

## TERMS AND CONDITIONS OF PAY BY PAYMENT CARD SERVICE

These Terms and Conditions are dedicated for entities that have concluded the System Use Agreement with PayU under the Terms and Conditions of the System defined by PayU.

### Definitions

Any references herein to the following terms shall have the meaning as defined below and if not defined below – the meaning as specified in the Terms and Conditions of the System:

<b>Payment made by Payment Card</b>	A payment made to the Merchant by the Customer with the use of the Pay by Payment Card Service provided by PayU in the System, consisting in providing the Customer with a possibility to make a payment to the Merchant with the use of payment issued by international payment associations supported by PayU.
<b>Terms and Conditions of Pay by Payment Card Service</b>	These Terms and Conditions.
<b>Pay by Payment Card Service</b>	A service provided by PayU in the System, allowing the Customer to make the Payment to the Merchant with the use of Payment made by Payment Card.
<b>Authorisation Request</b>	A Merchant's application to PayU for making Authorisation of a Payment made by Payment Card, the details of which are provided by the Merchant or the Customer.
<b>Authorisation</b>	The process when PayU verifies a possibility to accept a Payment made by Payment Card to be processed after receipt of an Authorisation Request by the Merchant and in cooperation with Intermediate Bodies. The Authorisation procedure is specified in details in the Documentation.
<b>Successful Authorisation</b>	A statement made with the use of the Message to the Merchant by PayU on acceptance of the Payment made by Payment Card to be processed, included in an Authorisation Request.
<b>Chargeback</b>	means a circumstance where a card issuer, Intermediate Body or other financial institution requires repayment in respect of a Payment made by Payment Card

## **§ 1 SUBJECT MATTER**

The subject matter hereof is to define rules of cooperation between PayU and the Merchant when accepting the payment by the Merchant with the use of the Pay by Payment Card Service provided by PayU in the System.

## **§ 2 GENERAL PROVISIONS**

1. PayU shall make the Pay by Payment Card Service available in the System within 7 calendar days from sending a Message by PayU on acceptance of the application form for conclusion of the Agreement on provision of the Pay by Payment Card Service (Product Agreement).
2. Payments made by Payment Cards shall be available in the Express Payment or Protected Payment options.
3. In the application form for conclusion of the Agreement on provision of the Pay by Payment Card Service, the Merchant shall indicate a Pay by Payment Card Service variant specified in point 2, which shall be provided.
4. If PayU approves the Merchant's Application form for conclusion of the Agreement on provision of the Pay by Payment Card Service, PayU shall be entitled to register the Merchant in payment systems where payment cards used for Payments made by Payment cards and accepted by the Merchant are issued. PayU shall inform the Merchant with a Message about approval of the Merchant's Application form and registration, if applicable, referred to in the previous sentence.
5. PayU remuneration for provision of the Pay made by Payment Card Service shall be defined in the application form for conclusion of the Product Agreement. The payment shall be made in the manner specified in § 13 of the Terms and Conditions of the System.
6. The Merchant shall be obliged throughout the term of the Product Agreement not to use the service for any other purposes than accepting a payment for goods, services or access to contents offered only on the Site for which the Product Agreement was concluded. The above-mentioned Merchant's obligation shall also apply to persons connected with the Merchant.
7. The Merchant shall be exclusively and fully liable strictly for performance of the obligations defined in point 6.
8. The Merchant shall cooperate with PayU to clarify any matters connected with the complaints procedure carried out by issuers of payment cards. In particular, the Merchant shall, at PayU request and within the time and in the manner defined in the request:
  - a. provide PayU with any relevant information on the agreement concluded by the Merchant and the Customer for which the Payment by Payment Card complained of was made, and
  - b. provide PayU with copies of documents on performance by the Merchant of the agreement concluded by the Merchant with PayU, as specified in the request, for which the Payment by

Payment Card complained of was made, in particular a copy of confirmation of receipt of shipment, with indication of the person who collected the parcel containing goods ordered by the Customer, or confirmation that the service ordered by the Customer was provided.

9. (repealed)

10. The Merchant shall not make completion of the transaction dependent on provision of additional information by the Customer, which is not required for provision of the service, and on holding by the Customer or any electronic payment instrument of a digital certificate or any additional security measure used by the Customer for the transaction.

11. (repealed)

12. The Merchant shall cooperate directly with Visa and MasterCard to explain any issues connected with complaints considered by issuers of payment cards and any other issues on accepting payments made by payment cards by the Merchant at each request of Visa and MasterCard.

### **§ 3 SETTLEMENT OF PAYMENTS**

1. PayU shall process Authorisation Requests submitted by the Merchant to PayU as a result of making an order by the Customer to make a Payment by Payment Card.
2. Successful Authorisation of Payment made by Payment Card after which the Payment was accepted shall mean liability being incurred by PayU to make the amount of Payment made by Payment Card available to the Merchant on the Settlement Account, unless the Documentation provides otherwise.
3. The Merchant shall be obliged not to submit to PayU any Authorisation Requests if, according to the Merchant's knowledge or the knowledge which the Merchant should have on a best efforts basis, making a Payment by Payment Card is contrary to provisions of applicable law, provisions of the Documentation, rules of the System, or if the payment instrument to be used to make the Payment made by Payment Card is used without consent of an authorised person.
4. Subject to point 5 of this paragraph PayU shall provide the Merchant with the amount of Payment made by Payment Card after Successful Authorisation on the Settlement Account, unless:
  - a. The Payment made by Payment Card is questioned within 13 months from charging the Customer with the Payment made by Payment Card, as a result of considering a complaint in accordance with the terms and conditions specified in the agreement concluded between the Customer and the Intermediate Body, the Customer and PayU or in provisions of applicable law and then the Customer is not charged with the Payment made by Payment Card,
  - b. the Customer is refunded the Payment made by the Payment Card in accordance with point 11 of this paragraph,
  - c. the Payment made by Payment Card is cancelled by the Intermediate Body.
5. If the Merchant is provided by PayU with the Payment made by Payment Card Service in the Protected Payment option, PayU shall assume financial risk for considering by Intermediate

bodies any complaints relating to the Payment made by Payment Card with the use of payment cards that have been stolen or lost. In such case, the Merchant shall not be charged with any costs in relation to accepting the complaint, in particular the User shall not refund a fee for the complained payment.

6. PayU shall not be held liable for consequences of the conditions subsequent referred to in point 4 of this paragraph, subject to point. 5 of this paragraph. If such conditions materialise, the Merchant shall be charged with any costs in relation to considering the complaint filed by the Customer, as a result of which the Customer is not charged with the Payment made by Payment Card, including both a refund of fee collected from the Customer for the Payment made by Payment Card complained of and a refund of costs incurred by PayU as a result of the complaints procedure.
7. Neither PayU nor the Customer shall be held liable in any way for making the Payment if the Merchant provides the service to the Customer before receipt of the message on Successful Authorisation of the Payment made by Payment Card.
8. The Payment made by Payment Card shall be credited to the Settlement Account:
  - a. if the Merchant is provided by PayU with the Pay by Payment Card Service in the Express Payment option, once PayU assumes liability from the relevant Intermediate Body for making the Payment by Payment Card, but no later than within 1 hour from the completion of the process of making an order to Pay by Payment Card by a person making the Payment by Payment Card,
  - b. if the Merchant is provided by PayU with the Pay by Payment Card Service in the Protected Payment option, once two conditions have been fulfilled: PayU assumes liability from the relevant Intermediate Body for making the Payment by Payment Card and PayU carries out a successful risk assessment for this Payment made by Payment Card, but no later than within 1 hour from the completion of the process of making an order to Pay by Payment Card by a person making the Payment by Payment Card.
9. If the Payment made by Payment Card:
  - a. in the Express Payment option fails to receive a successful authorisation reply from a relevant Intermediate Body within 1 hour from the completion by the Customer of the process of making a payment order,
  - b. in the Protected Payment option fails to receive a successful authorisation reply from a relevant Intermediate Body within 24 hour from the completion by the Customer of the process of making a payment order or PayU carried out an unsuccessful risk assessment for this Payment made by Payment Card,

PayU shall be authorised to refuse to process this Payment.

10. If the conditions subsequent referred to in point 4 and 5 of this paragraph materialise, the Merchant shall refund the amount of the questioned Payment made by the Payment Card unless the Documentation provides otherwise. The refund shall be made as satisfaction of cash liabilities due to PayU from the Merchant in the manner specified in the Terms and Conditions of the System. Notwithstanding the foregoing, PayU shall be entitled to collect and retain amounts

required to cover potential or expected Chargeback claims, including costs associated with Chargeback claims.

11. The Merchant may ask for a refund on the Merchant's Account of the Payment made by the Payment Card in whole or in part to the Customer, for which PayU was provided with Successful Authorisation. The refund referred to in the previous sentence shall be irrevocable.
12. Any costs relating to the refund referred to in point 11 of this paragraph shall be charged to the Merchant. PayU shall not be entitled to any additional remuneration for processing a refund of the Payment made by Payment Card.
13. PayU shall process the refund referred to in point 11 of this paragraph on the first Business Day following the day when the Merchant made the refund. Funds credited to the Settlement Account shall be reduced by the amount of the refund made; however, this reduction shall be made in the form of satisfaction of cash liabilities due to PayU from the Merchant in the manner specified in the Terms and Conditions of the System. If the Merchant uses the ICP service, the amount of the refund will be deducted from the Merchant's payout currency, according to the exchange rate applied by the Intermediate Body on the day of the refund, increased by PayU's remuneration specified in the Agreement or Product Agreements, while the Customer will receive the refund in the currency in which the Payment was made. The remuneration collected by PayU and any other fees relating to the Payment made by Payment Card to be refunded shall not be returned to the Merchant.
14. If the Merchant orders a refund of the Payment made by Payment Card, the refund shall be made only to the electronic payment instrument used to make the Payment by Payment Card.
15. PayU shall be entitled to refuse to make the refund referred to in point 11 of this paragraph:
  - a. if PayU has no up-to-date Customer details allowing to make a refund of the amount of Payment made by Payment Card,
  - b. if the difference between Merchant's liabilities towards PayU on the Payments to be paid out and PayU liabilities towards the Merchant is lower than the amount of Payment made by Payment Card to be refunded and costs of such refund,
  - c. if making a refund of the amount of Payment made by Payment Card is contrary to the provisions of law or the Documentation.
16. The refusal referred to in point 15 of this paragraph and its reasons shall be communicated by PayU to the Merchant with the Message.
17. The Merchant shall apply security rules announced by the Payment Card Industry Data Security Standard, in particular the Merchant shall use only the applications compliant with PCI-PADSS when using the acquired payment tools, as well as the Merchant shall be subject to verification confirming that these rules are applied in accordance with regulations of the Payment Card Industry Data Security Standard. In particular, the Merchant shall not process, acquire or sell data relating to the Payment Cards.
18. In relation to the Pay by Payment Card Service, the provisions of § 4 (8) of the Terms and Conditions of the System provide clarification in relation to the maximum time for providing the

service and Payment Acceptance, which cannot be longer than 3 Working Days from the date of making the Payment by Payment Card by the Customer. An exception is a situation when the Customer agreed for provision of the service at a later date, which was confirmed by the Merchant in writing or by an electronic message, and in such case, the Merchant can accept the Payment with Customer's consent, however, not later than 3 Working Days from making the Payment by Payment Card by the Customer.

#### **§ 4 DISTRIBUTION OF LIABILITY FOR PAYMENTS QUESTIONED BY THE CUSTOMER**

1. If the Customer questions a Payment made by Payment Card by referring to an unauthorised use of an electronic payment instrument or failure to make the Payment by Payment Card or its performance not as the Customer intended, PayU and the Merchant shall distribute liability for such Payment by Payment Card in accordance with points 2 and 3 of this section. The Merchant shall be charged with the questioned Payments made by Payment Card not covered in point 2 of this section.
2. The Merchant shall not be charged with the following questioned Payments made by Payment Card:
  - a. processed as a result of at least serious negligent infringement by the Customer of the due diligence obligations to prevent unauthorised use or to limit consequences of unauthorised use of the payment instrument;
  - b. payments which were not processed due to PayU fault.subject to §3 (5) hereof if the Merchant is provided by PayU with the Payment made by Payment Card Service in the Protected Payment option.
3. The distribution of liability referred to in points 1 and 2 of this paragraph, shall also include remedying of damage incurred and sought by the Customer.

#### **§ 5 FINAL PROVISIONS**

1. The Merchant shall ensure that rules of the Site were compliant with the Documentation.
2. The provisions hereof shall apply together with the other provisions of the Documentation.
3. Payments by Payment Cards shall be governed by other provisions of the Documentation relating to the Payments unless the provisions of the Documentation expressly provide otherwise.
4. If any other elements of the Documentation contain provisions contrary to regulations and messages of the payment systems in which electronic payment instruments accepted by the Merchant were issued (in particular, this relates to MasterCard Rules i Visa Europe Operational Regulations, Maestro Global Rules), the Payments by Payment Cards shall be governed by the regulations and messages of these payment systems.
5. If the provisions hereof are inconsistent with the Terms and Conditions of the System, the former ones shall prevail.

6. PayU shall be entitled to request the Merchant to make changes on the Site if the Site does not meet the requirements of the payment systems in which the electronic payment instruments accepted by the Merchant were issued. The Merchant shall make changes within 5 calendar days from sending a Message containing a request by PayU. If the Merchant fails to make changes on the Site within the time referred to in the previous sentence, PayU may transfer to the Merchant any consequences resulting from failure to make changes by the Merchant, in particular as regards penalties imposed by Intermediate Bodies. In such case the Merchant shall perform any activities aimed at releasing PayU from liability and obligations to provide any considerations, including without limitation make the payment of liquidated damages or compensation imposed on PayU.
7. PayU may terminate or suspend the Agreement for provision of Payment by Payment Card Service in whole or in part with immediate effect if:
  - a. PayU or an Intermediate Body settling Payments made by Payment Cards within the scope of the Pay by Payment Card Service loses a licence granted by the payment system in which electronic payment instruments used to make Payments by Payment Cards and accepted by the Merchant are issued or ceases to be a member of this payment system,
  - b. the country of the Merchant's registered office or the country where the Merchant is subject to tax obligations is changed.