

# GENERAL TERMS AND CONDITIONS FOR ACQUIRING CREDIT CARD TRANSACTIONS<sup>1</sup>

## 1. Background and definitions

- 1.1 Euroline AB ("Euroline") is a wholly-owned subsidiary of SEB Kort AB, which in turn is a wholly-owned of Skandinaviska Enskilda Banken AB (publ).
- 1.2 Pursuant to this Agreement, Euroline shall be able to acquire Transactions undertaken at the "Merchant".
- 1.3 In the event of any discrepancy between these general terms and conditions and any Instruction, the Instruction shall take precedence.
- 1.4 All stated definitions shall apply both 1) in the singular as well as the plural, and 2) in the definite as well as indefinite form. Definitions are also set forth elsewhere in the Agreement.
- 1.4.1 **"Agreement"** means the Merchant's application for the acquisition of Credit Card transactions. Euroline's written grant of the application, these general terms and conditions as well as Instructions in force from time to time (see section 9.5 below), appendices, etc. which are expressly stated as relating to this main document.
- 1.4.2 **"Sales Method"** means the sales method(s) used by the Merchant in the sale of its goods/services. Examples of sales methods include retail sales, sales over the Internet, and sales by mail order and/or telephone order. For each Sales Method, Instructions may be in place which supplement these general terms and conditions (see section 1.3 above).
- 1.4.3 **"Instructions"** means regulations, instructions, routine descriptions etc. issued by Euroline from time to time, both written and oral.
- 1.4.4 **"Credit Card"** means a Credit Card correctly issued by an authorised/licensed card issuer, bearing a trade mark which the Parties have agreed shall be covered by the Agreement.
- 1.4.5 **"Cardholder"** means a natural person in whose name a Credit Card has been issued.
- 1.4.6 **"Merchant"** means the company which is granted connection to Euroline's system for acquiring Transactions pursuant to this Agreement.
- 1.4.7 **"Terminal"** means technical equipment which captures information stored on the Credit Card in order to create a Transaction, irrespective of whether the information is stored on a magnetic strip or a chip.
- 1.4.8 **"Transaction"** means both 1) purchase transactions in which a Credit Card is used as means of payment, and 2) returns/crediting of a corresponding purchase transaction.

---

<sup>1</sup> ELCRC 2008-12-02

## **2. The Parties' relationship, etc.**

- 2.1 Depending on the trade marks to which the Merchant has been granted connection, the Parties pursuant to the Agreement are Euroline, on the one hand, and the Merchant, on the other hand. In the Agreement, Euroline and the Merchant are referred to jointly as the "Parties".
- 2.2 Regulations, directives, etc. issued by Visa and/or MasterCard take precedence over the provisions between the Parties pursuant to this Agreement. Accordingly, the Parties are aware and agree that the co-operation pursuant to this Agreement must at all times be conducted in compliance with such regulations, directives, etc.
- 2.3 In the event it is established, at any time, that the co-operation is not conducted in compliance with regulations issued by Visa and/or MasterCard, Euroline shall notify the Merchant thereof immediately, whereupon the Parties shall, without delay, commence discussions with the aim of reaching an agreement as to the impact of such circumstance on the Parties' co-operation. If, in the intended discussions, the Parties are unable to reach an agreement within ten (10) days calculated from the date on which discussions were initiated, each Party shall be entitled to terminate this Agreement effective upon thirty (30) days' notice.
- 2.4 However, the following provisions shall apply in the event Visa and/or MasterCard complain that the co-operation is not conducted in accordance with their regulations and, as a consequence thereof, demand that the deficiencies be rectified within a certain period of time. In such situation, a Party shall at all times (i.e. irrespective of what is otherwise stipulated in the Agreement regarding termination periods and notice), where it has sound grounds to believe that the deficiency cannot/will not be rectified within the prescribed period of time, be entitled to give notice of termination of the Agreement, effective on the day prior to the day on which, in the opinion of Visa and/or MasterCard, the deficiency should be rectified.

## **3. Scope, etc.**

- 3.1 This Agreement governs the dealings between the Parties regarding the acquiring of Transactions and associated routines. Unless otherwise agreed in writing (i.e. the Parties should have agreed upon this in an Appendix to the Agreement) the Agreement covers only Transactions undertaken in Sweden in the currency SEK.
- 3.2 The provisions of the Agreement with respect to purchase transactions shall also apply, where appropriate, to returns/crediting of purchase transactions.
- 3.3 Euroline will provide the Merchant with unique customer numbers for each Sales Method which the Parties have agreed shall be covered by the Agreement. Such customer numbers, which must always be used in conjunction with the Merchant's reporting of Transactions to Euroline, may not be used for Sales Methods or goods/services within the stated industry, other than as agreed upon between Euroline and the Merchant.
- 3.4 Sales of value units may take place only following written consent from Euroline. "Sales of value units" in this Agreement means, at present, 1) purchases of virtual currency, and 2) transfers to other payment solutions.
- 3.5 Gaming sales may take place only following written consent from Euroline. "Gaming" in this Agreement means, at present, betting, lotteries, bingo, casinos and purchases of value units, etc. which can be used to pay for gaming.

#### 4. The Merchant's obligations

4.1 The Merchant undertakes:

- to comply with the Agreement and any directions relating to the Agreement from Euroline or from any party retained by Euroline, including instructions provided in responses from Terminals or other forms of authorisation systems, including automated voice response;
- to accept all Credit Cards, irrespective of card type and amount, for payment for all of the Merchant's goods and services. Euroline shall be entitled to register and market the fact that the Merchant accepts Credit Cards as a means of payment;
- not to encourage the use of, or to accept, Credit Cards for 1) any fraudulent purpose; 2) in any other manner which contravenes the permissible use of Credit Cards; or 3) for any purpose not approved by the Cardholder;
- in conjunction with payment by Credit Card, unless otherwise agreed in writing: 1) not to dispense cash other than as may be permitted pursuant to the Instructions; 2) not to issue cheques or other payment instructions; or 3) not to secure payment for any claims other than payment for the Merchant's goods and/or services;
- not to apply a higher price in conjunction with payment by Credit Card than the price the Merchant applies in conjunction with other forms of payment, and not to apply any higher price or charge any additional fee for payment by Credit Card;
- not to use the Euroline trade mark for any purpose other than as agreed in writing between the Parties;
- to comply with legislation and public authority regulations in force from time to time;
- not to create multiple purchase transactions in respect of a single purchase with the same Credit Card; and
- not to transfer to Euroline Transactions which have been carried out at a party other than the Merchant.

4.2 Returns/crediting shall relate to a previously undertaken purchase transaction. The return/credit amount may not exceed the amount of the purchase transaction. The return/crediting shall take place using the Credit Card which was used for the purchase transaction. The amount may not be refunded in cash unless otherwise agreed between the Parties. In conjunction with returns/crediting, a signature receipt or equivalent basis for the Transaction shall be signed by the Merchant.

4.3 Where the Merchant itself possesses a Credit Card, such card (where the Merchant is operated as a sole trader, partnership, limited partnership or limited company which is a closely-held company) may not be used for payment at the Merchant. Possession of a Credit Card means that the Card Holder and the Merchant are identical, i.e. have the same personal ID or registration number, or that the Card Holder is the owner of, or a partner in, the Merchant.

4.4 In order to maintain a high level of security in the global card payment systems and to enhance confidence in Credit Cards as a means of payment, it is of the utmost importance that all who process Credit Card Information do so in a secure manner. "Credit Card Information" means information embossed or printed on the front or back of the Credit Card, including information which is stored in the Credit Card's magnetic strip or chip. For this reason, the industry has agreed on a joint industry standard for processing Credit Card Information. The standard is called Payment Card Industry (PCI) Data Security Standard (DSS) and is produced by the international card networks, Visa and MasterCard.

The Merchant undertakes to comply with the PCI DSS standard as published from time to time on [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org). The Instructions contain additional

information regarding PCI DSS as well as a description of matters to be observed by the Merchant in general in conjunction with the processing of Credit Card Information.

- 4.5 In the event the Merchant fails to perform its obligations pursuant to the Agreement, Euroline shall be entitled to withhold or delay payment to the Merchant.

Euroline shall also be entitled to withhold or delay payment to the Merchant where Euroline is entitled to assume that a Transaction will become the subject of a Chargeback (see section 6.3, second bullet point, below). In such circumstances, Euroline shall be entitled to withhold/delay payment only of an amount corresponding to the amount of the anticipated Chargeback.

## **5. Euroline's undertakings**

- 5.1 Euroline undertakes to make payment to the designated account for purchase transactions made using Credit Cards, provided that 1) the purchase transaction is received by Euroline within the period of time prescribed in the Instructions; 2) that the purchase transaction fulfils the requirements prescribed in the Agreement; and 3) that the Merchant has otherwise fulfilled its obligations pursuant to the Agreement.

- 5.2 Euroline's liability pursuant to the Agreement extends only to Transactions which are actually received by Euroline. Accordingly, in the event the Merchant engages a third party for delivery of Transactions to Euroline, Euroline shall bear no liability for aspects relating to the co-operation between the Merchant and the third party. Nor shall Euroline bear any liability for mistakes etc. in Transactions which reach Euroline insofar as the error is due to circumstances attributable to the third party.

## **6. The Merchant's liability**

- 6.1 The Merchant shall be liable to the Cardholder for all defects/deviations in the quality, condition and performance of sold goods and services. Such defects/deviations as referred to in the preceding sentence, as well as the non-delivery or deficient delivery of goods/services to a Cardholder or any other party designated by the Cardholder, shall at all times be deemed to constitute such a breach of the Merchant's obligations as referred to below in section 6.3, fourth bullet point, and in section 9.2.

- 6.2 The Merchant's liability pursuant to section 6.1 above shall apply in relation to Euroline pursuant to this Agreement, notwithstanding any agreement which may have been reached between the Merchant and the Cardholder, the purchaser or any other party. The aforesaid shall also apply where the Merchant 1) conducts operations as an agent/middleman, etc. and thereby sells/brokers a third party's/subcontractor's goods and/or services, or 2) sells/brokers goods/services on behalf of a third party/subcontractor, and thereby a party other than the Merchant may be required to make performance (e.g. delivery of goods/services or the carrying out of an event, trip, etc.) to which the Transaction relates.

- 6.3 The Merchant shall be obligated, upon request by Euroline, to reimburse Euroline for all amounts, plus interest and reasonable handling charges, which Euroline has paid/refunded to a card issuer, Cardholder or any other party (e.g. Visa or MasterCard) as a consequence of:

- the fact that, pursuant to the Agreement, the Merchant bears the risk of the Transaction;
- a card issuer's final debiting of Euroline in respect of a Transaction which is the subject of a complaint in accordance with Visa's/MasterCard's regulations ("Chargeback");

- the fact that the Merchant, without exercising normal care, has accepted an invalid or forged Credit Card or a Credit Card which has been used in an unauthorised manner;
- the fact that the Merchant has in any respect breached its obligations pursuant to, or otherwise acted in contravention of, this Agreement; or
- legislation or public authority regulations.

6.4 Irrespective of whether negligence, breach of contract, etc. may be imputed to the Merchant, the Merchant shall also be obliged, upon request by Euroline, to pay compensation for any amounts (e.g. fees and other economic sanctions) which Euroline is obliged to pay to Visa and/or MasterCard insofar as the stated amount is related to this Agreement and to 1) Transactions which are the subject of a complaint; or 2) fraud.

6.5 In the event Euroline, prior to any obligation to pay an amount pursuant to section 6.3 or section 6.4 above, receives any warning, order or suchlike (e.g. from Visa or MasterCard), Euroline shall notify the Merchant without delay of the measures or suchlike which the Merchant must take in order, if possible, to avoid Euroline incurring an obligation to pay the amount.

6.6 Settlement pursuant to sections 6.3, 6.4 and 6.5 may take place through a withdrawal from the account designated by the Merchant or through a deduction of the amount by Euroline in conjunction with the payment routines applicable between the Parties. In such context, Euroline is not obliged to verify that coverage is available on the designated account.

Prior to settlement pursuant to the preceding paragraph, Euroline shall inform the Merchant regarding the reason for the Merchant's liability to compensate. In the event the Merchant considers that it is not liable to compensate, the reason therefor shall be notified to Euroline without delay.

6.7 Where the number of complaints lodged regarding purchase transactions during a rolling thirty-day period exceeds 0.25% of the total number of purchase transactions, Euroline shall be entitled to debit the Merchant in accordance with the price list in force from time to time.

In the event Visa or MasterCard believes that the Merchant has, in a particular manner, reached a level of complaints due to fraud, unauthorised purchases or complaints from Cardholders which is unacceptably high in relation to the total number of the Merchant's purchase transactions, Euroline shall be entitled to terminate this Agreement with immediate effect.

## **7. Prices**

In consideration of the services which Euroline provides pursuant to the Agreement, the Merchant shall pay the prices and fees generally applied by Euroline from time to time and which are available in the application for connection to Euroline's system for acquiring Credit Card transactions and/or in the notice which Euroline provides to the Merchant that an application has been granted and/or in an Appendix agreed upon by the Parties.

## **8. Euroline's liability**

Euroline shall be liable for losses incurred in cases other than as set forth in section 6 above, only where Euroline is grossly negligent. However, Euroline shall under no

circumstances be liable for indirect losses or losses attributable to a card issuer not consenting to the implementation of a Transaction.

## 9. Term

- 9.1 This Agreement shall be deemed executed on the day on which Euroline grants an application for connection to Euroline's system for acquiring Credit Card transactions. Euroline shall notify the Merchant in writing that their application has been granted and that this Agreement has thus entered into force. The Agreement shall remain in force indefinitely, subject to thirty (30) days' notice of termination by either Party.
- 9.2 In the event a Party is in material breach of its obligations under this Agreement, the other Party shall be entitled to terminate the Agreement with immediate effect. In accordance therewith, Euroline shall be entitled to terminate the Agreement with immediate effect in the event payment cannot be secured pursuant to section 7 above or debiting cannot take place in accordance with section 6 above.
- 9.3 Euroline shall also be entitled to terminate the Agreement with immediate effect: 1) *in the event* of significant changes in the Merchant's ownership structure; 2) *where* the Merchant or a person connected to the Merchant is, or becomes, entered in such a register as referred to in section 12.3 below or circumstances occur which constitute grounds for such registration; 3) *where* Euroline, upon an overall assessment, considers it likely that the Merchant must be deemed a participant in, or has otherwise has collaborated in, criminal activity; 4) *where*, in Euroline's well-founded opinion, the number or nature of Transactions in respect of which complaints have been made deviates from what Euroline deems normal; 5) *where* the Merchant, e.g. upon execution of the Agreement, has provided incorrect, incomplete or misleading information; 6) *where*, in Euroline's well-founded opinion, the Merchant's business, branch affiliation or character has or will be changed, compared with the circumstances upon execution of the Agreement; 7) *where*, in Euroline's opinion, the Merchant's payment ability can be called into question; or 8) *where* the Merchant, in Euroline's well-founded opinion, through its behaviour/business is damaging Euroline's reputation.
- 9.4 Euroline shall regularly verify how the information which the Merchant has provided to Euroline, e.g. regarding the average time which elapses between the date of payment by Credit Card at the Merchant and the date for delivery/performance of the product/service to which the payment relates accords with the circumstances actually prevailing from time to time. The Merchant shall be obliged to assist, to a reasonable extent, in order to facilitate such verification.

The verification referred to in the preceding paragraph shall take place primarily to ensure that the payment terms and conditions, any security provided to secure Euroline's right to payment, etc., from time to time 1) correspond to the actual circumstances; and 2) are otherwise also in accordance with Euroline's guidelines and policies.

In the event it is established that information provided by the Merchant differs from the actual circumstances, Euroline shall be entitled to take the measures which, in Euroline's opinion, are necessary to compensate for the difference. Such measures may, for example, comprise Euroline demanding 1) *that* the Merchant provide new or changed security in order to secure Euroline's right to payment; or 2) *that* the payment terms and conditions are amended.

In the event the Merchant does not accept the measures demanded by Euroline pursuant to the preceding paragraph, Euroline shall be entitled to terminate the Agreement with immediate effect.

- 9.5 Euroline shall be entitled 1) to amend these general terms and conditions; and 2) to amend and issue new Instructions without the prior consent of the Merchant.

Such changed circumstances as referred to in the preceding paragraph shall enter into force not earlier than thirty (30) days after written notice to Merchant. In the event the Merchant refuses to accept such change, the Merchant shall give written notice thereof to Euroline without delay, together with written notice of termination of the Agreement.

- 9.6 Notice of termination of the Agreement must be in writing. Notice of termination sent by Euroline by fax or email shall be deemed to have been given in writing (see section 14.7 below).

- 9.7 In the event this Agreement terminates, irrespective of the reason therefor, the Merchant's sales against payment by Credit Card pursuant to this Agreement shall terminate at the same time, which means that Euroline, in turn, shall be entitled no longer to accept Transactions from the Merchant.

- 9.8 In the event this Agreement terminates, irrespective of the reason therefor, the Parties shall nonetheless remain liable for any and all Transactions effected on the basis of this Agreement prior thereto.

## **10. Changed circumstances**

- 10.1 The Merchant shall notify Euroline in writing without delay regarding changes in the composition of its Board of Directors, changes in Managing Director, company name, ownership structure, address, telephone and fax number, e-mail address, account numbers, changes in branch affiliation or activities and other circumstances of significance for the Agreement.

- 10.2 A Party shall also notify the other Party without delay of events which may be assumed to affect, or will affect, all or parts of the co-operation pursuant to this Agreement (see section 9.4 above). It is of particular importance that all planned changes in a Party's IT system which in any respect may be assumed to affect the co-operation are notified to the other Party immediately upon commencement of planning with respect to the changes.

## **11. Force majeure**

- 11.1 Euroline shall not be liable for the failure to perform any obligation pursuant to this Agreement where such failure is due to a circumstances beyond Euroline's control which prevents or renders materially more difficult timely performance thereof ("Force Majeure Event").

Force Majeure Events shall include, *inter alia*, war, acts of war, terrorist actions, import or export prohibitions, acts of God, restrictions on general public transport, deficiencies or delays in energy supplies or telephone connections, the actions or omissions of public authorities, new or amended legislation, orders or actions of public authorities, labour conflicts, blockades, fire, flooding, extensive losses or destruction of property or major accidents, as well as defects or delays in products or services from subcontractors as a

consequence of circumstances stated above. Labour conflicts shall be deemed to be Force Majeure Events irrespective of whether Euroline is the object of, or takes, such measures.

In the event that Euroline invokes release pursuant to this section 11.1, Euroline shall, where possible, notify the Merchant thereof without delay.

- 11.2 In the event the performance of this Agreement is materially impeded for a period in excess of fifteen (15) days due to a Force Majeure Event, either Party shall be entitled to withdraw from the Agreement subject to thirty (30) days' written notice.

## **12. Confidentiality and registration**

- 12.1 The terms of this Agreement are confidential and the Parties shall not be entitled to disclose to any third party information regarding the contents of the Agreement. Nor may either Party disclose to any third party information regarding the other Party's business which may be considered a business or trade secret.

However, the Merchant consents to Euroline transferring such information as referred to in the preceding paragraph to 1) companies within the same group as Euroline; and 2) Visa and/or MasterCard.

- 12.2 Registration in special registers may take place in the event the Agreement is terminated due to the Merchant's breach of contract or due to the Merchant having provided incorrect, incomplete or misleading information, e.g. upon execution of the Agreement.

- 12.3 Such a register as referred to in section 12.2 is maintained by, e.g. Visa and/or MasterCard. "Special registers" means, in this Agreement, also various monitoring systems maintained by Visa and/or MasterCard with respect to acquiring agreements which have been terminated due to breach of contract, etc.

## **13. Assignment**

Neither Party may assign its rights and/or obligations pursuant to the Agreement to any third party without the other Party's consent, which shall not be unreasonably withheld, delayed or made contingent on conditions. Euroline may, however, without the consent of the Merchant, assign its rights and/or obligations to companies within the same group as Euroline.

## **14. Other**

- 14.1 In respect of the day-to-day co-ordination pursuant to the Agreement, each Party shall appoint a contact person whose name and contact details shall be notified to the other Party.

- 14.2 In the event the Agreement does not state the manner in which costs incurred as a consequence of the co-operation are to be borne/allocated, the Parties shall, upon taking a decision to carry out such a measure, also decide on the manner in which the measure shall be defrayed. In the absence of such a decision and where the Parties are unable to agree on the manner in which the costs shall be borne/allocated, in the event the measure is nevertheless carried out the Party that chooses to carry out the measure shall also be solely liable for the cost thereof.

- 14.3 Other than as stated in the Agreement, the Parties shall not be entitled to represent each other or to use each other's trade marks, company names or know-how without the other Party's written consent. Such right of use does not create any rights and shall cease immediately simultaneously with the termination of this Agreement.
- 14.4 Headings in the Agreement are for ease of reference only and shall not affect the interpretation of the Agreement.
- 14.5 Subject to the provisions of the following paragraph, a Party may retain subcontractors/third parties without the other Party's consent. The Merchant shall, however, notify Euroline immediately in the event such retention affects the co-operation pursuant to this Agreement.

Where the Merchant intends to retain a subcontractor/third party which in any respect will process data regarding Credit Cards (card data), such subcontractor/third party must be approved by Euroline. Information regarding subcontractors/third parties approved from time to time is provided by Euroline.

A Party shall bear primary liability with respect to all acts and omissions of subcontractors/third parties.

- 14.6 This Agreement constitutes the Parties' entire agreement on the issues to which the Agreement relates. All oral or written undertakings or representations made prior to the Agreement are replaced by this Agreement.
- 14.7 Written notice sent by Euroline to the Merchant shall be deemed to have reached the Merchant not later than the seventh day, provided the notice was sent to the address notified by the Merchant to Euroline. Where the notice has been sent by fax or email, it shall be deemed to have reached the Merchant immediately, provided the notice was sent to the fax number or email address notified by the Merchant to Euroline.

## **15. Applicable law and disputes**

- 15.1 This Agreement shall be governed by Swedish Law.
- 15.2 Disputes relating to this Agreement, its execution, interpretation and/or application or other legal relations connected to the Agreement shall preferably be resolved through negotiations between the Parties.
- 15.3 Disputes which could not be resolved within thirty (30) days pursuant to section 15.2 above shall be conclusively resolved through arbitration in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the "Institute").

The Institute's Rules for Expedited Arbitrations shall apply unless, taking into consideration the complexity of the case, the value of the amount in dispute and other circumstances, the Institute determines that the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce shall apply to the proceedings. In the latter-mentioned case, the Institute shall also determine whether the arbitration tribunal shall consist of one or three arbitrators. The arbitration proceedings, which shall take place in Stockholm and be conducted in Swedish, shall be governed by Swedish law.