

Cooperation Agreement

United States

This agreement (**Merchant Agreement**) together with the online order form, the [General Terms and Conditions](#) (**GTC**), and any other appendices, guidelines and other documents contained in or incorporated by reference into this agreement, as well as any additional terms that the Parties may execute from time to time, are collectively referred to as the “**Agreement**”. The Agreement is entered into by and between:

(1) **Klarna Inc.**, a Delaware corporation, with its principal place of business at 629 N. High St., Suite 300, Columbus, OH 43215, U.S.A, (**Klarna**);

and

(2) the Party set out in the online order form (Merchant Details) (**Merchant**).

Klarna and the Merchant may in this Agreement be individually referred to as a **Party** and jointly as the **Parties**.

1. Background and Scope of the Cooperation

Klarna Bank AB (publ) (**Klarna Bank**) was founded in 2005 and is a fully licensed bank in the EU and regulated by the Swedish Financial Supervisory Authority. Klarna Inc., is a wholly owned subsidiary of Klarna Bank and offers Klarna’s services in the US. Klarna Inc. is regulated on both a federal and state level. For some of its services in the US, Klarna cooperates with a fully licensed bank which is reflected in this agreement (**Issuing Bank**).

Klarna is a provider of shopping solutions (**Shopping Solution(s)**). These Shopping Solutions include:

- integration with Klarna’s systems, such as its transaction platform and merchant portal;
- credit assessments and assumption of credit risk;
- the ability to enable customers to pay their purchase via Klarna;
- post-purchase customer experience, such as the ability to manage orders; and
- administrative services such as customer service to both customers and merchants.

The Merchant operates an online store(s) outlined by the Merchant in the online order form (each a **Store**) for which it wishes to use the Shopping Solutions. The Merchant commits to integrate, and Klarna agrees to provide, subject to general availability, the Shopping Solutions in the markets outlined in the Merchant’s online order form into the Merchant’s Store, and any other purchase channels that may have been agreed between the Parties, which will enable the Merchant’s shoppers to pay with Klarna.

Klarna may delegate all or part of the provision of the Shopping Solution or assign certain rights in relation to the Shopping Solution to a Klarna group company or procure that a Klarna group company performs certain aspects of the Shopping Solution at any time without notice. To the extent that Klarna so delegates, assigns rights or procures the performance of all or part of the Shopping Solution to a Klarna group company it shall ensure that such Klarna group company has in place all necessary licenses and consents. The Merchant accepts that Klarna is entitled to recover all losses sustained by any Klarna Affiliate, arising out of or in connection with this Agreement, as if the same were incurred by Klarna.

2. Payments and Service Charges

The purchase by a Customer (as defined in Section 1 of the GTCs) via the Shopping Solutions is typically conducted as follows. First, a Customer enters the Merchant's checkout page after choosing the goods or services to purchase from the Store. The Customer may be asked to provide certain additional information to Klarna (e.g. name, email address and zip code) when choosing to complete the purchase and pay with Klarna.

The service charges, consisting of a variable fee which is charged as a percentage of the transaction amount and/or a fixed transactional fee which is charged as a fixed fee per Claim, applicable towards the Merchant are the service charges displayed and accepted by the Merchant through the online order form (**Service Charges**). Klarna pays to the Merchant net - after deduction of the Service Charges and any other claims or agreed upon fees that Klarna, or if applicable the Issuing Bank, may be entitled to - the amount of the Claims (as defined in Section 1 of the GTCs) in accordance with the settlement schedule determined by Klarna. Payments are made to the bank account(s) provided in the online order form (Merchant Details). Each Party bears its own bank transfer costs (if any). To the extent Klarna has partnered with a third party operators of payment networks (**Third Party Payment Option Providers**) to provide the Shopping Solutions, the Merchant will not be charged any additional fees by such Third Party Payment Option Providers. Any Service Charges and other claims Klarna, or if applicable the Issuing Bank, may have under this Agreement are quoted excluding Sales Tax where Sales Tax is applied (and calculated on the transaction amount including Sales Tax). Sales Tax shall be read to include any value added sales tax under applicable law.

For money transmission license purposes, Klarna is the settling entity in relation to merchants based in the US. To the extent applicable, the Merchant (i) appoints Klarna as the Merchant's limited payment collection agent solely for the purpose of accepting the Customer's payment as it relates to Claims (as defined in the GTCs); and (ii) agrees that payment by the 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 the Customer to the Merchant. Further, where the Shopping Solutions enables shoppers to purchase the Merchant's goods or services by utilizing consumer credit account(s) (**Accounts**), these are established through the Issuing Bank to originate such Account(s). The Issuing Bank, and their respective designees, may from time to time conduct onsite reviews or audits to ensure compliance with applicable laws, applicable terms and conditions, and related purposes. The Merchant agrees to provide the information requested for the completion of such reviews or audits. The Merchant agrees to allow the Issuing Bank, and/or their respective designees such access to its premises and facilities, data, information and material as may be necessary for the conduct of such reviews or audits.

Fraud mitigation: In order to minimize fraud, the Parties agree to cooperate to enable a pending order function, which provides Klarna the ability to indicate to the Merchant which purchases are under review (**On Hold**). The Merchant agrees not ship goods or perform services pursuant to transactions that are in On Hold until Klarna provides notice permitting such shipping or performance of services.

3. Agreement Period

The Agreement is effective as of the date the following conditions are satisfied (**Effective Date**): (a) Merchant has signed or otherwise consented to this Agreement; (b) Klarna's risk department has approved this Merchant Agreement; and (c) Merchant has provided all information requested by Klarna for regulatory compliance (including anti-money laundering). This Agreement shall have an initial term of thirty-six (36) months from the Effective Date. Thereafter, this Agreement will be renewed automatically for successive periods of twelve (12) months unless terminated by either party by notifying the other party in writing at least sixty (60) days prior to the then expiration date of the term. In addition, the Parties may terminate this Agreement pursuant to the termination rights set forth in the GTC.

4. Communication and Notices

All notices required under the Agreement shall be made in writing by letter or email to the contact details provided in the online order form, in writing accessible to the Merchant through the Merchant Portal (as defined in Section 1 in the GTC), or as otherwise agreed by the Parties in writing. Klarna shall be contacted via its merchant support channels found at klarna.com.

5. Governing Law and Jurisdiction

This Agreement is governed by the laws of the United States, specifically the state of Delaware where state law applies, without giving effect to conflicts of laws principles. All disputes arising out of or related to the Agreement 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 Agreement, the parties will use the Expedited Procedures under the AAA Commercial Arbitration Rules. The arbitration shall take place in Columbus, Ohio. The Parties shall keep confidential: (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.

Notwithstanding the foregoing, nothing herein shall be construed to prohibit either Party from seeking preliminary or permanent injunctive relief, restraining orders, decrees of specific performance, or other equitable remedies, in any court of competent jurisdiction.