

## Billie Terms EU

Purchase on account for business customers via Klarna powered by Billie (**Billie Purchase on Account**) enables Merchants to offer the payment method "purchase on account" to their business customers in Billie-supported markets.

The provision of Billie Purchase on Account is subject to Billie's approval of the Merchant's onboarding.

For Merchants with an existing B2B Agreement, the Billie Purchase on Account in this Appendix supplements the market-dependent available Klarna B2C products with B2B products from Billie or replaces the Klarna B2B product in Sweden and all related agreements as soon as Billie Purchase on Account is available in these markets. Klarna will notify the Merchant of the availability of Billie Purchase on Account in additional markets.

The provisions contained in this Appendix supplement the Cooperation Agreement and Klarna's GTC contained in Appendix 3.

The Parties agree that the rights and obligations under the GTC between Klarna and the Merchant resulting from Clause 18.2 shall extend to Billie:

*"For the avoidance of doubt, Confidential Information shall also refer to technical, commercial or other information of third parties, unless there are objective and reasonable grounds to believe that such information is not confidential. This provision applies to all information about third parties, including customer information, that the Merchant obtains through the use of the Merchant Portal or in the course of communications with Klarna, and to the extent, it is obvious that the disclosure of the aforementioned information is not desired by third parties. To the extent permitted by applicable law, Klarna may disclose Confidential Information to subcontractors, external consultants and other companies within the Klarna Group, provided that such parties are subject to confidentiality agreements equivalent to those under this Agreement."*

### 1. Cooperation between Klarna and Billie

Klarna is cooperating with Billie GmbH, Charlottenstraße 4, 10969 Berlin ("**Billie**") in order to be able to offer its Merchants Purchase on Account in Billie-supported markets. Billie provides factoring services to business customers.

## **2. Offering of Billie Services**

2.1 Upon using the Billie Purchase upon Invoice, the Merchant agrees to sell and transfer any original Claim against a Customer for the purchase of goods and services for which the Customer has chosen the Billie Services ("Claim") including Ancillary Rights to Klarna (cf. below at Sec. 3.2). Klarna will then sell and transfer the Claim to Billie.

2.2 In order to be able to acquire this Claim, it is necessary for Klarna to share data of the Merchant in order for the registration and, if necessary, identification process with Billie, as well as data relating to the business customer's specific transaction, all subject to the following terms.

2.3 Contrary to Section 2.1 of the GTCs, Billie Purchase upon Invoice is only available to Merchants whose customers are entrepreneurs within the meaning of the respective country-specific legal regulations at the location of their registered office including public institutions such as schools, universities, associations etc. and who order goods or services in the online shop of the Merchant ("**Customer**"). The Merchant warrants that Billie Purchase upon Invoice is only offered to businesses (as further specified in the Integration Guidelines).

2.4 The provision of Billie Purchase upon Invoice is subject to the condition precedent of Billie's consent to the onboarding of the Merchant.

2.5 The terms or annexes to the Merchant's cooperation agreement with Klarna regarding tele orders shall apply accordingly to the use of Billie's Services.

## **3. Transfer of Claims**

3.1 With respect to a Claim which is not a Claim which is governed by Swiss law (Swiss Claim), the following shall apply: If a Customer selects the product Billie Purchase upon Invoice in the Merchant's checkout process, Billie will evaluate the Customer's creditworthiness on behalf of Klarna. For this purpose, the Merchant transmits various data fields agreed between the Parties to Klarna, including the name and registered office or address of the Customer, the amount of the invoice, the contents of the shopping cart, if applicable, and the order details and history. Klarna shares this data with Billie so that Billie can perform the credit check of the Customer. If this check is positive, the Merchant sells the Claim from this Customer to Klarna and assigns the Claim to Klarna. Klarna immediately resells this Claim to Billie and assigns the Claim accordingly to Billie. To this end, Klarna shares the information provided by the Customer on the Merchant's checkout page (Section 3.4 of the GTCs) with Billie. Billie is entitled to disclose the chain of assignment of the Claim to the Customer.

3.2 In case that a Customer has selected the Billie Services and Billie accepts the authorization for a transaction towards Klarna, the Merchant creates an Order Call to Klarna by which the Merchant offers to sell and assign the respective Claim to Klarna. If Klarna responds with "200", Klarna accepts the sale and assignment of such Claim towards the Merchant.

Claims are sold at nominal value and with all Ancillary Rights. Ancillary Rights are (1) all rights for any securities and collateral securing the relevant Claim, (2) claims arising from insurance

contracts of the Merchant in relation to the Claim such as transport and deficiency insurance claims (3), all rights of the Merchant arising from an extended reservation of title, in particular, the Customer claim from a resale, (4) in the event of insolvency of the Customer, the Merchant's right to request the insolvency administrator to exercise its rights, (5) claims of the Merchant arising from a current account relationship between the Merchant and the Customer on the balance claim resulting in favor of the Merchant at the closing of the account up to the amount of all claims of Billie against the Merchant.

3.3 The Claims are sold and assigned without recourse, i.e. Klarna assumes the risk towards the Merchant that the Customer is not able to pay the invoice. However, in case of refunds initiated by the Merchant or standard return rights, or any other case where the Claim does not meet the eligibility criteria and claim requirements, Klarna has a right to return and reassign or re-sell and re-assign the relevant Claims to the Merchant.

3.4 Klarna will then sell and transfer the respective Claim to Billie. Irrespective of any potential contractual restrictions on assignment, the Merchant herewith expressly consents to the sales and assignments of the Claims as per Sec 2 and 3 of these terms.

3.5 With respect to a Claim which is a Swiss Claim, the Parties agree that such a Claim (including including any and all ancillary rights that are governed by Swiss law and are freely assignable under Swiss law (Swiss Related Ancillary Rights)) shall be transferred and assigned in accordance with the following supplemental provisions:

3.5.1 Additional perfection requirements for the assignment: In respect of any Swiss Claims (including the Swiss Ancillary Rights), the Merchant herewith agrees to assign (*Verpflichtungsgeschäft*) and hereby assigns and transfers (*Verfügungsgeschäft*) with immediate effect all current and future Swiss Claims and all Swiss Ancillary Rights to Klarna by way of assignment and transfer (*Zession*) pursuant to article 164 et seq. of the Swiss Code of Obligations (CO) and Klarna hereby accepts such assignment and transfer (*Globalzession*).

3.5.2 In respect of the Swiss Claims (including the Swiss Ancillary Rights), Klarna [and potential other affiliates are] is entitled to notify any Customer of the sale, transfer and assignment of the Swiss Claims (including the Swiss Ancillary Rights) without the participation of Merchant, respectively, at any time if, in the reasonable discretion Klarna [and potential other affiliates], such notification is necessary or advisable to protect the sale, transfer and assignment of the Swiss Claims (including the Swiss Ancillary Rights) to or pursue the rights conferred on Klarna under this Agreement.

3.5.3 In relation to Swiss Claims and/or the Swiss Ancillary Rights, to the extent that title to such Swiss Claims and/or the Swiss Ancillary Rights cannot be transferred by mere agreement between Klarna and the Merchant, the Merchant undertakes to immediately execute all actions, which are required to legally perfect the transfer of the relevant Swiss Claims and/or the Swiss Ancillary Rights.

3.5.4 The assignment and transfer (*Zession*) of the Swiss Receivables and the Swiss Related Rights shall be governed by and construed in accordance with the substantive laws of Switzerland.

### **3.1 Pricing**

#### **3.1.1 Pricing table**

The service fees for each market are based on the B2B pricing table in the cooperation agreement between Klarna and the Merchant or as agreed between the Parties via email. The variable fee is calculated as a percentage (X%) excluding VAT of the total amount of the Claim (which includes VAT).

3.1.2 In the event that Klarna assumes the credit risk for a Claim in accordance with this Agreement, the Merchant is obliged to claim the sales tax included in the claim from the tax office and refund it to Klarna.

3.1.3 If a Customer's payments cannot be clearly assigned, Klarna or Billie have the right to offset incoming payments from a Customer against outstanding Claims of the Merchant against this Customer, whereby a payment is initially offset against the oldest outstanding Claim. If there are several open claims of the same age, a payment will be credited proportionately to all Claims.

### **3.2 Invoicing service**

- 3.2.1 In deviation from Section 2.4 of the GTC, Billie shall prepare and send to the Customer a payment information or payment request and a cancellation invoice in the event of cancellations, refunds or the like after the acquisition of the Claim. The Merchant shall provide Billie via Klarna with all necessary information such as company name, registered office, order number as well as the shopping cart and order value, VAT number of the Merchant as well as the Customer and VAT rates (together Payment Information Data) via the Klarna API for the creation of payment information, payment requests or cancellation invoices by Billie. The Merchant warrants the accuracy of the Payment Information Data submitted to Klarna in this regard. Klarna and Billie do not validate the transmitted Payment Information Data. The payment information or request for payment or cancellation invoice are not VAT-compliant invoices. The Merchant is still responsible for creating VAT-compliant invoices.
- 3.2.2 Klarna can provide invoicing services regarding Claims for the Merchant or offer additional services in connection with the sending of invoices to the Customer. If the Customer chooses such a service, Klarna may subcontract such service to Billie, if Billie provides such services. The invoicing service will be subject to a separate agreement between Klarna and the Merchant.
- 3.2.3 The Merchant ensures that the Customer is duly informed about the issuance of the payment information according to Section 3.2.1 and / or the invoices according to 3.2.2.

### **3.3 Claim requirements**

In addition to the provisions of the GTCs, when using Billie Purchase on Account, the Merchant may only offer Klarna Claims which meet the following additional requirements:

- a. The respective Customer is an entrepreneur in the sense of the respective country-specific legal regulations at the location of their registered office.
- b. The Claim does not exist against a related company. A related party is any company that has an interest in the Merchant, or in which the Merchant has an interest, or in which a shareholder of the Merchant has an interest, or whose agents are identical in whole or in part to those of the Merchant. The type of interest or participation is irrelevant, even an indirect participation is sufficient
- c. The service invoiced to the Customer by the Merchant does not consist of (i) the provision of virtual or digital goods or services or (ii) the provision or sale of vouchers of any kind or (iii) any weapons within the meaning of the Weapons Act, including parts thereof, accessories and ammunition of the Country in which the Customer has their location of their registered office.
- d. The Merchant has provided Klarna with all required data fields in relation to the Claim, in particular information about the ordered goods and/or services, as well as the Customer's name, registered office and e-mail address.

- e. With regards to Swiss Claims, the Customer has duly agreed that the agreement with the Merchant regarding the underlying Swiss Claim is governed by Swiss substantive laws.
- f. With regards to Swiss Claims, there are no contractual restrictions on assignments or set-offs.

### **3.4 Specific requirements of the Merchant relating to the Claim**

- 3.4.1 The Merchant will send Klarna or Billie all invoice documentation (in particular the contract, order, order confirmation and delivery note, proof of posting, payment advice) immediately upon request. The Merchant will provide reasonable support if Klarna or Billie are unable to match a Customer's payment.
- 3.4.2 Klarna will provide the Merchant in each case with sample clauses and texts for the Merchant's own General Terms and Conditions, which will become the basis of the claim against the Customer.
- 3.4.3 The Model Clauses will be linked in Billie's Checkout-Widget with a reference to the Customer that these are the Merchant's own Terms and Conditions in relation to Billie Services, so it is not mandatory for the Merchant to include the Model Clauses in their Terms and Conditions. The Merchant expressly authorizes Billie to link to the Model Clauses in the Billie Checkout-Widget and to display them to Customers as part of its Merchants Terms and Conditions. Billie expressly does not enter into a contractual relationship with the Customer by linking the Model Clauses as part of the Merchants Terms and Conditions in Billie's Checkout-Widget.
- 3.4.4 In deviation from Section 3.4.3, Swedish Merchants and Merchants that have Swedish Customers assure that they have included the Model Clauses in their General Terms and Conditions.
- 3.4.5 The Merchant shall, at its own cost and using its best efforts, support Klarna or Billie in enforcing the Claim and all rights and claims derived from it. Upon request by Klarna, which can also be made by Billie on behalf of Klarna, the Merchant will provide Klarna and/or Billie with all additional documents required to carry out the dunning process against the Customer and provide all relevant information within one week.
- 3.4.6 The Merchant will inform Klarna immediately about the receipt of any payments by Customers in relation to Claims.

### **3.5 General responsibilities of the Merchant**

- 3.5.1 The Merchant shall inform Klarna of all circumstances of which it becomes aware which relate to the risk of a Customer's insolvency and the risk of an assigned Claim not being able to be recouped. This applies in particular to agreements and circumstances from which counterclaims by the Customer may arise. The Merchant is also obliged to provide Klarna or Billie with comprehensive support in answering questions and/or clarifying ambiguities regarding all points relating to the Claim and its implementation. This applies in particular if Klarna or Billie have reason to believe that purchased receivables do not exist or do not fully exist. If sufficient clarification is not possible based on the information provided by the Merchant, Klarna has the right to obtain relevant information from the tax consultant, auditor or any other person who keeps the Merchant's accounts or prepares or checks the annual financial statements. The Merchant will release you from your duty of confidentiality towards Klarna to the extent necessary to answer Klarna's questions.
- 3.5.2 If the Merchant does not meet its obligations to pay the sales tax for an assigned claim and the tax office claims Klarna to pay the sales tax portion in accordance with § 13 c UStG, the Merchant is obliged to reimburse this amount to Klarna.
- 3.5.3 The Merchant undertakes to effectively retain title to delivered goods vis-à-vis the Customer until payment of the assigned claim.

### **3.6 Assignment of the Claim**

Klarna is entitled to transfer or sell all or part of its claims against the Merchant and/or the Customer to third parties and to pass on the information and documents required for this relating to the purchase of receivables contract to third parties (as well as refinancing and collection partners). In particular, information about the Customer and the individual acting on behalf of the Customer (e.g. name, address, commercial register number, date of birth, activity or comparable data), information about the Claim (e.g. amount or due date) and information about the Merchant and documents that are necessary for the realization of the Claim may be transmitted are relevant. This provision applies accordingly to Billie after the acquisition of the Claim by Klarna.

### **3.7 Support**

- 3.7.1 Billie's technical support is available for all questions from the Merchant and the Customer about Billie Purchase on Account and to solve any problems when selecting Billie Purchase on Account. Support can be reached during normal business hours (Monday to Friday, 9 a.m. to 5 p.m., excluding public holidays in Berlin) at [support\\_klarna@billie.io](mailto:support_klarna@billie.io). Billie will work with the Merchant to the extent reasonable and possible to rectify and prevent the disruption in the future.

3.7.2 Klarna is entitled to have Billie provide support for Customer questions about the ordering process, any ordering or order limits, as well as errors and interruptions in the ordering process. The same applies to questions from Merchants about ordering processes and the technical integration of Billie Purchase upon Invoice, which are managed by Billie (e.g. "widget"), and the execution of Dispute Management according to the applicable dispute management process agreed between Klarna and Billie. Klarna has the right to transmit incoming inquiries that it receives to Billie electronically. The Merchant will inform the Customers in an appropriate manner about the division of support between Klarna and Billie. Klarna will provide the Merchant with sample clauses and texts for the retailer's own general terms and conditions.

#### **4. Billie Buyer Portal**

Klarna may offer Billie Buyer Portal services for Merchants' Customers (**Buyer(s)**). The Billie Buyer Portal services means certain post-purchase services such as display of all Buyer orders or invoices that a Buyer handles or receives via Billie and corresponding order payment statuses across various Merchants, change of payment methods e.g. wire transfer, direct debit or credit and payment terms which may be extended in the future; all subject to successful identification and risk scoring of the Buyer by Billie.

Modifications of payment methods and terms will be subject to a successful identification and risk scoring of the Buyer by Billie according to its risk policies. Billie determines the features available via the Billie Buyer Portal including but not limited to the concrete payment methods and terms offered to Merchant's Buyers.

A Buyer may access the Billie Buyer Portal following the purchase of goods or services in the following ways or other ways subject to Billie's discretion:

- a. via a link (limited validity) sent to the Buyer's email used for using Billie Services and successfully completing a transaction with an Integration Merchant, the Buyer subsequently needs to confirm the link access using the email address in accessing the Buyer Portal or;
- b. the Buyer may request an access link (limited validity) via the Buyer Portal website using the email address used when using Billie Services. Buyer access does not require integration of the Buyer.

#### **5. Data storage, usage and transfer**

5.1 When using Billie Purchase on Account, the Merchant and the Customer transfer data about the Merchant, the Customer and the shopping cart by entering data on the Merchant's website or using website components made available by Klarna (e.g. "widget"). Depending on the Customer, this data may also contain personal data. Klarna is entitled to store and process this data for the purpose of processing the order as part of Billie Purchase on Account. The Merchant agrees that Klarna shares with Billie the personal data held about him (contact data, registered office, etc. ) at Klarna. The applicable Klarna Privacy Policies and data protection regulations apply, are available at [https://cdn.klarna.com/1.0/shared/content/legal/terms/0/de\\_de/privacy](https://cdn.klarna.com/1.0/shared/content/legal/terms/0/de_de/privacy).

5.2 In order to use Billie Purchase upon Invoice, data must be transferred from Klarna to Billie. In addition, Billie itself collects data through website components hosted by Billie (e.g. "widget"). The data transfer from Klarna to Billie as well as the data processing and storage at Billie is required to offer Billie Purchase upon Invoice. Billie's privacy policy for Customers is available at <https://www.billie.io/en/privacy-policy/buyer>. Billie's privacy policy for Merchants is available at <https://www.billie.io/en/privacy-policy>.

5.3 The Merchant undertakes to expressly inform the Customer during the ordering process of data storage, processing and transmission to Klarna and Billie, with reference to the respective data protection regulations. Klarna will provide the Merchant with sample clauses and texts for the Merchant's own general terms and conditions.

## **6. Using the Merchant as a reference**

The Merchant grants Billie the right to name the Merchant as a reference in order to indicate the mutual commercial relationship. This is limited to naming the Merchant's company name and usage of the Merchant's company logo in marketing materials (e.g. company presentation) of any kind as well as on the website. The use of the Merchant's logo and name for any purpose other than the above requires the Merchant's prior written consent (email suffices). The Merchant is entitled to revoke the right to use its company name or logo at any time without further reason. Revocation must be in writing (email suffices). The rights of usage are granted free of charge.

## **7. Release from banking secrecy obligations in Austria**

Regarding the use of the Billie Purchase on Account in Austria, the Merchant releases Klarna from banking secrecy as follows:

*I, \_\_\_\_\_ (first and last name of Merchant representative) hereby expressly authorize Klarna Bank AB, with reference to § 38 Abs 2 Z 5 BWG, to provide Billie GmbH, Charlottenstrasse 4, 10969 Berlin, registered in the Commercial Register Berlin Charlottenburg under HRB 182428 B, as well as partner companies of Billie GmbH (refinancing and collection partners) with all information in connection with my B2B contract existing with Klarna Bank AB or the Billie Purchase on Account and, if necessary, to provide copies of the documents.*

# Model Clauses for Merchant Terms & Conditions

## 1. Acceptance Process

Purchase on account for business customers (*Kauf auf Rechnung*) via Klarna powered by Billie

The order is accepted by sending a declaration of acceptance in a separate e-mail or by delivery of the goods within three to four days. The declaration of acceptance by e-mail is sent by Billie GmbH, which has acquired the Claim against the business customer if the payment method "Purchase on account for business customers through Klarna powered by Billie" is selected.

## 2. Transfer of Claim

Business customers have the option to pay the invoice amount by bank transfer after receipt of the goods and invoice ("Purchase on account"). To offer such services, there is a cooperation with as the case may be a payment service provider which in turn cooperates with Klarna Bank AB ("Klarna"), which in turn cooperates with the financial service provider Billie GmbH ("Billie") to offer the payment method "Purchase on account" to business customers. In order to pay the invoice amount by bank transfer, no registration on part of the business customer is required. After selecting the payment method during the ordering process, an address and credit check is performed by Billie. If such checks are successful, the order process can be carried out with the selected payment method and the claim against the customer is as the case may be first assigned to the payment service provider of the seller, then to Klarna Bank AB and consecutively to Billie. The invoice amount shall be paid within the payment period indicated on the invoice and to the account, which will be communicated to the business customer as part of Billie's payment instructions.

## 3. Privacy

If the payment method "Purchase on account for business customers powered by Billie" is selected, an address and creditworthiness check will be conducted by Billie as part of the ordering process. For this purpose, the following data provided as part of the order, required for this address and credit check, are transmitted to Klarna and Billie and partner companies commissioned by Billie (e.g. payment service providers, credit information agencies, collection partners, etc.):

- Personal data and contact information: Information on the identity of the customer (title, first and last name, telephone number, e-mail address) and the company in whose name the order is placed (company name and legal form, registration number and data, address and contact data, e-mail address, telephone number, shipping and billing addresses, customer number, tax number, VAT identification number, information on the industry and company size);
- Transaction-related data: Invoice amount and payment term, information about products you order, such as order ID, quantity, shopping cart and billing information, existing customer status.

This data is used by Klarna, Billie and partner payment service providers (if any) solely for the purpose of checking whether the payment method requested by the business customer is available and, if the check

is successful, for processing this payment method. As part of this processing, Billie will send the customer information about the status of the order and invoice details to the e-mail address provided during the ordering process.

Klarna's Privacy Policy is available here: <https://www.klarna.com/international/privacy-policy/>

Billie's Privacy Policy is available here: <https://www.billie.io/en/privacy-policy/buyer>.

Both Privacy Policies apply in addition to our Privacy Policy and our General Terms & Conditions.

#### **4. Payment requests and payment reminders**

When selecting the payment method "Purchase on account" powered by Billie, Billie will send payment requests and payment reminders via email. Payments shall exclusively be made to the account specified herein.

If a customer's payments cannot be clearly assigned, Billie has the right to offset incoming payments from a customer against outstanding claims of the merchant against this customer, whereby a payment is initially offset against the oldest outstanding claim. If there are several open claims of the same age, a payment will be credited proportionately to all claims.

#### **5. Support**

Technical support in case of issues with the selection and implementation of Billie Services is provided by Billie. Billie support is available during business hours (Monday to Friday, 9 a.m. to 5 p.m., except on Berlin public holidays), at [info@billie.io](mailto:info@billie.io).