Subscriber Conditions
PostFinance – Payment Service Providing

PostFinance

1. Scope

As Payment Service Provider, PostFinance Ltd (hereinafter PostFinance) provides its customers (hereinafter Merchants) with a payment service on an electronic platform (PSP platform) which enables financial data from e-commerce, in particular from the operation of an online shop, to be transmitted to financial institutions (authorized payment transaction and banking institutions).

These conditions govern the conclusion, content and settlement of the contract between PostFinance and the Merchant concerning the use of the Payment Service Providing service (hereinafter PSP) by the Merchant. The General Terms and Conditions of PostFinance and the Postal Account Subscriber Conditions also apply.

In order to use PSP, the Merchant must be the holder of a business account with PostFinance. The PSP platform enables the Merchant to effect the billing of claims, following successful authorization of the payment, via the following payment methods:

– Credit cards
– PostFinance Card
– PostFinance e-finance
– Other payment methods specific to countries and financial institutions (in accordance with service documentation).

With the PSP platform, PostFinance supports two of its own payment methods: the PostFinance Card and PostFinance e-finance. In the case of the other payment methods, PostFinance, as PSP, assumes responsibility for forwarding for the authorization of transactions. Following receipt of the authorizations from the Merchant, PostFinance submits the transaction-related data to the financial institution concerned.

All references to persons refer to both men and women.

2. PostFinance services

2.1 Operation of PSP platform
PostFinance is responsible for technical support, operation, organization and administration of the PSP platform.

2.2 Involvement of third parties
PostFinance may involve third parties to provide the services due under the terms of the present PSP contract (e.g. substitutes, suppliers). In relation to technical processing of the payment service in particular, PostFinance shall involve economically independent firms (substitutes).

2.3 Support
PostFinance operates a customer service unit (merchant helpdesk) for the Merchant.

2.4 Financial institutions
PostFinance acts as technical intermediary between the customers of the Merchants (hereinafter Shoppers) and the financial institutions in relation to the processing of payments. The payments themselves, on the other hand, are made by the financial institutions directly to the Merchant. The terms of these payments are described in direct subscription contracts between the Merchant and the financial institutions. PostFinance has no influence over whether, and if so when, the corresponding financial institutions conclude a contract with the Merchant.

2.5 Merchant GUI
Once the Merchant has concluded the corresponding contracts with the financial institutions, PostFinance activates the relevant payment methods in the payment management tool (merchant GUI). The Merchant can also independently activate additional service modules directly in the merchant GUI or have them activated by PostFinance.

3. Use of the PSP service

3.1 Third party processing
The Merchant may engage a third-party firm for the integration and use of the PSP platform, in particular for payment processing. As far as PostFinance is concerned, the actions of the third-party firm are deemed those of the Merchant.

3.2 Identification
The Merchant is identified and authenticated in the payment interface via the PSP ID, the source URL and a security parameter. The Merchant undertakes to keep all documents concerning this contractual relationship with PostFinance and to take all precautions necessary to reduce the risk of unauthorized access, fraud or the like. Any person identifying himself on the basis of the aforementioned identification procedure is deemed the Merchant as far as PostFinance is concerned.

The Merchant bears the risks arising from any improper use of his account. In particular, PostFinance shall not be liable if the password provided to the Merchant is intercepted by a third party or any other unauthorized person and/or is used without authorization.

3.3 Communication
PostFinance and the Merchant shall communicate by e-mail. By signing the PSP contract, the Merchant acknowledges that the following risks in particular are borne by the Merchant during the electronic exchange of information by e-mail:

– **Unencrypted information is transmitted over an open, publicly accessible network.**
– **The possibility that this information may be viewed and/or changed by third parties, and that such third parties may be able to infer the existence of a customer relationship, cannot be excluded.**
– The sender's identity (e-mail address) may be impersonated or otherwise manipulated.
– The exchange of information may be delayed or interrupted as a result of transmission errors, technical defects, interruptions, malfunctions, unlawful interventions, overloading of the network, wilful blockage of electronic channels by third parties or other deficiencies on the part of network operators.

In relation to its e-mail communications, PostFinance uses the contact details provided by the Merchant on the registration form. The Merchant shall notify PostFinance of any change of address without delay. The parties shall inform each other about important technical, organizational and administrative changes within a reasonable period of time. Notices of changes affecting security must be submitted by post in the form of written documents signed by the authorized persons.

4. Payment service and management of merchant account

4.1 Payment service
Financial data may only be transmitted in the context of the payment service to those financial institutions selected by the Merchant which are available and compatible with the terms of the PSP contract.

The Merchant can set up his own merchant account, update his profile, and view and process transactions via PostFinance's merchant GUI.

The Merchant shall ensure the timely release/cancellation of the transactions which he authorizes. The Merchant acknowledges and accepts that expired authorizations can no longer be processed.

4.2 Opening and managing merchant accounts
PostFinance shall open a merchant account for the Merchant based on the information provided in his application.

4.3 Test
The Merchant undertakes to perform an operating test of the merchant account and payment service in a test environment for each new registration (connecting for the first time), and otherwise at the request of PostFinance. This test is used to check the message flow between the Merchant and the PSP platform. Test access is set up by PostFinance.

4.4 Delivery and processing times
PostFinance is entitled to interrupt operation of the PSP platform if it believes there are important reasons to do so. System interruptions for technical reasons will be undertaken outside regular business hours wherever possible.

The Merchant will not be entitled to compensation for system interruptions. Delivery and processing times for the individual payment methods may vary. These are shown in the merchant GUI.

4.5 Direct Link
PostFinance provides the Merchant with an automated data management interface, which via a server-to-server link enables integration with Enterprise Resource Planning at PostFinance, back-office systems and call centre applications.

4.5.1 Authentication/security
Certificates with a one-year validity period are used for authentication purposes. To gain access, the Merchant identifies himself using a 1-way SSL handshake. The security regulations given in the Direct Link interface description shall apply.

4.5.2 User information
When requesting an authorized payment, the Merchant has the option of submitting user information on Shoppers. This information is used to track the data transmission.

4.6 Changes to software and interfaces
PostFinance reserves the right to change software and interfaces at any time, alter them, make a new version available to the Merchant and amend the functions and/or features of the software.

5. Warranty and liability of PostFinance

5.1 Warranty
PostFinance provides the Payment Card Industry-certified (PCI) PSP platform for the authorization of transactions and their processing and ensures its availability subject to the provisions of section 4.4. However, PostFinance shall not be liable for the system availability of the financial institutions nor for the Merchant's failure to comply with the required security provisions.

5.2 Data security
In order to guarantee data security, a system has been developed with several security barriers which rely in particular on high-specification encryption processes. This encryption technology provides a high level of security for the confidential data of users of the payment service. However, no protective measure can guarantee complete security, even if it corresponds to the latest technology. This is particularly the case for the hardware and software of the Merchant and its customers. PostFinance explicitly draws the Merchant's attention to the fact that data security for data transmissions in public networks such as the Internet cannot be guaranteed on the basis of current technology standards. The Merchant himself shall bear full responsibility for the safeguarding and security of the data transmitted via the Internet and saved to the web server.

5.3 Liability
PostFinance shall be liable for any damage suffered by the Merchant caused intentionally or by gross negligence. The liability of PostFinance for slight negligence is excluded.

PostFinance will not be liable for any cases of minor negligence on the part of its auxiliary persons. In relation to substitution within the meaning of point 2.2, PostFinance shall be liable solely for the application of due care when choosing and instructing the substitute and in this respect shall under no circumstances be liable for cases of minor negligence.

PostFinance does not accept any liability for losses caused by transmission errors, technical defects, malfunctions, unlawful interventions in telecommunication devices, misuse by the Merchant's employees, overloading of the network, wilful blockage of the electronic channels by third parties, or interruptions. In particular, the liability of PostFinance is also excluded in the following instances:

– a breach by the Merchant of his duties pursuant to points 3.2 and 3.3, 4.1, 6.1 and 6.2;
– in the event of damages suffered by the Merchant because he himself or third parties (with the exception of PostFinance) has made changes to the PSP interfaces;

– for damages arising from the Merchant's incapacity to act;
– in the event of losses due to errors in the hardware and/or software or to a poor choice of hardware and/or software by the Merchant.

6. Merchant's obligations

6.1 Content of merchant account and shop website
The Merchant is, and will remain, fully responsible for the contents of his merchant account. This includes the account's configuration parameters and the financial transactions and e-commerce itself. The Merchant undertakes to keep the data up-to-date at all times or notify any changes to PostFinance without delay so that it may perform the necessary updates.

The Merchant guarantees that the content of his merchant account and shop website, which incorporate PostFinance's PSP service,

– does not violate any rights of third parties;
– the content is not in any way illegal nor does it constitute a violation of public order;
– the programs and data supplied by the Merchant do not contain viruses, and
– the content does not in general terms violate the laws currently in force.

If it comes to the knowledge of PostFinance that the content of the merchant account and/or shop website, which incorporates the PSP service, violates the aforementioned obligations, PostFinance shall be entitled to block the Merchant's access to the PSP without prior warning.

6.2 Management of merchant account
Prior to using the merchant account, the Merchant undertakes to obtain the necessary information on the financial institutions to which he is linked in order for him to be in a position to process payments in the proper manner and to comply with the rules applied by such financial institutions. The financial institutions and the Merchant have sole responsibility for the proper execution of the financial flows of payments. The Merchant must also ask the financial institution involved in the handling of Visa/MasterCard payments whether it requires a PCI certificate.

The Merchant is aware of the great importance of full compliance with security regulations. A full overview of all applicable security regulations can be found in the PCI requirements at http://www.visaeurope.com/en/businesses__retailers/payment_security.aspx or http://www.mastercard.com/us/company/en/whatwedo/site_data_protection.html.

Inter alia, the Merchant must:

– ensure that all available security patches and security configurations are installed on all machines;
– avoid saving any sensitive data regarding payment methods, such as credit card numbers or visual cryptograms (CVC/CVV);
– protect and regularly change all passwords,in particular the password used to access the merchant account. the Merchant is required in particular to change his password the first time it is used; thereafter, this can be done as often as required via the GUI of his account;
– to protect access to his servers and applications as well as technical infrastructure, in particular through the use of an up-to-date firewall and the latest anti-virus software updates.

6.3 Layout of payment screens (CI/CD)
The PostFinance Payment Service Providing payment screens can be displayed as standard in the CI/CD of PostFinance. The Merchant has the option to define his own CI/CD for the Payment Service Providing payment screens. Merchants with international shop domains or a URL outside Switzerland ensure that the PostFinance Payment Service Provider logo is not displayed on the pages.

7. Data protection
The parties undertake to comply with the provisions of Swiss data protection laws. The Merchant's customer data will be treated in confidence by PostFinance and processed solely for the purpose of and to the degree required for the fulfilment and execution of the contract. PostFinance is

entitled to pass on the necessary data transmitted for the performance of the contract to third parties (subcontractors, suppliers, other auxiliary persons) for the aforementioned purpose. It accepts that the obligations arising from point 7 are binding on such third parties and their employees and ensures that the data is processed only in the manner in which it would itself be permitted to do.

The Merchant undertakes to notify his customers in advance of the forwarding of data, in particular the data necessary for payment processing, to third parties for the purpose of fulfilling and implementing the contract.

8. Licences and other property rights

The Merchant shall be given by PostFinance non-transferable and nonexclusive rights to use the PSP platform and associated services in accordance with the terms of the present PSP contract. Accordingly, the Merchant acquires the right to use the computer programs provided to him via the PSP platform and all other property rights associated with the PSP service to the required extent in order to set up and manage his merchant account in accordance with the contract.

PostFinance reserves the right to enhance the computer programs and PSP service in the context of technical progress and to provide the Merchant with a new version of the program and change the functions and/or features of the programs provided this is reasonable for the Merchant taking into account the interests of PostFinance.

9. Price for the PSP service

The fees for the PSP are specified by PostFinance in a scale of tariffs that is determined by the number of transactions. PostFinance reserves the right to revise its fees at any time in line with money market and capital market conditions. The current tariff scale can be found at http://www.postfinance.ch/e-payment. Fees are charged to the Merchant on a monthly basis directly to his postal account. If the Merchant is not authorized to sign for the fee account, he must hold a written debit authorization from the account holder.

Any fees from the financial institutions shall be borne by the Merchant.

10. Amendments to these conditions

PostFinance may alter these conditions at any time. Amendments will be communicated to the Merchant in appropriate form.

11. Term of the contract and termination

11.1 Contract start date

This PSP contract between PostFinance and the Merchant shall become effective upon activation of the productive merchant account.

11.2 Term and ordinary termination

The contract shall have a one-year term. Following expiration of this period it may be extended tacitly for a further year unless it is terminated by either party at the end of the current term of the contract, subject to the provision of three month's notice in the form of a registered letter.

In the event that the Merchant has been notified by PostFinance of amendments to these conditions and the Merchant does not agree with these amendments, he can terminate the contract before the amendments come into force subject to the provision of three months' notice by means of registered letter.

Any notice of termination by the Merchant shall be addressed to: PostFinance Ltd, e-payment Contact Center, Mingerstrasse 12, 3030 Berne, Switzerland.

11.3 Extraordinary termination

The contract may be terminated at any time without notice for important reasons, and without any obligation for the party terminating it to provide compensation. Important reasons shall include the following in particular:

– the occurrence of events or circumstances which make it unreasonable for the terminating party to continue the contractual relationship (e.g. the breach of provisions of these conditions by the Merchant);
– the official publication of initiated bankruptcy proceedings or moratorium on debt enforcement on one of the parties;
– the introduction of technical developments of the PSP which for technical reasons mean it is no longer feasible for the Merchant if PostFinance no longer offers the original PSP services.

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