

Payment Processing Function Addendum

V1.2025

This Payment Processing Function Addendum (**Addendum**), together with the Master Services Terms between Covetrus Software Pty Ltd (ACN 094 621 557) trading in New Zealand (**Covetrus**) and you (**Client**), govern your use of the Payment Processing Function. Capitalised terms not defined in this Addendum have the meaning given in the Master Service Terms.

Covetrus and Client agree as follows:

1. Additional Definitions Applicable to this Addendum.

“Activity” includes Covetrus providing Client with a link to create a Connected Account, accessing Client’s dashboard on Client’s Connected Account, and any other activities reasonably required by Covetrus in relation to the Payment Processing Function.

“Acquirer Terms” means the terms that a Payment Method Acquirer has specified that apply to that Payment Method Acquirer’s services, located on or accessible from www.stripe.com as described on that page as “Financial Services Terms”.

“Client Bank Account” means a bank account associated with Client’s Connected Account.

“Connected Account” means a ‘Stripe Connected Account’ an account created for Client to use the Payment Processing Function.

“Connected Account Data” means any data or information Client makes available through the Connected Account such as Client’s business name, ABNs, business address, contact details, website address, names of business representatives, bank account details and ID verification documents.

“Customer” means customers of Client.

“Master Service Terms” means the ‘Master Services Terms’ between Covetrus and Client, accepted by Client on signing a Quote, an Order Form or Statement of Work (as applicable) and as updated from time to time in accordance with those terms.

“New Zealand Consumer Laws” means the Fair Trading Act 1986, Consumer Guarantees Act 1993, Retail Payment System Act 2022, the Privacy Act 2020 and any other applicable New Zealand consumer protection legislation, including any regulations, standards, or requirements issued under or pursuant to those laws (and changes to those laws from time to time).

“Payment Method” means a payment method that Stripe accepts as part of the Payment Processing Function such as Visa debit, MasterCard credit.

“Payment Method Acquirer” means any entity that a Payment Method Provider has authorised to (a) submit Transactions at the request of merchants to the Payment Method Provider for authorisation and clearing and (b) receive and remit settlement funds for authorised and cleared Transactions.

“Payment Method Provider” means the provider of a Payment Method.

“Payment Method Rules” means the rules of a Payment Method Provider publishes that describe how a Payment Method may be accepted and used.

“Payment Method Terms” means terms that apply to Client’s acceptance and use of a Payment Method accessible from <http://stripe.com/au/legal/payment-terms>.

“**Application Fee**” has the meaning given to it in clause 2(d).

“**Payment Processing Function**” means the payment processing services provided by Stripe and included as an additional function on the Software.

“**Refund**” means an instruction Client initiates to provide a full or partial return of funds to a Customer for a processed Transaction.

“**Restricted Business**” means any category of business or business practice identified as a prohibited or restricted business on Stripe’s website available at www.stripe.com/nz/legal/restricted-businesses..

“**Reversal**” means the reversal of the settlement of funds from a Transaction.

“**Stripe**” means Stripe, Inc., a Delaware corporation and its Australian subsidiaries.

“**Stripe Terms**” means the Stripe’s [Connected Account Agreement](#) which incorporates Stripe’s [Terms of Services](#) (and any applicable terms incorporated by reference into Stripe’s terms, including the Terminal Device Terms), as amended from time to time, available at www.stripe.com/nz/legal.

“**Surcharge**” has the meaning given to the term “payment surcharge” in the Retail Payment System Act 2022.

“**Terminal Device Terms**” means terms that apply to Client’s use of a Stripe terminal, available at <https://stripe.com/nz/legal/terminal-device-eula>.

“**Transaction**” means a Payment Method transaction request initiated via the Payment Processing Function by Customers.

2. Payment Processing Function

- (a) To enable the Payment Processing Function, Client acknowledges and agrees that it must create a Connected Account by accepting Stripe Terms and receive approval from Stripe to use the Payment Processing Function.
- (b) Client must use the Payment Processing Function in accordance with the Stripe Terms and all instructions and user documentation provided by Stripe.
- (c) The parties acknowledge and agree that Covetrus’ role under this Addendum is limited to connecting Client to Stripe’s payment processing services. Covetrus does not provide payment processing services, does not acquire funds on behalf of the Client, and is not responsible for the settlement or holding of funds. All payment processing is performed by Stripe under the Stripe Terms.
- (d) Client’s use of the Payment Processing Function is subject to fees and charges as set forth in the Order Form (**Application Fee**). The Application Fee may be revised by Covetrus from time to time, in which case Covetrus will notify Client at least 30 days before the revised Application Fee take effect. If Client does not agree with the revised fees, Client may terminate this Addendum by providing written notice to Covetrus.
- (e) Client authorises Covetrus to access and use Connected Account Data made available on its Connected Account. Client further authorises Covetrus to share the Connected Account Data with Stripe, as necessary to provide the Payment Processing Function and to enable Covetrus to comply with its contractual obligations with Stripe.

- (f) Client authorises Covetrus to engage in any Activity on Client's Connected Account as necessary to support the Payment Processing Function and to enable Covetrus to comply with its contractual obligations with Stripe.
- (g) Client must comply with all applicable Payment Method Rules, Payment Method Terms, Acquirer Terms, and Stripe Terms, and acknowledges that breach of such terms may result in suspension or termination of the Payment Processing Function.
- (h) Client must not use the Payment Processing Function for any activity that is fraudulent, deceptive, abusive, prohibited by law or in breach of any Stripe Terms, this Addendum or the Master Service Terms.
- (i) Client must immediately notify Covetrus in writing if Client engages in, or becomes aware that it has engaged in, any activity that is fraudulent, deceptive or abusive or in contravention of any law, the Stripe Terms, this Addendum or the Master Service Terms (**Breach**). Client must provide all information, documentation and assistance as reasonably requested by Covetrus in respect of such Breach.
- (j) Client must provide all information and assistance reasonably requested by Covetrus as necessary to enable Covetrus to exercise its rights and comply with its obligations under this Addendum and make the Payment Processing Function available to Client.

3. Processing Transactions

- (a) Client must only submit Transactions that its Customers authorise, and only after the applicable goods have been shipped or services provided to the Customer, except Client may submit a Transaction before goods have been shipped or services have been provided to the Customer where the Customer has authorised Transaction for a partial or full prepayment for goods or services to be provided at a future time, or Client has obtained the Customer's consent.
- (b) Client must not proceed with a Transaction if Client receives a response declining to authorise the Transaction, or if the Customer's Payment Method account details have expired or are invalid. User must not split payment for a single transaction into multiple Transactions except as the Payment Method Rules, Payment Method Terms and Acquirer Terms expressly permit.
- (c) If Client uses the Payment Processing Function to issue invoices to Customers, Client will ensure that the invoices are valid tax invoices and comply with law.

4. Actions in processing Transactions

4.1 Client acknowledges and agrees that:

- (a) **Reconciliation:** Client is responsible for reviewing its Transaction history for accuracy and completeness, and reconciling its Transaction history. If Client finds an error, and notifies Covetrus within 50 days after the error appears in Client Transaction history, Covetrus will work with Stripe to investigate and correct the error. However, if errors are reported later than 50 days, Covetrus and Stripe may not be able to correct the error due to deadlines imposed by the relevant Payment Method Acquirer or Payment Method Provider.

- (b) **Negative balances:** If Client's Connected Account balance is negative or does not contain funds sufficient to pay amounts that Client owes to Stripe or a Customer, then Stripe may debit Client Bank Account by the amount necessary to collect, and pay out the Customers if applicable, the amounts Client owes.
- (c) **Client responsibility:** Notwithstanding anything contrary to in this Addendum, the Master Services Terms or the Stripe Terms, Client is liable for the full amount of all Disputes (unless and until a Dispute is resolved to final disposition in Client's favour according to the applicable Payment Method Rule), Refunds and Reversals.
- (d) **Disputes:** Stripe may delay or withhold paying out a Transaction amount to Client if Stripe reasonably believes that a Dispute is likely to occur with respect to that Transaction, until the dispute is settled by the Payment Method Provider.
- (e) **Refunds:** Stripe may refuse to act upon a Refund instruction, or delay executing the instruction, if it would cause a negative balance in Client's Connected Account.
- (f) **Reversals:** Stripe may initiate a Reversal if (i) the Payment Method Provider invalidates the Transaction, (b) Client received the settlement funds in error for any reason, (iii) Client was not authorised to accept the Transaction, (iv) Client received the settlement funds related to activities in breach of this Addendum, Master Service Terms, applicable laws and Stripe Terms, or (v) a Payment Method Provider or Payment Method Acquirer requires Stripe to do so under the applicable Payment Method Rules.

5. Surcharging

- 5.1 Client acknowledges that New Zealand law regarding Surcharges is subject to significant change.
- 5.2 If Client chooses to pass on Surcharges to Customers prior to any legislative ban, Client must:
 - (a) ensure that Surcharges are not excessive and do not exceed what it costs Client to process the Transaction;
 - (b) review and adjust Surcharges regularly, but at least once every 12 months;
 - (c) clearly and prominently display the applicable Surcharge rate or amount before processing a Transaction;
 - (d) refund any Surcharge when refunding a Transaction;
 - (e) offer at least one payment method that does not incur a Surcharge;
 - (f) ensure Surcharges do not exceed 0.7% for contactless debit card payments or 2% for credit card payments; and
 - (g) without limiting clause 6, comply with all applicable New Zealand laws regarding Surcharges, including any obligations under the Retail Payment System Act 2022 from time to time.

- 5.3 Ongoing **Compliance**: Client must monitor and comply with all changes to New Zealand surcharging laws and immediately notify Covetrus of any regulatory changes that may affect the Payment Processing Function.

6. Consumer Protection Compliance

Client must comply with all New Zealand Consumer Laws.

7. Restricted Business

Client must not use the Payment Processing Function to conduct or transact with a Restricted Business, unless otherwise approved by Covetrus in writing and Covetrus confirms in writing that Stripe has approved the same.

8. Data protection

- 8.1 Covetrus will comply with its [Data Processing Addendum](#) when sharing Connected Account Data with Stripe, acknowledging that Stripe already has access to such information through the Payment Processing Function. When Connected Account Data is shared with Stripe, whether through Covetrus or directly to Stripe through the Payment Processing Function, Stripe will treat such data in accordance with the privacy terms as set out in Stripe Terms.
- 8.2 Each party will maintain administrative, technical and physical controls to protect Connected Account Data from unauthorised access, use, disclosure, loss, modification. If Client believes that any Connected Account Data has been accessed, disclosed or used without authorisation, Client must promptly notify Covetrus and acknowledges that Covetrus may notify Stripe. Client must cooperate with Covetrus and Stripe and provide information reasonably necessary to enable Covetrus and Stripe to take reasonable steps to mitigate the impact of any unauthorised access, disclosure or use of Connected Account Data.

9. PCI DSS

Upon Covetrus' request, Client will verify that Client's implementation of the Payment Processing Function is PCI-DSS compliant, and provide the verification results to Covetrus. Client acknowledges and agrees that Covetrus may provide those results to Stripe.

10. Warranties and Indemnities

- 10.1 Client represents and warrants during the Term, that Client will only use the Payment Methods for bona fide commercial transactions with its Customers.
- 10.2 Client represents and warrants that it will comply with all requirements imposed by Stripe, Payment Method Providers and Payment Method Acquirers, as communicated by Covetrus or Stripe.
- 10.3 Client agrees to indemnify, defend and hold Covetrus and Covetrus Affiliates harmless from and against all losses (including reasonable legal fees) resulting from (i) any third party suit or claim alleging that Client's use of the Payment Processing Function has harmed such third party claimant, (ii) any penalties, fines, damages or regulatory action arising from Client's non-compliance with New Zealand Consumer Laws; (iii) Client's failure to comply with clause

5 of this Addendum, (iv) Client's negligence, wilful misconduct or fraud, or (v) any fraudulent Transactions (vi) material breach of this Addendum and the Master Services Agreement.

- 10.4 Client acknowledges and agrees that Client is liable to Covetrus or Stripe for the full amount of all Disputes (unless or until a Dispute is resolved to final disposition of Client's favour according to the applicable Payment Method Rules), Refunds or Reversals. In relation to Reversals, Client will only be liable where (i) the Payment Method Provider invalidates the Transaction, (jj) Client received the settlement funds in error for any reason; (iii) Client was not authorised to accept the Transaction, (iv) Client received the settlement funds related to activities that are in breach of this Addendum, Master Services Agreement, Stripe Terms, or law; or (v) a Payment Method Provider or Payment Method Acquirer requires Stripe to do so under the applicable Payment Method Rules.
- 10.5 Client's liability under clause 10.3 and 10.4 **Error! Reference source not found.** will be reduced proportionately to the extent that the relevant loss was caused by the breach, negligence, fraud or wilful misconduct of Covetrus or any Covetrus Affiliates.
- 10.6 Client acknowledges that New Zealand payment processing regulation is evolving rapidly. Client agrees to: (a) monitor regulatory developments affecting payment processing; (b) implement necessary changes to maintain compliance; (c) bear all costs associated with regulatory compliance; (d) notify Covetrus immediately of any regulatory inquiries or enforcement actions.

11. Force majeure

Nothing in clause 18(c) of the Master Services Terms will excuse Client's liabilities and obligations with respect to Disputes, Refunds and Reversals.

12. Suspension

Client acknowledges and agrees that:

- (a) Stripe or Covetrus may suspend or stop providing the Payment Processing Function in accordance with the Stripe Terms, or as required by law, a Payment Method Provider or Payment Method Acquirer.
- (b) Covetrus has the right to suspend the Payment Processing Function if there are reasonable grounds for Covetrus to suspect fraud, illegal activity, or material breach by Client of any terms under this Addendum or the Master Services Agreement.

13. Termination

13.1 This Addendum will terminate immediately on written notice:

- (a) on expiry or termination of Covetrus' agreement with Stripe for provision of the Payment Processing Function;
- (b) on termination of the Stripe Terms entered into between Client and Stripe;
- (c) 90 days after a party provides written notice to the other party of termination; or
- (d) if a party materially breaches this Addendum and does not cure the breach within 10 business days after receiving written notice specifying the breach.

13.2 Covetrus may immediately suspend or terminate the Payment Processing Function if:

- (a) Client fails to comply with New Zealand Consumer Laws;
- (b) regulatory changes make continued provision of the service impractical or unlawful; or
- (c) Client receives regulatory enforcement action related to payment processing.