

**AFTERPAY / CLEARPAY NETWORK RULES****Statement of Work No. 2 (Canada)**

**1** [Reserved].

**2** **Afterpay Canada Services**

- (a) **“Services”** under this SOW means the provision of the Extended Repayment Feature through the technology platform to you for the use of your Customers in Canada, including but not limited to access to the Afterpay Gateway. The provision of Services under this SOW may include marketing and promotional services, and is limited to Goods that are purchased by and delivered to Customers’ addresses located in Canada.
- (b) The Services allow Customers to pay for Goods offered by you using installment payment financing options we provide (the **“Extended Repayment Feature”**). APM Provider shall provide Extended Repayment Feature financing transactions to qualified Customers to facilitate the sale of Goods by you on Your Website. With respect to each Extended Repayment Feature transaction with a qualifying Customer, we will disburse, or cause to be disbursed to you payment on behalf of the Customer for the Goods and Services purchased from you in accordance with the terms of the SOW, in exchange for payment of Fees under Section 5 of the SOW.
- (c) You will not provide any information in connection with this SOW that is false or misleading. In the event of a conflict between any provision of this SOW and any provision of the General Terms, the provisions of this SOW shall take precedence.
- (d) **Merchant Attestation.** You attest that your use of the Services is for business purposes and not for personal, family or household purposes. You acknowledge that the arrangement for the sale by you to Customers of any Goods is a separate consumer contract between you and each Customer and the Customer’s rights and remedies as a consumer in respect of that sale by you (including any Return of those Goods) are as between you and the Customer, to the exclusion of APM Provider.

**3** [Reserved].

**4** **Merchant Obligations**

- (a) **Restricted Goods.** You must not, without prior written permission from APM Provider specific to any SOW, allow the Services to be used to purchase designated Restricted Goods or Services in Canada as outlined in Schedule 1 (including, for the avoidance of doubt, gift cards, cash or cash equivalents), via your Website using the Services. If you are allowing the Services to be used to purchase any goods or services which APM Provider considers, in its reasonable discretion, to be dangerous, inappropriate or high risk, APM Provider reserves the right to prohibit the use of the Services to purchase such goods.

**5** **Fees and Payments**

- (a) APM Provider will pay the Purchase Amounts to You by paying Partner, netting the aggregate Purchase Amounts for all Afterpay Purchases due against all amounts then due to us under this SOW, as described in this Section. Partner shall be solely responsible for the settlement of funds to Merchant and APM Provider shall have no liability to Merchant for such settlement responsibilities.
  - (i) **Purchase Amount** means, in respect of each Afterpay Purchase, the relevant Sale Price plus any Shipping Costs, where Sale Price means the purchase price (including all applicable taxes) of the Goods supplied by you, and Shipping Costs means any fees, costs or expenses charged by you to a Customer for the delivery of Goods purchased through Afterpay’s Services to a location in Canada.
  - (ii) **Refund Amount** means the amount that you agree to Refund to a Customer for Goods Accepted for Refund according to your policies or other amount that you agree to refund to a Customer.
- (b) APM Provider may (i) set off against any amounts APM Provider owes you under this SOW all amounts you owe under this SOW or (ii) cause Partner to debit your account for the amounts owed under this SOW .

**6** **Obligations in Respect of Returns, Refunds and Chargebacks**

- (a) Subject to Section 6(c), if you accept Goods for Refund ("**Accepted for Refund**"), then any Refund Amount due in relation to the Return is owed by you to APM Provider via Partner and not the Customer. You must promptly upon receipt of the returned Goods, as you define receipt under your internal policies (and, at the latest, within three (3) Business Days of such receipt), inform APM Provider of the Return and the Refund Amount. All Afterpay Purchases that are Accepted for Refund (in whole or in part) must, subject to Section 6(c), be refunded via the Services, and APM Provider reserves the right to hold you liable for the Purchase Amount associated with the Goods Accepted for Refund if they are refunded via another tender type.
- (b) When you agree to provide a Customer with a Refund, you will be liable to APM Provider for the Refund Amount, and APM Provider may recover those sums in accordance with Section 5(b) (or, where the Purchase Amount has not yet been paid, by deducting the Refund Amount from the Purchase Amount relating to those Goods). APM Provider will then cancel any future payments due by the Customer to APM Provider and/or refund to the Customer any amounts paid to APM Provider.
- (c) For Returns processed more than one hundred and twenty (120) days after the date on which Approval Confirmation was provided or for Returns processed more than sixty (60) days after the termination of Services under this SOW (to the extent APM Provider, in its sole discretion, permits any Returns after the termination of Services under this SOW), the terms of this Section 6 shall not apply, and APM Provider shall have no liability to you with respect to such Returns. You must deal directly with the Customer with respect to such returns and the associated refund and process such refund via another tender type. Without limiting this Section 6(c), any assistance APM Provider may provide to you to effect payments to Customers for any Refunds for such Goods shall be at its sole and absolute discretion.
- (d) **Refunds Processed Following Termination.** APM Provider, in its sole discretion, may permit or require Returns processed within sixty (60) days following the termination of Services under this SOW to be processed via the Services in accordance with Section 6(a). For the avoidance of doubt, APM Provider's rights under Section 5(b) continue in relation to Customer Payments received by You, and all Refunds approved by You, after termination.

## 7 Taxes

- (a) All amounts specified in this SOW are exclusive of goods and services, harmonized sales, value added, sales, use and other similar taxes ("Sales Taxes"). Any Sales Taxes payable in respect of the Services provided or payments made under this SOW will be payable by you in addition to the Fees or other due consideration (if any) required to be paid under any other provision of this SOW. Any Sales Taxes that are charged to you will be separately itemized on our tax invoice to you. If any payment made as a consequence of the breach, modification or termination of this SOW is deemed to include Sales Taxes, the amount of such payment shall be increased accordingly.
- (b) APM Provider will pay the Purchase Amounts to you via Partner without a deduction or withholding for, or on account of, Tax imposed or levied by or on behalf of a Tax Authority (a "Tax Deduction") unless such Tax Deduction is required by law, in which case APM Provider will make such Tax Deduction in the minimum amount required by law and will pay such amounts as are due to the relevant Tax Authority required in connection with the Tax Deduction within the time allowed by law. For the avoidance of doubt, APM Provider will not be obliged to increase or gross-up any payment on account of any Tax Deduction and will pay the Purchase Amounts net of any such Tax Deduction. At your request, APM Provider will provide confirmation that the Tax Deduction has been made and/or that the appropriate payment has been paid to the relevant Tax Authority.
- (c) In the event that a Tax Authority requires information of APM Provider in relation to the Merchant and/or Services provided or payments made under this SOW then the Merchant hereby agrees that APM Provider may provide such information. The Merchant agrees to provide AOM Provider with its Tax identification details on request.
- (d) If you are not registered for GST/HST in Canada, it is your responsibility to provide APM Provider with written evidence confirming your GST/HST registration status and also confirm that you are not required to be registered for GST/HST in Canada. You will indemnify APM Provider for any interest or penalties imposed by a Tax Authority for failure to apply the correct GST/HST on Fees if it is deemed that this was as a result of your failure to provide the correct evidence to support your GST/HST registration on execution of this Schedule.

**8 Additional Representations and Warranties**

In addition to the representations and warranties in Section 10 of the Network Rules, merchant represents and warrants as follows:

- (i) Merchant is and will continue to be throughout the Term of this SOW a legally existing business entity in Canada, authorized to do business in each Canadian province and territory in which it carries on business; and (ii) they will conduct business in Canada in material compliance with all Applicable Laws and hold all required business registrations and other qualifications, licenses, or certifications.
- (ii) all information you provide to is complete, current and correct including, without limitation.

**9 Third Party Beneficiary**

- 9.1** The Parties expressly acknowledge and agree that APM Provider is a third party beneficiary of the Network Rules and this SOW and that APM Provider shall have the full right to enforce the Network Rules and/or this SOW in accordance with their terms as if it were a Party hereto.

SOW 2: Schedule 1

**Restricted Goods or Services**

1. Gift cards, cash or cash equivalents;
2. Goods or services that infringe third-party Intellectual Property, including (without limitation) counterfeit goods and pirated content;
3. Dangerous goods, being goods that cause damage, harm or injury, including (without limitation), recreational drugs or derivatives from drugs (chemical or herbal), psychoactive substances, equipment to facilitate drug use, weapons, ammunition, explosive materials and fireworks, instructions for making explosives or other harmful products, tobacco products;
4. Adult merchandise, including (without limitation) sex toys, adult magazines and books, sexual enhancement products and pornographic materials and items;
5. Alcoholic beverages;
6. Gambling or gambling-related content;
7. Medicines;
8. Products that enable dishonest behavior, including (without limitation) hacking software or instructions, fake documents and academic cheating products;
9. Services (including without limitation beauty treatment, tattoo art, "experiences", ticketing, education, software, health services and other personal services);
10. Consumer electronics, including (without limitation) mobile phones, computers/laptops, tablets, drones and televisions;
11. Without limiting the above, any goods or services which are required by law to be sold to Customers over the legal age of majority in the Canadian province or territory in which such Customer resides; and
12. Any illegal or counterfeit goods or services or any other goods or services which Afterpay considers, in its reasonable discretion, to be dangerous, inappropriate or high risk.