhance the reach of the Klarna Payment Services, Klarna recommends Partners to promote Klarna by carrying out marketing activities, such as:

(a) **Email marketing activities:** Partners are encouraged to send introductory emails within three months of launching Klarna services and continue with promotional emails using Klarna-approved content to highlight new offers or services. Emails targeting Customers who abandoned shopping carts can also be effective in re-engaging them.
(b) **Public announcements:** Partners are encouraged to make a public announcement on platforms like LinkedIn within one month of service integration.
(c) **Affiliate engagement:** Further engagement can be achieved by joining Klarna's Affiliate Program, where Partners can participate in commission-based promotions through a Klarna-enabled network, with specific terms outlined in the respective affiliate agreement.

15.10 Integration Requirements for Partners

This Section outlines required and recommended practices for the Partner when integrating the Klarna Payment Services. These standards ensure that the Partner achieves a high-quality integration, adhering to global integration, integrational excellence of additional Klarna Products, and product interoperability as specified in this Section and in the Integration Guidelines.

15.10.1 Global Integration

The Klarna Payment Services are designed and built to scale globally as the Klarna Network strives to reach global coverage. The Partner is required to build the Klarna Payment Services integration to be market-agnostic to enable frictionless additions of new Partner or Customer Markets without changes in the Partner's Klarna Payment Services integration. The Partner acknowledges and agrees that any new Customer Markets from Klarna will automatically be made available to the Partner upon launch as defined in Section 15.14 Partner Rules Updates. The Partner should not incur any technical or configurational changes due to the launch of a new Customer Market. Partner is not allowed to

discriminate against Klarna in relation to market availability compared to other payment methods (e.g. by limiting availability of Klarna Payment Services by implementing specific rules or requirements solely applicable to Klarna and not any other payment methods).

To achieve global integration, the Partner is required to meet the following criteria:

(a) The Partner is required to dynamically retrieve the payment descriptors and other pre-approved messaging content from Klarna via the SDK or APIs on integration patterns where dynamic retrieval is possible.
(b) If the Partner chooses to present Klarna as a single payment option in their checkout interface, and dynamic retrieval is not possible, the Partner is allowed to statically encode these descriptors and is responsible to display these descriptors in accordance with Klarna Network Rules, and the Integration Guidelines.

15.10.2 Integrational excellence of additional Klarna Products

To enable the best possible Customer experience and highest possible conversion, the Partner is recommended to enable additional products from Klarna's Product Suite, such as Sign-in with Klarna, On-site Messaging, Klarna Express Checkout. The Partner can enable these products by accessing their Acquiring Partner's Partner portal or alternatively Klarna's Partner Portal, or by any other available means to access required credentials. When integrating other products from Klarna, the Partner is required to follow required practices outlined in the Integration Guidelines and is encouraged to follow best practices for optimal performance.

15.10.3 Product Interoperability

Enabling Klarna products is a recommended practice for any Partner using Klarna Payment Services. Partners who choose to use other services from Klarna's Product Suite such as Sign-in with Klarna, On-site Messaging or Klarna Express Checkout are required to enable interoperability across the services in use.

The Partners are required to complete their integrations of services from Klarna's Product Suite in such a way to allow all Klarna services to function seamlessly across systems, platforms, and applications to improve the Customer experience and the Partner's conversion.

To achieve product interoperability the Partner is required to meet the following criteria:

(a) The Partner is required to ensure that the Customer experience remains consistent throughout a Customer's visit to the Partner site across all Klarna products by following the requirements of the Integration Guidelines.
(b) The Partner is required to request and share the Interoperability Token across their Klarna Product Suite integration and their Acquiring Partner integration, as specified in the Integration Guidelines.
(c) The Partner is required to follow the presentment instructions and transfer the Interoperability Token to the Acquiring Partner when using Klarna Express Checkout and/or Sign-in with Klarna as a means to retrieve data from a Customer as outlined in the Integration Guidelines.
(d) The Partner is required to request an Interoperability Token to authorize payments with the Acquiring Partner when a "Customer Not Present Payment" scope or "Customer Present

Payment" scope is used as outlined in Section 15.12 Tokenization Terms for Partners and the Integration Guidelines.

(e) The Partner is required to authorize the payment with the Acquiring Partner using the Interoperability Token when using Klarna Express Checkout as a means to collect the Customer consent for a payment as outlined in the Integration Guidelines.

(f) The Partner is required to retrieve and use the Interoperability Token provided by Klarna when using Sign-in with Klarna as outlined in Section 15.12.2 Customer Login Scope and the Integration Guidelines.

15.10.4 Currency Conversion

When eligible, Klarna Currency Conversion enables currency conversion between the Transaction Currency and the Billing Currency to allow Customers to complete purchases in a Transaction Currency that differs from the Customer's Billing Currency. The Partner is required to use the same Transaction Currency for the Klarna Payment Services as the Partner would for other payment options. The Partner shall ensure that Customers are not discriminated or deterred from using and making a purchase with Klarna using the Klarna Currency Conversion, e.g. by limiting availability of Klarna's Klarna Currency Conversion by way of implementing specific rules or requirements solely applicable to Klarna and not to any other payment options.

15.10.5 Integration Quality

Integration Quality focuses on four core elements that embody Klarna's commitment to excellence and to ensure that Klarna's Payment Services are reliable, secure, and adaptable to the evolving needs of our Partners and Customers. By adhering to these requirements, all relevant parties commit to maintaining the highest quality of integration, creating a seamless and trustworthy shopping experience for Customers with Klarna. The following four Integration Quality requirements apply:

(a) Customer Experience
(b) Performance
(c) Technical Quality
(d) Monitoring and Alerting

Customer Experience: The Partner is required to conduct a thorough review of the Customer experience to ensure compliance with the user experience requirements outlined in the Integration Guidelines. To drive the best Customer experience and conversion rates, the Partner agrees to follow the user experience recommendations provided by Klarna. The Partner is required to ensure that the approved Klarna logo and payment method badge are prominently displayed alongside other payment method providers as required in the Integration Guidelines.

When offering the Klarna Payment Services in physical locations, the Partner is required to promote Klarna with in-store signage, which may include window and cash wrap decals, fitting room and table signage, and other materials conforming to Klarna's Physical Store Marketing Guidelines. Additionally, the Partner is required to provide guidance to store associates to ensure that Customers are accurately and adequately informed about the Klarna Payment Services.

Performance: The Klarna Payment Services are designed to drive conversion by offering a frictionless Customer experience. To ensure the best possible conversion rates, the Partner is required to pass all the test cases outlined in the Integration Guidelines in scope of their integration.

Technical Quality: The Partner is required to ensure that there are no technical errors in the integration of the Klarna Payment Services. Regular testing and adherence to Klarna's technical standards are essential to maintaining a high-quality and reliable payment solution.

Monitoring and Alerting: To ensure compliance with integration best practices and data protection regulations, the Partner is required to proactively monitor and share information about deviations from expected behaviors as outlined in the Klarna Integration Guidelines and/or Solution Scope Document. This includes technical errors and unusual activities by shoppers.

15.11 Prohibited and High-Risk Businesses

The businesses listed in Section 15.11.2 Prohibited Businesses and Section 15.11.3 High-Risk Businesses are either prohibited to use Klarna's Product Suite or restricted to use it only under certain circumstances. Businesses are strictly prohibited to use Klarna's Product Suite in all jurisdictions and/or regions listed in Section 15.11.1 Prohibited Jurisdictions and Regions. The Partner agrees to comply with this Section 15.11 Prohibited and High-Risk Businesses when offering the Klarna's Product Suite to Customers.

The Partner providing any service from Klarna's Product Suite is at all times responsible for adhering to laws and regulations in all jurisdictions and/or regions where they operate, including but not limited to; age requirements, product restrictions and relevant licensing. Breach of these rules may result in the suspension or termination of access to Klarna's Product Suite, at the sole discretion of Klarna or, where applicable, the Acquiring Partner.

15.11.1 Prohibited Jurisdictions and Regions

Klarna's Product Suite may not be used by businesses that operate from or in the following jurisdictions or regions:

• Afghanistan
• Belarus
• Central African Republic
• Cuba
• Democratic Republic of the Congo
• Guinea
• Guinea Bissau
• Haiti
• Iran
• Iraq
• Korea, North (Democratic People's Republic of Korea)
• Lebanon
• Libya
• Mali
• Myanmar
• Nicaragua
• Niger
• Nigeria
	• Pakistan
	• Palestine, State of
	• Russia
	• Somalia
	• South Sudan
	• Sudan
	• Syria
	• Venezuela
	• West Bank (Palestinian Territory)
	• Western Sahara
	• Yemen
	• Zimbabwe
	• Occupied regions of Ukraine
	  ○ Crimea peninsula
	  ○ Donetsk region
	  ○ Kherson region
	  ○ Luhansk region
	  ○ Zaporizhzhia region

The above list may be updated more frequently than twice a year, as defined in Section 15.14 Partner Rules Updates.

15.11.2 Prohibited Businesses

Klarna's Product Suite may not be used in relation to illegal or sanctioned goods, including, but not limited to:

- Illegal practices (e.g. misleading, deceptive, or non-compliant customer practices, pyramid schemes, counterfeit products, and other illegal activities).
- Illegal sales of goods (e.g. providing goods or services without the required licenses such as gambling, betting, lotteries, high-risk financial services).
- Hate, violence, racism, or discrimination promotion or affiliation.
- Sanctioned goods or services, or goods or services originating from sanctioned countries or individuals (e.g. travel to and accommodation in countries subject to sanctions).
- Prostitution and escort services, sexually oriented massage parlors.
- Products or services (including images and marketing) related to pedophelia, non-consensual sexual behavior, sexual exploitation of a minor, bestiality, zoophelia, incest, mutilation of a person or body part.

Any Partner engaging in any of the activities listed above, or in any other activities designated as prohibited by Klarna or, where applicable, the Acquiring Partner, may be subject to suspension or termination.

15.11.3 High-Risk Businesses

This Section 15.11.3 High-Risk Businesses defines certain groups of business types in relation to which the Acquiring Partner has specific requirements due to elevated risks. Partners within these business types may be subject to additional controls by the Acquiring Partner in connection with onboarding to the Klarna's Product Suite.

Business type	Example of MCCs
Charities	8398, 8641
Crowdfunding	8398
Erotic and Adult Services	5967, 7273, 7299
Gambling, betting or lotteries	7995, 5816, 7994, 9406, 7800, 7801, 7802
Financial Services: Money services, including currency exchange, money transfer, virtual and digital services	4829, 6540, 6211, 7299, 6010, 6012, 6051, 7322
Crypto Currency: crypto currencies, crypto exchanges, tokens, and other crypto assets	4829, 6012, 6051, 6540
Financial Advice: Investment Services and Advice, including financial advice	7276, 7322, 7392, 8999
Auction houses	8999
Pawn Shops	5933, 5931
Bailiffs, bankruptcy/insolvency services, claims management, debt collection management agencies	6010, 6011, 6211, 7277

Insurance	5960, 6300
In-game purchases	5816, 7994
Art and antiques	5932, 5971, 5937
Sale of weapons requiring license	5723
Goods and services related to firearms, explosives, and similar instruments	5099, 5941, 5999
Tobacco and Tobacco substitutes	5993
Alcohol	5921, 5813, 5169, 5812
Cannabidiol (CBD)	5499, 5977, 5912, 5999
Medical treatments and services requiring license	8011, 8021, 8031, 8041, 8042, 8049, 8050, 8062, 8099, 4119
Prescription pharmacies	5169, 5912, 5122
Travel, tours and events (For these Business types Supplementary Purchase Data is required)	4411, 4457, 4511, 4722, 4723, 5962, 6513, 7011, 7399, 7512, 7922, 7996 3000 - 3308 (Airlines) 3351 - 3441 (Car Rental) 3501 - 3840 (Hotels)

15.11.4 Indemnification

Breach of this Section 15.11 Prohibited and High-Risk Businesses may result in suspension or termination of access to Klarna's Product Suite. Further, and notwithstanding any limitation of liability set out in these Klarna Network Rules or in the Klarna Payment Network Agreement, the Partner shall fully indemnify and hold the Acquiring Partner harmless against any damages, losses, costs, fines, penalties or any other claims incurred by the Acquiring Partner due to the Partner's breach of this Section.

15.12 Tokenization Terms for Partners

This Section outlines the requirements for a Partner utilizing any tokenizable functionalities within Klarna Payment Services. Adherence to these terms enhances security and maintains the integrity of transaction processes. The Partner shall indemnify Klarna for any third-party claims, damages, and liabilities that may arise from the Partner's failure to adhere to the requirements set forth in law or in this Section.

15.12.1 Token Scopes and Usage

Within the Klarna Payment Services, Klarna can issue a token that can be used by Partners to perform actions on behalf of a Customer. Token scopes are specific permissions granted to a token, which define the actions that can be performed using this Token. The Partner is required to request new tokens if additional scopes are needed beyond what was initially granted. The Partner is required to integrate tokens and their associated scopes according to the specifications outlined in the Integration Guidelines.

15.12.2 Customer Login Scope

Once a Customer logs in to their Klarna account, Klarna can issue a token with a "Customer Login" scope. Partners are recommended to use these tokens to enable the following use cases:

(a) Allow Customers to bypass additional log in flows within Klarna's purchase flow.
(b) Personalize the Customer's shopping experience when combined with other services in Klarna's Product Suite.
(c) Allow Customers to use their Klarna account to sign in to the Partner's services

The "Customer Login" scope can be used by the Partner to retrieve Customers' personal data from Klarna, such as Customer contact details, transaction information and Shopping Profile Data. The Customers' personal data shared hereunder is received by the Partner as a separate data controller, as set out under Appendix 1 to the Partner Rules: Data Protection. The Partner is not permitted to use the personal data shared to promote or facilitate the provision of non-Klarna payment options or to facilitate or promote the Customer's access to, or use of, any services or functionality provided by any third parties.

Klarna confirms it has the right to transfer the personal data based on the Customer's instruction, and Klarna is not responsible or liable for the correctness, accuracy, or exhaustiveness of the shared Customer personal data. The Partner must comply with all relevant privacy laws, usage regulations, notification requirements, and Customer opt-in/out choices when using these tokens and related personal data.

15.12.3 Customer Present Payment Scope

Once a Customer logs in to their Klarna account and completes the required steps for their selected Payment Program within Klarna's purchase flow, Klarna can issue a token with a "Customer Present Payment" scope.

Depending on the Payment Program, these steps may include:

(a) accepting terms and providing consents related to payment programs.
(b) providing a funding source.
(c) completing additional authentication for fraud prevention or KYC purposes.

The "Customer Present Payment" scope token can be used to complete transactions with Klarna without further Customer interaction, enabling one-click purchases and faster checkouts. Tokens with the "Customer Present Payment" scope are required to be used only for on-demand services where the Customer is logged in with a customer account with the Partner and the Customer is initiating the transaction. On-demand services are services available to Customers as needed, for example ride-sharing, streaming media, and food delivery services. The key features of on-demand services are their immediacy and flexibility, allowing customers to access them conveniently with minimal delay.

Tokens with the "Customer Present Payment" scope are forbidden from being used for other types of transactions. This includes, but is not limited to, high-value transactions, infrequent transactions, highly customized services, or recurring transactions where the Customer is not present. The Partner is liable for any related third-party claims or damages if these tokens are misused.

Partners are required to implement a step-up authentication mechanism to support interactions with the Klarna user interface when required, ensuring security and a seamless customer experience as defined by the Integration Guidelines. Partners are required to share the Supplementary Shopping Data, as defined in the Integration Guidelines for the use of the "Customer Present Payment" scope token.

15.12.4 Customer Not Present Payment Scope

Once a Customer logs in to their Klarna account and completes the required steps for their selected Payment Program within Klarna's purchase flow, Klarna may issue a token with a "Customer Not Present Payment" scope. The "Customer Not Present Payment" scope is required to be used for recurring transactions where the Customer's approval or interaction is not required each time.

Depending on the Payment Program, these steps may include:

(a) accepting terms and providing consents related to payment programs.
(b) providing a funding source.
(c) completing additional authentication for fraud prevention or KYC purposes.
(d) being successfully underwritten for a suitable amount related to the expected usage of this token.

Partners are required to use the "Customer Not Present Payment" scope when offering subscription-based use cases where payment will be pre-authorized for goods or services to be delivered immediately or in the future, thereby facilitating recurring transactions without requiring the Customer's approval or interaction each time. When offering subscription services, Partners are required to adhere to all relevant laws, including those pertaining to cancellations, renewals, and notifications. Klarna retains the right to approve or reject such transactions.

15.12.5 Partner Participation Requirements

To participate in Klarna's tokenization services, the Partner is required to:

(a) Validate the identity of the Customer on whose behalf the token is being used.
(b) Adhere to the data protection obligations outlined in Appendix 1 to the Partner Rules: Data Protection.
(c) Securely store and transmit token data, using encryption and other security measures to protect against unauthorized access.
(d) Integrate tokenizable functionalities according to the specifications outlined in the Integration Guidelines.
(e) Comply with all applicable laws and regulations relating to the usage of tokens and required notifications toward customers.

The Partner is restricted from using Klarna's tokenization services for activities such as, but not limited to:

(a) The misuse of the token, and any underlying personal data contained in the token, for purposes other than to authenticate the Customer and to facilitate the Customer transaction.
(b) The isolation or reformation of aggregated data to identify individuals.

(c) Unauthorized use of token data for underwriting, marketing, or third-party disclosures.

15.12.6 Token Transaction Processing Requirements

To ensure secure and compliant token transaction processing, the Partner is required to adhere to the following provisions:

(a) Online Authorization: All transactions initiated with a token are required to be submitted for online authorization.
(b) Decline Rights: Klarna reserves the right to decline transactions if misuse or security concerns are detected, or the token is determined to be invalid.
(c) Token Revocation: Klarna reserves the right to revoke tokens at any time if misuse or security concerns are detected.
(d) Token Expiry: Tokens are designed to be long-lived and do not expire under normal conditions; however, they may be revoked as described above.

15.12.7 Partner Account Takeovers

A 'Partner Account Takeover' is defined as the unauthorized access to a Customer's account with a Partner, wherein an unauthorized individual gains entry to such an account and can carry out unauthorized transactions, among other activities. The Partner assumes full responsibility for any instances of Partner Account Takeovers when employing any of the tokenizable functionalities within the Klarna Payment Services. Accordingly, there shall be no limitation of liability pertaining to the responsibilities assumed by the Partner in instances of a Partner Account Takeover.

In the event of a suspected Partner Account Takeover, the party identifying the issue (Klarna or the Partner) will inform the other party using an agreed method such as in writing, through the API, or another mutually designated communication channel.

Upon confirmation of an account takeover, the detecting party will:

(a) direct the affected customer to contact the Partner's customer support team for further assistance.
(b) initiate the invalidation of the compromised token to prevent future misuse.
(c) invalidate the compromised token.

The Partner is required to conduct a comprehensive investigation and address the matter in accordance with its established policies, procedures, and relevant agreements with the affected Customers.

15.12.8 Digital Wallet Requirements

The Partner may use the Klarna Payment Services or tokens issued from Klarna's Product Suite in digital wallets to enhance customer experiences with one-click purchases, faster checkouts or similar. For transactions where a Customer adds funds to a digital wallet for the purpose of storing funds, the Partner is required to use the "Customer Present Payment" scope token and implement the tokenized features as outlined in Section 15.12.1 Token Scopes and Usage and in the Integration Guidelines.

For usage of the Klarna Payment Services or Klarna issued tokens in conjunction with digital wallets, the Partner is required to clearly identify Klarna as the funding source for the digital wallet and/or

transaction(s) made using the wallet by presenting the Klarna logo and/or Klarna's name to the Customer. If other payment methods are presented, allowing the Customer to select a funding source during wallet activation or funding, the Klarna logo and/or name is required to be presented in a similar manner. The Partner is required to obtain explicit consumer consent for the use of a token issued through Klarna Payment Services and ensure the token is used in accordance with applicable laws and regulations.

15.13 Partner Requirements for Disputes

A dispute arises when a Customer or Klarna contests the Customer's obligation to settle payments for purchases (a **Dispute**). The purpose of this Section is to outline the responsibilities of different participants in the Klarna Network, the various Categories of Disputes as defined in Section 15.13.2 Dispute Categories, the Klarna Disputes process, and the required and recommended actions for handling Disputes.

15.13.1 Responsibilities

This Section outlines requirements on the Partner applicable to Disputes and how all parties involved in the Dispute process are required to interact in the handling and resolution of a Dispute.

15.13.1.1 Customer

Customers are responsible for initiating Disputes with Klarna in good faith, adhering strictly to Klarna's and the Partner's terms and conditions, as well as the provided dispute and return instructions from the Partner, provided these comply with local applicable laws and regulations. To establish the validity of a Dispute, Customers must provide all pertinent evidence pursuant to Section 15.13.5.2 Evidence Submission Requirements, when submitting their Dispute to Klarna. Disputes must be submitted within 120 days of the capture of a purchase, unless applicable consumer protection laws require the Acquiring Partner or the Partner to honor Disputes past such 120 days (an **Extended Dispute Window**). These Extended Dispute Window Disputes must be submitted within 540 days of the date in which the initial capture for the applicable transaction occurred and will exclude any transactions for which a Dispute of the same category was previously initiated or submitted, and which was previously adjudicated in the Partner's favor.

15.13.1.2 Partner

Partners are responsible for promptly resolving Disputes and processing refunds for returns. Should the Partner contest a Dispute from a Customer, the Partner will be required to provide Klarna with valid evidence substantiating the invalidity of the Dispute. Partners agree to adhere to and be bound by Klarna's determination when resolving a Dispute.

15.13.1.3 Acquiring Partner

In the event of a Dispute, the Acquiring Partner must ensure that all relevant case information is immediately accessible to Partners. The Acquiring Partner is required to provide instructions and support to Partners on handling Disputes pursuant to Section 15.13 Partner Requirements for Disputes, or at least on a similar level as the Acquiring Partner offers Partners otherwise.

15.13.1.4 Klarna

In the event the Customer and Partner are unable to resolve a Dispute independently, Klarna will intervene to facilitate a resolution. Klarna assumes the responsibility of validating the Customer's evidence before contacting the Partner to request counter-evidence. Klarna will make an impartial

decision based on the evidence provided and the process outlined in this Section within sixty (60) days of receiving evidence from both the Customer and the Partner.

Klarna prioritizes Safe and Secure Shopping as defined in Chapter 2. Klarna Network Principles and mandates all participants in the Klarna Network to uphold the highest standards of service for Customers. Klarna implements monitoring processes aimed at maintaining Dispute rates within acceptable levels as stipulated in the Klarna Network Rules. Disputes issued by Klarna will be submitted within 120 days of the date in which the capture of an order occurred, unless otherwise required by applicable law.

15.13.2 Dispute Categories

Disputes are divided into dispute categories based on the reason why a Customer or Klarna raised a Dispute as outlined in the table below (**Dispute Category**). Each Dispute Category includes a type that is attributed to the Partner's actions or lack thereof, as per the following:

Category	Type	Description
Customer Dispute	Return not possible	Customer claims that they are unable to return the goods due the Partner not following the requirements set forth in the Klarna Network Rules.
	Return not refunded	Customer claims that they returned goods or canceled services, but the Partner has not issued a refund to the Customer through the Acquiring Partners integration or Klarna's Partner Portal.
	Goods or services not received	Customer claims that they did not receive the goods or services because the Partner was unwilling or unable to provide the goods or services.
	Not as described or defective goods	Customer claims that they received the goods or services, but that they deviated from what was advertised in terms of authenticity, condition or in other ways defective.
	Incorrect amount	Customer claims to have received a charge for purchase that is incorrect, for example, missing discounts, unadvertised shipping fees at the time of purchase, incorrect items listed on the invoice, or an order amount already paid directly to the Partner outside of the Klarna Network.
Customer Disputes - Fraud	Unauthorized Purchase	Customer claims they have never made the purchase.
Non-compliance (Risk Program)	Partner Non-compliance	For transactions where Klarna has identified that the Partner has entered the Risk Program and is in Major Breach under Section 15.4 Partner Responsibilities and a Customer has not successfully disputed the transaction under another Dispute Type.
Non-guaranteed transactions	Non-Guaranteed Payment Program Reversal	Klarna identified that the transaction was not paid by the Customer and reverses the Claim to the Acquiring Partner. Only applicable to the "Pay in Full Non-guaranteed" Payment Program.

15.13.4 The Disputes Process

This Section describes the process for handling Disputes.

15.13.4.1 Dispute Initiation

When a Customer opens a Dispute with Klarna, Klarna may automatically pause the transaction if no payment has been made and suggests that the Customer either (i) returns the item(s) in case of returns, or, (ii) contact the Partner in relation to one of the dispute categories listed in Section 15.13.2 Dispute Categories. Following this, the Customer must provide the necessary information to formally raise a Dispute.

Klarna may initiate a Dispute under two Dispute Categories: (i)"Non-compliance" and/or (ii) "Non-guaranteed transactions". The Partner will be subject to a Dispute where no Pre-Escalation or Escalation to Klarna can be made.

15.13.4.2 Pre-Escalation

Upon the Customer initiating a Dispute with Klarna, the Partner is advised to resolve the issue within 21 days (the **Resolution Period**). During this period, the Partner is not required to submit any evidence to Klarna, but should directly address the Dispute or return with the Customer.

In the event of a Dispute under the Dispute Category, "Customer Disputes - Fraud", Klarna will intervene immediately to collect relevant evidence from both the Customer and the Partner.

In the event that the Partner is in Major Breach of Section 15.4 Partner Responsibilities , including Klarna's lists of Section 15.11.1. Prohibited Jurisdictions and Regions, Section 15.11.2 Prohibited Businesses, Section 15.11.3 High-Risk Businesses, or acts in violation of applicable laws and regulations, Klarna reserves the right to intervene immediately through the issuing of a "Non-compliance" Dispute Category. Consequently, the standard Resolution Period shall not apply and be set to immediate for all Dispute Categories.

All Klarna Disputes are accessible in the Disputes App within the Partner Portal, via Klarna's Disputes API or via the Acquiring Partner's portal. The table below sets out the resolution time for the Partner and the Customer to resolve a dispute:

Dispute Category	Resolution period (calendar days)
Customer disputes	21 days
Customer disputes - Fraud	Immediately
Non-compliance	N/A
Non-guaranteed transactions	N/A

15.13.4.3 Escalation to Klarna

If the Partner and the Customer cannot resolve their dispute within the outlined Resolution Period, Klarna will intervene to investigate and assist in resolving the matter. This will change the Dispute status to "Investigation Started."

Klarna will initially assess the information provided by the Customer to ascertain whether the Dispute is valid or should be dismissed. If the Dispute is determined to be valid, Klarna will send a Dispute request to the Partner via the Disputes App in the Partner Portal or the Klarna Disputes API (a **Dispute Request**). Each Dispute Request includes a specific deadline by which the Partner must submit the required information.

Dispute Category	Response Deadline
Customer disputes	14 days (336 hours)
Customer disputes - Fraud	7 days (168 hours)
Non-compliance	N/A
Non-guaranteed transactions	N/A

Klarna may reduce the initial response deadline for Partners that exhibit a high rate of non-response to requests (failure to provide requisite evidence). After the deadline, the Partner will no longer be able to defend the case. A high rate of non-response is at least ten (10) or more Disputes per month in which the Partner does not respond to at least 30% of such Disputes in the given month; or at least five (5) to nine (9) Disputes per month, in which the Partner does not respond to at least 50% of such Disputes in the given month.

15.13.4.4 Resolution

After the Response Deadline for all eligible Dispute Requests has expired, Klarna will review the case and make a decision to resolve the Dispute. If the Dispute is resolved in favor of the Customer, the Claim will be required to be repaid by the Partner. If the Dispute is resolved in the Partner's favor, the Customer's invoice will be re-activated.

The outcome will be communicated to the Partner through Klarna's Disputes API, via the Acquiring Partner's portal, or within the "Disputes App" in the Partner Portal, specifically under the "Dispute Detail" page, where the status and closing reason will be provided.

15.13.5 Dispute Handling

This Section is applicable to Partners and outlines the requirements for handling Disputes within the Klarna Network. If a Dispute escalates to Klarna, as per Section 15.13.4 The Disputes Process, Klarna will determine the outcome based on, among other factors, the Partner's adherence to the rules detailed in this Section.

15.13.5.1 Dispute handling Requirements

Disputes initiated by Customers or Klarna will always be shown to Partners in the Transaction Amount (i.e., the value of the transaction in the Transaction Currency at the time it was captured by the Partner). When handling Disputes, the Partner must always provide their Dispute response in the Transaction Currency to both Klarna and in any communication to the Customer.

15.13.5.2 Evidence Submission Requirements

The Partner must address all Disputes eligible for Pre-Escalation or Escalation to Klarna by adhering to the following requirements:

(a) **Proof of Delivery**: All proof of delivery (**POD**) documents provided by the shipping carrier shall comply with all of the following requirements. These requirements vary depending on the types of goods or services provided by the Partner and whether the goods or services were delivered partially or totally. Disputes involving empty parcel deliveries will generally be decided based on the POD document. If the POD clearly indicates damage, an empty parcel, or any other sign that the parcel became empty during shipment or delivery, the decision will favor the Customer. Otherwise, the decision will favor the Partner.

(i) Physical goods:

(1) Date of delivery (YYYY-MM-DD) and delivery status.

(2) An address for the person who ordered the goods showing the city/province, city/country, postal/zip code (or international equivalent), street name & number. Full name of the person who ordered the goods that matches the person's name approved at the point of checkout.

(3) Full name of the person that the order was delivered to. For contactless deliveries (e.g. delivery into a mailbox or pick up point):

a) A recipient name is not required,

b) POD needs to show that the package was collected from a pick-up point.

c) If the parcel has been redirected to a pick-up point, provide the address to the pickup point location.

(4) Signature of the receiver for any Disputes above 750 USD, or equivalent. In countries with BankID or identification with ID, this is treated as an acceptable equivalent to a signature. The POD must clearly show that the Customer has identified themselves with BankID or ID.

(5) Tracking ID for the shipment of the last mile carrier.

(ii) On-demand and high frequency Partners: These requirements apply to Partners operating in sectors characterized by on-demand services and high transaction frequencies, such as food and grocery delivery, or mobility services.

(1) Date of delivery (YYYY-MM-DD) and delivery status.

(2) An address for the recipient showing the city/province, city/country, postal/zip code (or international equivalent), street name & number.

(3) Printed full name of person the order is being delivered to and their contact details.

(4) Time of delivery (DD-MM-YY HH:MM).

(5) Delivery choice (deliver to a person vs deliver at the door/no contact).

(6) While not a requirement, Partners are strongly recommended to provide a GPS delivery map or a picture of item(s) delivered at the Customers address.

(iii) Intangible goods/services: Some examples of intangible goods/services are subscriptions to streaming platforms, online courses, Do-It-Yourself descriptions, gift cards, event purchases (e.g. concert tickets), as well as travel purchases (e.g. flight tickets).

For these types of goods, the POD must provide sufficient details to match it to the order, including evidence that the recipient matches the order information approved at checkout, and that the intangible goods were delivered or the purchase order was fulfilled.

The Partner is recommended to maintain a system of records showing the date (YYYY-MM-DD) the goods were sent and confirm that they were either:

(1) Electronically sent to the recipient, including the recipient's address (email, IP, etc.), where applicable; or

(2) Received or accessed by the recipient (e.g. email read-receipt, or download log indicating that the recipient has accessed or downloaded the digital content).

Specifically for gift cards, the POD must display the value of the gift card.

(iv) Goods partially delivered: When handling a Dispute related to an order that was partially delivered, the POD must comply with all applicable requirements outlined above, and demonstrate that all goods purchased were delivered.

The Partner is recommended to maintain a system of record showing the date (YYYY-MM-DD) the item was sent, along with evidence such as:

(1) The weight of each article, matching weight on shipping note.

(2) CCTV footage or photography of the package showing all articles included in delivery.

(3) A copy of the conversation with the Customer proving they received the full delivery.

(4) A delivery note, such as a packing list, specifying the articles included (except for sensitive goods, as further described here).

(5) Proof of fraudulent activity by the Customer.

(6) An affidavit of the person packing the order, confirming that all items were included.

(b) **Proof of Consumption:**

(i) Intangible goods: Disputes related to intangible goods, such as digital goods or licenses for digital content must be contested by providing proof of consumption of the goods or delivery of the digital product to the Customer (e.g. email delivery, login data, etc.).

(1) For Disputes categorized as "Unauthorized Purchase," both Proof of Consumption and Proof of Delivery must be provided.

(2) If the Partner cannot provide proof of consumption because the event or travel has not yet occurred, the Partner must cancel the purchase. In such cases, Klarna will

refund the Customer, and the Partner will refund Klarna. Additionally, the Partner must provide Klarna with any necessary Supplementary Purchase Data, if applicable.

(c) **In-store collection**: For sales collected in a physical store, the following requirements apply:

(i) Goods may only be distributed to the Customer or to a person authorized by the Customer.

(ii) The Partner must upon request by Klarna or the Acquiring Partner provide proof of verification of the ID of both the Customer, and, if applicable, the authorized recipient;

(iii) Proof of collection must include the Customer's name, date, time of pickup, and a packing list of items.

(iv) The Partner must provide evidence that the purchase was completed, and the Customer or, if applicable, the authorized recipient received the goods.

(v) Clear state within the Dispute process that the purchase was made in-store (e.g. using a QR code, through a Klarna Point of Sale, using a payment link, etc.)

(vi) If the Customer is a company, the recipient must present a power of attorney evidencing their authorization to pick up the goods. A copy of this power of attorney must be made and stored for at least nine (9) months.

15.13.6 Dispute Handling Guidelines by Dispute Category

15.13.6.1 Dispute Type: Return Not Possible

In situations where a Customer Dispute claims that they are unable to return items due to the Partner not providing return instructions, or goods and services not being allowed to be returned in cases where they should be accepted according to applicable law(s) and regulations, the Partner must evaluate the legitimacy of the Customer's claim.

Should the Customer's Dispute be validated by the Partner, the Partner is required to either (i) provide return instructions towards the Customer or (ii) issue a refund for the goods or services that were not received.

If the Partner contests the Customer's Dispute, the Partner is required to (i) provide a valid reason for why the specific order was not eligible for a return, or (ii) the Partner must provide evidence that return instructions were clearly presented to the Customer in addition to the requirements defined in Section 15.13.5.2 Evidence Submission Requirements and the Customer did not follow such return instructions.

15.13.6.2 Dispute Type: Return Not Refunded

When a Customer Dispute claims that they have returned goods to the Partner and requests a refund based on this return, the Partner must evaluate the legitimacy of the Customer's Dispute.

Should the Customer's Dispute be validated by the Partner, the Partner is required to refund the order value of the returned goods, in accordance with the Partner’s shipping or return policies. The Partner may choose to either (i) deduct the incurred shipping and return costs from the refunded amount or (ii) require the customer to cover these costs.

If the Partner contests the Customer's Dispute, the Partner is responsible for providing credible evidence to Klarna, indicating that the goods were not returned by the Customer, or that the Customer did not comply with the Partner's specified return policy.

15.13.6.3 Dispute Type: Goods or Services not received

In situations where a Customer Dispute claims that they have not received their entire order or specific parts thereof (for example, receiving only two out of three ordered items or services), the Partner must evaluate the legitimacy of the Customer's claim.

Should the Customer's Dispute be validated by the Partner, the Partner is required to either (i) ensure prompt shipment and delivery of the missing items or (ii) issue a refund for the goods or services that were not received.

If the Partner contests the Customer's Dispute, the Partner is required to (i) provide a POD (in accordance with Section 15.13.5.2 Evidence Submission Requirements) or (ii) evidence that the Customer either refused the delivery or failed to collect the order.

15.13.6.4 Dispute Type: Not as Described or Defective Goods or Services

In situations where a Customer Dispute claims that they have received their order but it was faulty due to one of the following reasons:

(a) The goods or services did not match the description on the order confirmation receipt or other records provided at the time of purchase;
(b) The goods or services were advertised as authentic but were found to be counterfeit by the customer;
(c) The goods or services received were defective or damaged, and these conditions were not clearly disclosed or accurately described in the product listing; or
(d) The goods or services were delivered missing essential parts or features.

The Partner must evaluate the legitimacy of the Customer's claims for any of the reasons. Should the Customer's Dispute be validated by the Partner, the Partner is required to either issue a full refund or promptly ship the missing items, contingent on the customer's acceptance.

If the Partner contests the Customer's Dispute, the Partner is required to provide conclusive proof that the product was accurately represented at time of purchase or in cases where components were missing to provide evidence that all advertised components were indeed sent and delivered.

15.13.6.5 Dispute Type: Incorrect Amount

In situations where a Customer Dispute claims a discrepancy in the total amount charged for a transaction due to, but not limited to, one of the following reasons:

(a) The improper application of discount codes;
(b) Erroneous amounts charged for one or more items that were not properly advertised at the time of purchase;
(c) Incorrect shipping fees being applied or;
(d) In situations where a Customer claims that a payment was already made towards a Partner outside the Klarna Network.

The Partner must evaluate the legitimacy of the Customer's claims for any of the reasons. Should the Customer's Dispute be validated, the Partner is required to promptly amend the invoiced amount or

refund the customer the discrepancy to accurately reflect the price that was displayed to the Customer at the time of purchase. This adjustment must ensure that all terms initially offered, such as discounts or special pricing are honored as per the agreement at the point of sale.

If the Partner contests the Customer's Dispute, the Partner is responsible for providing credible evidence that supports the accuracy of the charged amount. This evidence must clearly demonstrate that the amount charged towards the customer correctly represents the pricing, discounts, and additional fees as they were presented to the customer upon the point of sale or other documentation that shows no other form of payment but Klarna was used.

15.13.6.6 Dispute Type: Unauthorized Purchase

In situations where a Customer Dispute claims that the Customer did not make the purchase and contacts Klarna to report an unauthorized or unrecognized transaction.

Upon such a Dispute, Klarna promptly verifies the validity of the claim. Following verification by Klarna, an investigation is conducted by Klarna where evidence is collected to determine liability, which may rest with either the Customer or the Partner.

Should the investigation conclude that the Customer is liable, the Customer is requested to settle the payment. If the Partner is found liable, the Claim will be repaid by the Partner.

In instances where liability cannot be established, or the error is on Klarna's part, Klarna assumes the liability and the amount is written off.

15.13.6.7 Dispute Type: Non-Compliance

Klarna may, in situations where Klarna determines that the Partner has entered the Risk Program and is in Major breach of Chapter 15.4 Partner Responsibilities, issue a Partner Non-compliance Dispute.

The Partner does not have the ability to challenge and is responsible for promptly ensuring that the reason for the Partner Non-compliance Dispute is resolved to avoid further Disputes of this type on subsequent payments.

15.13.6.8 Dispute Category: Non Guaranteed Payment Reversal

In situations where a payment was made using a Payment Program such as "Pay in Full Non-guaranteed" that requires a Customer to have settled their payment obligation to Klarna and where Klarna has not received any such payment from the Customer, Klarna will issue a Dispute towards the Partner to reverse the settlement made to the Acquiring Partner.

The Partner does not have the ability to dispute Klarna's claims. This Dispute can be avoided if the Partner integrates Klarna's webhook notifications to monitor the funding status of payments as outlined in the **Integration Guidelines** and does not capture the respective order until marked as 'funded'.

15.13.7 Rights to Challenge Dispute Outcomes

Following the resolution of a Dispute in which a Partner does not prevail, a Partner retains the right to challenge the decision made by Klarna (**Arbitration**). This right does not apply to disputes where the Partner accepted the loss, failed to respond within the designated deadline or for Disputes issued by Klarna. Any challenge to a dispute resolution is subject to the requirements specified herein.

15.13.7.1 Requirements for Evidence of Challenging Dispute Outcomes

To initiate an Arbitration, a Partner is required to submit valid evidence as defined in Section 15.13.5.2 Evidence Submission Requirements supporting the claim that the original decision was incorrect. If new evidence is presented, the Partner must provide a justifiable explanation for the failure to present such evidence during the initial dispute resolution process.

15.13.7.2 Requirements Governing Challenges of Dispute Outcomes

The following conditions apply for all Partners going through the Arbitration process:

(a) **Single Challenge Limitation:** A Partner is permitted to challenge the outcome of each Dispute one time, only.
(b) **Challenge Period:** Challenges are required to be submitted within ten (10) calendar days following the resolution of the dispute. Challenges submitted beyond this period will not be considered.

15.13.7.3 Consequences of Improper Challenges of Dispute Outcomes

A Partner who submits challenges and has a loss rate exceeding 30% of challenged disputes over the previous month (the month preceding the date that the challenge(s) was made), may be temporarily barred from the Arbitration process for 1 month. This suspension begins when the Partner exceeds the 30% loss rate and is notified.

15.14 Partner Rules Updates

Klarna is committed to maintaining a coherent and well-structured network. To ensure clarity and predictability, Klarna adheres to a bi-annual schedule for announcing updates to the Klarna Network.

Klarna Network updates are typically announced during the first week of April and October of each year. Any amendments to the Partner Rules, including but not limited to, available markets, fees, available Programs will be communicated to the Acquiring Partner. The Acquiring Partner will make available the most recent versions of related documents, including but not limited to, Partner Rules.
When using or allowing their Customers to use the Klarna Payment Services, the Partner will be bound to the most current version of the Partner Rules.

15.15 Risk Programs for Partners

Klarna's Risk and Dispute Programs for Partners (collectively, the **Partner Risk Programs**) are designed to combat fraud and manage high-risk threats across the Klarna Network, specifically addressing Partners with high dispute-related performance issues or other types of misbehavior. While the fees associated with the Partner Risk Programs are denominated in USD, the Acquiring Partner reserves the right to charge the fees in another currency (e.g. the currency in which the Partner receives payouts from the Acquiring Partner).

The Acquiring Partner may refuse or suspend a Partner's usage of the Klarna Payment Services at any time. Upon refusal or suspension of the Klarna Payment Services, the Acquiring Partner may provide such Partner with the reasons for the action taken and, if applicable, the Acquiring Partner will also offer guidance on the necessary measures to reverse such an action.

15.15.1 Risk Program for Partners

The Partner may be placed in a Risk Program if they engage in fraudulent activity or are in non-compliance with the Partner Rules. Fraudulent activity, severe or continuous non-compliance with such requirements may lead to fees and/or suspension or removal from the Klarna Network. The applicable non-compliance categories are listed in the table below. Fraudulent or otherwise illegal activity will always result in the removal from the Klarna Network. Partners will be informed by their Acquiring Partner integration when they are placed in the Risk Program, along with the reasons for their non-compliance and how they can remediate their breach, if applicable. Any fees or charges payable under this Section will be charged to the Partner by the Acquiring Partner.

<table>
<tr><th colspan="2">Risk Program for Partners</th></tr>
<tr><td>Non-compliance categories</td><td>

Fraudulent Activity

Fraudulent Partners are Partners that attempt to misrepresent themselves or the goods that they are selling. This includes but is not limited to reasons such as:

<table>
<tr><th>Reason</th><th>Description</th></tr>
<tr><td>Unfulfilled orders</td><td>Partner is not sending goods or is sending incorrect or faulty goods.</td></tr>
<tr><td>Counterfeit goods</td><td>Partner is selling counterfeit goods.</td></tr>
<tr><td>Collusion fraud</td><td>Partner is placing orders in its own sales channels using stolen credentials or hijacked accounts.</td></tr>
<tr><td>Self-lending</td><td>Partner or close associates with a shared financial interest are placing orders in their own sales channels.</td></tr>
<tr><td>Identity theft</td><td>Partner has used stolen or synthetic information when creating an account with the Acquiring Partner.</td></tr>
</table>

Non-Compliance with Partner Rules

Partners that fail to comply with requirements as defined in the Partner Rules may enter the Partner Risk Program. Such non-compliance includes but is not limited to:

</td></tr>
</table>

<table>
<tr><td></td><td>
<table>
<tr><th>Reason</th><th>Description</th></tr>
<tr><td>Non-adherence to Prohibited & Restricted Segments</td><td>Segment and business restrictions as defined in Section 15.11 Prohibited and High-Risk Business and 15.4.a, 15.4.s, 15.4.t in 15.4 Partner Responsibilities.</td></tr>
<tr><td>Non-adherence to Website Requirements</td><td>Information and general requirements surrounding Partner websites, as outlined in Section 15.4 Partner Responsibilities.</td></tr>
<tr><td>Fake customer reviews and ratings</td><td>Restrictions covering presentation of Customer reviews, ratings and product descriptions, as outlined in Section 15.4 Partner Responsibilities.</td></tr>
<tr><td>Non-adherence to dispute obligations</td><td>Partner obligations with respect to disputes handling as set out in Section 15.13.1.2 Responsibilities and 15.4.c-d, 15.4.g-h, 15.4.j-m, 15.4.p in Section 15.4 Partner Responsibilities</td></tr>
<tr><td>Non-adherence to partner responsibilities</td><td>The other Partner responsibilities as outlined in Section 15.4 Partner Responsibilities.</td></tr>
</table>
</td></tr>
<tr><td>Minor breach</td><td>

Minor breaches of non-compliance categories, as defined in Section 15.15 Risk Program for Partners represent non-material deviations from Partner obligations under the Partner Rules. Examples include:

Unintentional actions such as failing to present clear and transparent terms and conditions to Customers.
Marketing of Klarna with non approved materials or heavily modified pre-approved materials.
Non intentional misuse of Klarna's services, such as incorrect usage of the authorization functionality

</td></tr>
<tr><td>Major breach</td><td>

Major breaches of non-compliance categories, as defined in Section 15.15 Risk Program for Partners representing material deviations from Partner obligations under the Partner Rules that result from a Partner’s illegal activity or fraudulent behavior as reasonably determined by Klarna.
Examples include:

Engaging in illegal activities, such as selling prohibited items or violating applicable laws and regulations.
Systematically breaching Klarna Network Rules, such as consistently failing to respond to Klarna's inquiries or not processing orders and returns as required.
Not providing any terms and conditions to Customers, disabling the partner website, or redirecting the website to an unauthorized third party.

</td></tr>
<tr><td>Program exit</td><td>Partner will exit the Risk Program when all identified breaches are remediated.</td></tr>
</table>

15.15.2 Dispute Program for Partners

The Partner Disputes Program will monitor the rate of disputes per Partner.

Disputes Program for Partners	
Included Disputes	Customer Disputes, Customer Disputes - Fraud, Non-compliance as defined in Section 15.13.3 Disputes Categories.
Dispute rate	Number of Disputes/Number of processed orders
Ratio Calculation	The applicable ratios are calculated based on the number of disputed orders categorized as Included Disputes, divided by all orders for a Partner resulting in a Dispute rate. Only the first dispute of an order is counted toward this metric. These ratios are calculated on a calendar month basis using the following definition: $June\ Rate = \frac{Monthly\ number\ of\ disputes\ for\ a\ Partner\ for\ May}{Monthly\ number\ of\ orders\ for\ a\ Partner\ for\ May}$
Early warning	This program does not have an Early warning threshold
High Dispute Threshold	• > 1.5% Dispute rate for 3 consecutive calendar months and • 20 Disputes per month for 3 consecutive calendar months
Excessive Dispute Threshold	• > 2% Dispute rate for 3 consecutive calendar months and • 20 Disputes per month for 3 consecutive calendar months
Program Exit	A Partner will exit the Dispute Program if it is below the program thresholds for 3 calendar consecutive months.

15.15.3 Timelines and Fees Programs for Partner Risk Programs

The following tables outline the timelines and fees for each of the respective Partner Risk Programs.

Risk Program for Partners Minor Breach - Timeline and Fees	
Occurrence	**Fees**
Month 1 and onwards	1. The Partner's response deadline will be reduced to 7 days across all applicable Dispute categories. 2. The Acquiring Partner reserves the right to charge the Partner a monthly fee of USD 5,000

Risk Program for Partners Major Breach - Timeline and Fees	
Occurrence	**Fees**

Month 1 and onwards	1. The Partner's response deadline will be reduced to 7 days across all applicable Dispute categories. 2. Non-compliance (Risk Program) Disputes as defined in Section 15.13.2 Dispute Categories may be issued. 3. The Acquiring Partner reserves the right to charge the Partner a monthly fee of USD 10,000.

Dispute Program for Partners
High Dispute Program - Timeline and Fees

Timeline	Fees
Month 1-3	1. Remediation period.
Month 4-6	1. The Partner's response deadline will be reduced to 7 days across all applicable Dispute categories.
Month 7 and onwards	1. The Partner's response deadline will be reduced to 7 days across all applicable Dispute categories. 2. The Acquiring Partner reserves the right to charge the Partner a monthly fee of USD 15,000.

Dispute Program for Partners
Excessive Dispute Program - Timeline and Fees

Timeline	Fees
Month 1-3	1. The Partner's response deadline will be reduced to 7 days across all Dispute categories.
Month 4 and onwards	1. The Partner's response deadline will be reduced to 7 days across all Dispute categories. 2. The Acquiring Partner reserves the right to charge the Partner a monthly fee of USD 15,000.

15.16 Operational Fees

The Acquiring Partner reserves the right to charge the Partner the fees described below.

15.16.1 Dispute Fees

The Acquiring Partner may apply the Dispute Fee set out in the table below to the Partner for each Dispute initiated by a Customer if (i) resolved by the Partner first after Klarna's intervention, or (ii) Ruled in favor of the Customer. Dispute Fees are charged in the currency agreed between the Acquiring Partner and Partner.

Dispute Fee
EUR 15
SEK 150
NOK 150
DKK 150
GBP 10
ZL 60
USD 15
CAD 20
AUD 25
NZD 25
CZK 350
RON 70
CHF 15
MXN 125

15.17 Partner Portal Terms

This Section governs the Partner's use of the Partner Portal and sets out the terms and conditions for the use of the Partner Portal. Please note that this section also applies to employees or subcontractors of the Partner acting on its behalf.

15.17.1 Partner Portal Functionality and Purpose

The Partner Portal empowers Partners with the capability to manage and administer various operational tasks to Klarna's Product Suite, and serves as a tool for handling Customer inquiries regarding their orders and associated payments. Within this interface, Partners can access comprehensive Customer details, including names, phone numbers, email addresses, billing and shipping addresses. Additionally, the Partner Portal allows viewing of the Customer's Program and tracking of any refunds processed. Partners can also view transaction reference numbers and have the functionality to resend order statements.

Access to certain services within the Partner Portal is based on access rights and can vary depending on the functionalities already available in the Acquiring Partner's portal. Moreover, the Partner Portal provides opportunities for Partners to sign up for additional services that Klarna offers, enhancing their operational scope and efficiency.

15.17.2 Partner Access

The credentials used by the Partner to access the Partner Portal are intended solely for the use of the Partner's designated individuals and must not be shared with any third party, including separate legal entities within the Partner's own corporate group, except as explicitly permitted in these terms. The Partner is required to prevent unauthorized use of their access credentials to the Partner Portal as well as maintain an access log of which Partner employees, representatives or subcontractors have access to the Partner Portal.

All access and actions within the Partner Portal are monitored for security purposes and to enhance customer relations. Further, in case of a serious interruption of operations, suspicion of breach of personal data including issues relating to the credentials, or any other irregularity in the processing of personal data, the Partner shall, without undue delay, provide information thereof by sending an email to dataprotectionofficer@klarna.com.

The Partner is required to maintain the confidentiality of these credentials, abiding by the principle of data secrecy, which mandates that Customer data is confidential and shall not be disclosed except where legally permitted. Confidentiality obligations related to Klarna Payment Services will persist beyond the termination of services.

In the event of a breach of these terms, the Partner's access to the Partner Portal may be restricted or revoked.

15.17.3 Partner Obligations

The Partner is responsible for verifying the Customer's identity before making any changes within the Partner Portal. The Partner must request and verify the Customer's full name and ask two control questions, such as the billing address, the purchase date, the customer's date of birth, or the exact amount of the order. These obligations are critical to ensuring the integrity and security of transactions within the Partner Portal.

If the Partner uploads, modifies, or shares content via the Partner Portal, the Partner grants Klarna a royalty-free, exclusive, irrevocable, and worldwide right to use and display the content for the purpose of delivering services or otherwise fulfilling its obligations. Klarna reserves the right to remove any content uploaded or shared by Partners if required by applicable law, or if Klarna, in its sole discretion, deems any such content offensive, inappropriate, unlawful, infringing on the rights of others, or otherwise objectionable. The Partner is fully liable for any content they upload or share within the Partner Portal.

The Partner is prohibited from using the Partner Portal in any manner that exceeds the scope and intent of these terms. The Partner may not export any personal data from the Partner Portal or use the data accessible via the Partner Portal for any purposes other than managing the Customer relationship as outlined in these terms.

Klarna is obliged, based on applicable data protection legislation, to provide information to a data subject or supervisory authority about the processing of personal data. The Partner is obliged to assist Klarna in making this information available when relevant, unless otherwise instructed. Unless otherwise instructed, the Partner shall inform Klarna immediately upon receipt of a request of information by sending an email to dataprotectionofficer@klarna.com.

15.17.4 Disclaimer of Warranties

The Partner Portal is provided on an "As Is" basis. Klarna expressly disclaims all representations, warranties, or guarantees, whether express, implied, or statutory, regarding your use of the Partner Portal. To the extent permitted by applicable law, Klarna also disclaims all statutory warranties, including, but not limited to, any implied warranties of title, merchantability, satisfactory quality, fitness for a particular purpose, and non-infringement. Klarna does not guarantee the continuous, uninterrupted, error-free, or secure use of any part of the Partner Portal. Usage may be interrupted due to events outside Klarna's reasonable control.

15.17.5 Third-Party Interactions

Klarna does not endorse or assume responsibility for any third-party websites or applications, nor is it liable for their content. If you engage with third-party websites or applications, the terms and conditions of those platforms will govern your use.

15.17.6 Intellectual Property Rights

Klarna retains all ownership and intellectual property rights to any developments or content provided to or accessed by the Partner under the Partner Portal. The Partner is required to respect these rights and avoid any infringement.

15.17.7 Indemnification

The Partner shall fully indemnify and hold Klarna harmless from and against any losses, damages, claims, and costs arising from or related to any breach of the Partner's obligations under this Section 15.17 Partner Portal Terms.

15.18 Miscellaneous

(a) Klarna retains all ownership and intellectual property rights to anything developed by Klarna and provided to or accessed by the Partner. The Partner specifically undertakes never to use any sign, button or trademark that could be considered confusingly similar to a Klarna trademark. Each Party shall retain all ownership and intellectual property rights to any material or development created by it and provided to or accessed by any other party under the Partner Rules. Furthermore, the Parties undertake to refrain from using any sign, button, or trademark that could be considered confusingly similar to the trademarks of the other Party.

(b) The Partner hereby grants to Klarna a non-exclusive, non-transferable, non-sublicensable, royalty-free, worldwide license to use and copy the Partner's trademarks or logo in its sales presentations, websites and other marketing materials.

(c) The Partner undertakes not to disclose any Confidential Information received from under the Partner Rules to any third party. Notwithstanding the above, the Partner shall be entitled to disclose Confidential Information to the extent necessary (i) if such disclosure is a result of listing agreements, mandatory law or demanded by a court or authority of competent jurisdiction; or (ii) to its legal or business advisors as long as such advisors are in turn bound by obligations of confidentiality at least as stringent as those set out in this clause. For purposes hereunder, **Confidential Information** means any information of technical, commercial or other nature that is reasonably deemed to be confidential.

(d) Only applicable when the Klarna Payment Services are used by Customers located in the United States of America and the Partner is not located in such a country: the Partner (i) appoints Klarna Inc. as the Partner's limited payment collection agent solely for the purpose of accepting US Customer's payment as it relates to the Klarna Payment Services offered to Customers residing in the US; and (ii) agrees that payment by Customer to Klarna (or to an affiliate of Klarna acting as an agent of Klarna) shall be considered the same as payment made directly by Customer to Partner.

(e) Neither Klarna nor the Partner shall be responsible for failure or delay of performance if caused by lightning, fire, sabotage, government restrictions, electrical, Internet or telecommunication outage or another event outside the reasonable control of the obligated party, for such period as such force majeure event continues. The obligated party will use reasonable efforts to mitigate the effect of the force majeure event.

(f) Certain functionalities to enhance the Klarna Payment Services are made available by Klarna (such as Klarna Express Checkout, Sign in with Klarna, among others), and can be activated by the Partner, which may be accessed via the Partner Portal. These functionalities are provided as controlled components by Klarna, and may be altered or removed at any time.

(g) The Partner acknowledges that Klarna is not a party to these Partner Rules and agrees that Klarna has no liability towards the Partner.

(h) Any dispute, controversy or claim arising out of or in connection with these Partner Rules, or the breach, termination or invalidity thereof, shall be settled in accordance with the governing law and venues specified below:

i) **North and Central Europe, South and East Europe,UK and IE:** Only in relation to the provision of the Klarna Payment Services to enable a Partner to sell into the EU, EEA or UK, any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed in accordance with the laws of Sweden. Any dispute, controversy or claim arising out of or in connection with the Klarna Payment Services shall be finally settled by arbitration administered by the SCC Institute. The rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply, unless the SCC Institute, taking into account the complexity of the case, the amount in dispute and other circumstances, determines, in its discretion, that the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply. In the latter case, the SCC Institute shall also decide whether the arbitral tribunal shall be composed of one or three arbitrators. The place of the arbitration shall be in Stockholm, Sweden. The language to be used in the arbitral proceedings shall be English.

ii) **USA**: Only in relation to the provision of the Klarna Payment Services to enable a Partner to sell into the United States, any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by and construed in accordance with the laws of the United States, specifically the state of Delaware where state law applies, without giving effect to conflicts of laws principles. Any dispute or controversy under or relating to the Klarna Payment Services shall be finally settled under the Commercial Arbitration Rules of the American Arbitration Association before a single arbitrator appointed in accordance with such rules. In the event a dispute relates primarily to payments owed under the Agreement, the parties will use the Expedited Procedures under the AAA Commercial Arbitration Rules. The arbitration shall take place in Columbus, Ohio.

iii) **Canada:** Only in relation to the provision of the Klarna Payment Services to enable a Partner to sell into Canada, any dispute or claim arising out of or in connection with the Agreement shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein, without giving effect to conflicts of laws principles. All disputes arising out of or related to the Klarna Payment Services shall be finally settled under the International Centre for Dispute Resolution Canada ("ICDR Canada") in accordance with such rules. The arbitration shall take place in Toronto, Ontario. Confidentiality is required for: (i) the fact that any arbitration occurred, (ii) any awards awarded in the arbitration, (iii) all materials used, or created for use in, in the arbitration, (iv) all other documents produced by another party in the arbitration and not otherwise in the public domain, except, with respect to each of the foregoing, to the extent that disclosure may be legally required (including to protect or pursue a legal right), or to enforce or challenge an arbitration award before a court or other judicial authority. The arbitrators shall award to the prevailing party, if any, its costs and expenses, including its attorneys' fees. The prevailing party shall also be entitled to its attorneys' fees and costs in any action to confirm and/or enforce any arbitration award in any judicial proceedings.

iv) **Australia and New Zealand**: Only in relation to the provision of the Klarna Payment Services to enable a Partner to sell into Australia, any dispute or claim arising out of or in

connection with the Klarna Payment Services (including non-contractual disputes or claims) will be governed by and construed in accordance with the laws of New South Wales. Any dispute or controversy under or relating to the Klarna Payment Services shall be finally settled by the courts of New South Wales.

v) **Mexico:** Only in relation to the provision of the Klarna Payment Services to enable a Partner to sell into Mexico, any dispute or claim arising out of or in connection with the Klarna Payment Services shall be governed by the laws of the United Mexican States without regard to any choice of law or conflict of laws principles, regardless of the domicile or any other reason. All disputes arising out of or in connection with the Klarna Payment Services shall be submitted to the International Court of Arbitration of the International Chamber of Commerce and shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of such arbitration shall be Mexico City. The language to be used in the arbitral proceedings shall be English. The Parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration Section will be kept strictly confidential, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed to a third party without the written consent of the other party.

Appendix 1 to the Partner Rules: Data Protection

Klarna processes Personal Data of two separate Data Subject groups: (i) the Partner's representatives and employees, and (ii) Customers (i.e. shopping and transactional data). These terms set out how Klarna and the Partner share Personal Data between each other, and the obligations relating to the processing of such Personal Data.

1. Definitions

- **Data Protection Legislation** means any and all laws, statutes and regulations relating to the Processing when using the Klarna Payment Services and applicable at each point in time. This may include, but is not limited to; (i) EU Regulation 2016/679 ("GDPR"), Directive 2002/58/EC on privacy and electronic communications, (ii) Australian Privacy Act 1988 (Cth) and the Spam Act 2003 (Cth), (iii) the New Zealand Privacy Act 1993 and the Unsolicited Electronic Messages Act 2007, (iv) the California Consumer Privacy Acts ("CCPA") and the Gramm-Leach Bliley Act ("GLBA"), (v) the Canadian Personal Information Protection and Electronic Documents Act ("PIPEDA"), and (vi) the Federal Law on Protection of Personal Data Held by Individuals ("LGPDPPSO"), in each case as updated, amended or replaced from time to time.

- **Data Subject** means an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, taking into consideration all Personal Data reasonably accessible to a Party. This term also encompasses any analogous or similar term in applicable Data Protection Legislation.

- **Personal Data** means any information or data, including personal information, relating to a Data Subject. This term also encompasses any analogous or similar term in applicable Data Protection Legislation.

- **Processing** means any operation performed on Personal Data, including but not limited to collection, sharing, use, erasure or destruction of such data. This term also encompasses any analogous or similar term in applicable Data Protection Legislation.

- **Party** means solely for purposes of this Appendix to the Partner Rules, Klarna or the Partner.

2. General data protection obligations

(a) Each Party is responsible for its own Processing, and for implementing necessary security measures.

(b) Klarna and the Partner will be acting as separate and independent data controllers in respect of any Processing of Personal Data that is necessary to perform under the Klarna Network Rules, i.e. not processing any data on the other's behalf, or jointly.

(c) The Partner warrants that it will not share any Personal Data with Klarna that regards racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a Data Subject's sex life or sexual orientation.

(d) Personal Data is shared between the Parties for the purpose of allowing each of Klarna and the Partner to provide their respective services to the Customers and administer their respective Customer relationships. The Partner warrants that it will not share any Personal Data with Klarna unless and until it has a legal right to do so.

(e) Some features of the Klarna Payment Services may require Klarna sharing Customers' Personal Data with the Partner (e.g. Customer contact details, Customer shopping profile, transaction information and/or the fact that the Customer is a Customer of Klarna). For such cases, Klarna confirms that it has the right to transfer the Personal Data based on the Customer's instruction. Notwithstanding the foregoing, the Partner is not permitted to use such personal data shared to promote offers or in any other way approach Klarna's Customer based on the fact that they are using Klarna. The Partner shall delete the personal data received without undue delay if Klarna or the Customer so requests and it is permitted to do so under applicable Data Protection Legislation. For the avoidance of doubt, Klarna is in no way responsible or liable for the correctness, accuracy or exhaustiveness of the shared Customer personal data.

(f) Each Party shall implement and maintain appropriate technical and organizational measures to ensure a level of security appropriate to the risk of its Processing in accordance with applicable Data Protection Legislation.

(g) Each Party has implemented an information security program designed to: (i) ensure the security and confidentiality of the Personal Data; (ii) protect against any anticipated threats or hazards to the security or integrity of such data; and (iii) protect against unauthorized access to, or use of, such data that could result in substantial harm or inconvenience to any Data Subject.

(h) Each Party shall ensure any Data Subject is informed that Personal Data is shared with the other Party before such sharing takes place, as required under Data Protection Legislation.

3. Klarna's Personal Data Processing

Klarna will Process the Personal Data it holds to carry out its relationships with Customers in line with its applicable privacy notices. This includes Processing Personal Data for statistical analysis and business reporting purposes, marketing and promotion, improvement of Klarna's products and services, to protect Klarna's property, interests and rights, during fraud investigations and to comply with applicable laws. Klarna may disclose Personal Data to its affiliates or third party service providers in line with Data Protection Legislation, in each case which may also use Personal Data for the purposes set out in applicable notices.

Personal Data of the Partner's representatives and employees is shared by the Partner to Klarna in order for Klarna and the Partner to perform under the Klarna Network Rules in accordance with Klarna's Partner Privacy Notice.

4. Cross-border transfers of Personal Data

Neither Party shall transfer Personal Data outside of the country in which the Personal Data was collected, unless the relevant Party has ensured that the transfer is legally permitted and appropriately safeguarded.

In the event that Personal Data is transferred from the European Economic Area ("EEA") the Parties agree that such transfer is only permitted if it is ensured that (i) the transfer is to a country approved by the European Commission as providing adequate protection pursuant to Article 45 of the GDPR or to commercial organizations in the United States certified under the EU-US Data Privacy Framework, (ii) there are appropriate safeguards in place pursuant to Article 46 of the GDPR, or (iii) one of the derogations for specific situations in Article 49 of the GDPR applies to the transfer. If Personal Data originating in the EEA, Switzerland, and/or the United Kingdom is transferred to a country that has not been found to provide an adequate level of protection under Data Privacy Legislation the Parties agree that the terms of the transfer shall be governed by the Standard Contractual Clauses ("SCCs") (as approved by the European Commission Implementing Decision (EU) 2021/914 of 4 June 2021) Module 1 for Controller to Controller transfers (and where necessary and applicable, the International Data Transfer Addendum to the SCCs, issued by the UK Information Commissioner under S119A(1) Data Protection Act 2018, the UK Addendum) which are incorporated herein by reference. The Parties agree that: (i) the technical and organizational measures including measures to ensure the security of the personal data, the particulars including those relating to details of the parties involved, the purpose of processing, nature, location and category of Personal Data and Data Subjects in the SCCs (and the UK Addendum) shall be in accordance with the details below; (ii) the optional sections in Clause 7 and 11 of the SCCs are accepted; (iii) the Swedish Authority for Privacy Protection shall be the competent supervisory authority pursuant to Clause 13 of the SCCs; (iv) the the SCCs shall be governed by Swedish law pursuant to Clause 17 of the SCCs; and (v) Sweden shall be the member state for the purposes of Clause 17 and Clause 18 (b) of the SCCs.

In the event the Parties rely on certification under the EU-U.S. Data Privacy Framework, and for any reason the certification or adequacy under the certification is no longer valid, the SCCs will apply. Notwithstanding anything to the contrary, the Partner shall without undue delay, notify Klarna of any changes with regard to the certification under the EU-U.S. Data Privacy Framework which a transfer was dependent on. For purposes of the SCCs:

(a) Activities of the Parties: For Klarna to perform, and the Partner to use, the Klarna Payment Services. Role of the Partner: controller. Role of Klarna: controller.
(b) Contact details of the Partner's representative (if applicable): The contact details entered when signing up with the Acquiring Partner.
(c) Klarna's contact person responsible for the data protection: dataprotectionofficer@klarna.com.
(d) The categories of Data Subjects whose Personal Data is transferred under this are the following: (i) business representatives of the data exporter, (ii) business representatives of the data importer, and (iii) Customers.
(e) The categories of Personal Data which are necessary to fulfill the purposes of the Klarna Network Rules, as determined by the data exporter from time to time. This will mainly include contact and identification information, information on goods/services, financial information and device information.
(f) Klarna will, on a continuous basis, share Personal Data relating to the Customers with the Partner. Klarna will not be sharing any sensitive data, as defined in the GDPR, with the Partner.
(g) For the purpose of allowing the data exporter to perform, and for the data importer to use, the Klarna Payment Services, with the ultimate aim of allowing each of the data exporter and the data importer to provide its respective services to the Customers.

(h) Klarna's retention of each category of Personal Data is in accordance with Klarna's Customer Privacy Notice and the Partner Privacy Notice.

(i) The Partner's retention of Personal Data is in accordance with the Partner's internal retention policies.

(j) The Partner will implement technical and organizational measures to ensure an appropriate level of security, taking into account the nature, scope, context and purpose of the processing, and the risks for the rights and freedoms of natural persons, such as: (i) measures of pseudonymisation and encryption of Personal Data, (ii) measures for ensuring ongoing confidentiality, integrity, availability and resilience of processing systems and services, including those related with user identification and authorisation, as well as accountability, (iii) measures for ensuring the ability to restore the availability and access to Personal Data in a timely manner in the event of a physical or technical incident, (iv) processes for regularly testing, assessing and evaluating the effectiveness of technical and organizational measures in order to ensure the security of the processing, with the ability to ensure event logging, (v) measures for the protection of data during transmission and storage, including physical security of locations where personal data are processed, (vi) measures for ensuring system configuration, including default configuration, (vii) Measures for internal IT and IT security governance and management, (viii) measures for certification/assurance of processes and products, (ix) measures for ensuring data minimisation, quality and limited retention, allowing portability and ensuring erasure.