

Card Processing Addendum

This Card Processing Addendum ("**Card Processing Addendum**") will apply to and become effective upon Merchant's use of the Services set forth herein.

This Card Processing Addendum supplements the Master Payment Services Agreement ("**Agreement**") between Vantage Card Services, Inc. ("**Vantage**"), and the business entity ("**Merchant**") set forth on the Merchant Application form ("**Merchant Application**"). Capitalized terms used but not defined in this Card Processing Addendum will have the definitions ascribed to them in the Agreement.

1. PAYMENT CARD SERVICES.

1.1 DESCRIPTION OF SERVICES.

This Card Processing Addendum governs Merchant's use of Vantage's payment processing Services and Merchant agrees to be bound by these terms in order to use such Services. For the purposes of this Card Processing Addendum, the term "**Services**" (defined generally in the Agreement) refers to the card processing services identified in this Card Processing Addendum only (and not other services provided by Vantage pursuant to other parts of this Agreement). The Services under this Payment Processing Addendum allow Merchant to accept payment from its customers using Cards. Merchant may also choose, pursuant to this Card Processing Addendum, to accept payment from its customers using Cards validly issued by American Express Travel Related Services Company, Inc. ("**American Express**") as further set forth in this Agreement.

1.2 CARD AUTHENTICATION AND ACCEPTANCE

When accepting Cards, Merchant will follow all procedures and rules set forth in the Policies and Rules (each as defined below in Section 2.1). Merchant is responsible for verifying the identity of the cardholder ("**Cardholder**") for all card-not-present ("**CNP**") transactions using the authentication methods required by the Rules, and ensuring that all CNP transactions are properly authorized by the issuing bank, and upon submission of a transaction for authorization Merchant warrants it has verified the Cardholder using authentication required by the Rule. Except as set forth in this Agreement, Merchant will honor, without discrimination, any valid Card properly tendered by a Cardholder for bona fide transactions for the purchase of goods or services from Merchant. Merchant may, in accordance with the applicable limited acceptance Rules, elect not to accept Visa and/or Mastercard branded credit or debit cards, but must provide Vantage with prior written notice of such election. If Merchant elects not to accept certain Cards as set forth in the previous sentence, Merchant will be solely responsible for ensuring it only accepts those Cards which meet its acceptance election and Vantage may process any transaction (and Merchant will be responsible for and pay all fees associated with such transaction) submitted to Vantage. Merchant will properly disclose to the Cardholder at the time of the Card transaction, the Merchant's name, return policy, refund policy, and other limitations Merchant may have on accepting returned merchandise. Merchant's refund policies for purchases made with a Card must be at least as favorable as its refund policy for purchases made with any other form of payment. Merchant will verify the identity of the Cardholder when accepting payment and will request the CVV, AVS, Card expiration date and ZIP code or postal code from the Cardholder's billing address, as required. To reduce the likelihood of fraud it is recommended that Merchant obtain the security code from each Card, but Merchant must not store this information.

1.3 CARD AUTHORIZATION

Merchant will request authorizations for such transactions as required under the Rules using a third-party software solution approved by Vantage. Vantage may but shall not have any obligation to decline any transaction for which Merchant has not obtained sufficient information, or for any other reason in Vantage's sole discretion. Authorizations, including any "Authorization Only," "Pre-Authorization," or other hold-or-capture transaction functionality, are not, and shall not be construed as, (a) a promise, warranty, representation, or guarantee that the related transaction will be honored, will not be disputed, will not be the subject of a Chargeback, or will ultimately be paid by the Cardholder or Card issuer; (b) a waiver of any right of the Cardholder, Card issuer, or Card Brands to dispute the transaction for any reason, including, without limitation, fraud, services not rendered, goods not received, or service-quality issues; or (c) a guarantee that Vantage, Sponsor Bank, the Card Brands, or any Card issuer will remit, or continue to hold, the authorized funds. Authorizations are subject to expiration in accordance with the rules and timelines promulgated from time to time by the Card Brands and/or Card issuer, which timelines vary by Card Brand, by Merchant category, and by transaction type. Vantage makes no representation regarding the duration of any Authorization hold. Vantage and Sponsor Bank shall have no liability to Merchant for any loss, cost, or damage arising from or relating to Merchant's reliance on an authorization, including any loss resulting from expiration of an Authorization, a subsequent Chargeback, or non-payment by a Cardholder or Card issuer. Vantage may refuse to authorize any transaction. Vantage's name may appear in conjunction with Merchant's name on Cardholders' statements as this is dependent upon the processor(s) selected by Vantage in Vantage's sole discretion. Under no circumstance will Vantage be responsible for processing credits or adjustments related to transactions not originally processed by Vantage. All transactions and deposits are subject to Vantage's audit and final verification, and may be adjusted for inaccuracies without notice to Merchant. All credits (including the proceeds from processed transactions) provided to Merchant are provisional and subject to Chargebacks (defined below) and adjustments in accordance with the Rules, whether or not a transaction is charged back by the Card issuer.

1.4 SALES TRANSMITTALS

Merchant will retain a copy of the sales transmittal for the completed transaction and other evidence of each transaction in accordance with the Rules for such period as the Rules may require. Within two business days after the transaction date, two business days after the provision of service(s) for a delayed service provision, or such shorter time set forth in the Rules, Merchant will provide all sales transaction records (or credit vouchers) to Vantage. Within three business days of Vantage's request, Merchant will produce and provide to Vantage copies of all requested sales transmittals and other transaction evidence. In addition to other Chargeback rights set forth in this Agreement and in the Rules, chargebacks can occur on any transactions for which a copy of the sales transmittal and other evidence is not provided in accordance with this Section. The preparation and

delivery to Vantage by Merchant of transactions shall constitute an endorsement to Vantage by Merchant of each such transaction. Vantage may refuse to process any transaction which, in whole or in part, it could charge back to the Merchant. Vantage's performance of the Services, including but not limited to any compliance case responses, interchange qualification, or transaction stand-in shall not affect Merchant's obligations or liability under this Agreement.

1.5 MULTIPLE ACCOUNTS

Merchant may request multiple accounts with Vantage to allow for easier reporting of transactions. If Vantage approves additional accounts, Merchant is responsible for any applicable additional fees or costs, as such may be set forth in the Merchant Application. These additional accounts collectively count toward the underwriting limits Vantage sets for Merchant. If Merchant requests multiple accounts on behalf of any other entity (each such entity receiving an account being a "**Sub-Entity**"), then the following terms apply: Merchant warrants that it has a valid agreement in effect with each Sub-Entity granting Merchant the authority to execute the Merchant Application and this Agreement on Sub-Entity's behalf and take all actions necessary to obtain and maintain a merchant account for Sub-Entity on the terms set forth herein, with such Sub-Entity being a "Merchant" for all purposes under this Agreement and such Merchant Application. Merchant will provide evidence of such authority upon request by Vantage. Merchant acknowledges and agrees that it has verified the identity, organization, and ownership of Sub-Entity to the extent necessary for Vantage to be able to provide payments to a Sub-Entity's depository account, and that Vantage will be relying on the accuracy of Merchant's verification to provide the Services. By including information about a Sub-Entity in a Merchant Application or a boarding file submitted to Vantage in conjunction with a Merchant Application, Merchant is binding such Sub-Entity to such Merchant Application and this Agreement as if such Sub-Entity had executed and submitted such Merchant Application and this Agreement itself. Merchant further agrees that if the above statements are not true, it will be liable to Vantage for Sub-Entity's obligations under this Agreement, together with any damages and losses incurred by Vantage as a result of Merchant's misrepresentation. Merchant will not open or use a processing account, or otherwise receive payment processing services or any other services similar to the Services from any party other than Vantage during the term of this Agreement without first providing Vantage of notice of the same.

2. COMPLIANCE WITH RULES AND LAWS.

2.1 LAWS, RULES & POLICIES.

The Card Brands have established guidelines, merchant monitoring programs, and reports to track merchant activity such as excessive credits, Chargebacks, and increased deposit activity. Merchant must comply with the applicable Rules. An abridged version of the Visa, Mastercard and American Express Rules may be accessed at

- <https://usa.visa.com/support/consumer/visa-rules.html>
- <https://www.mastercard.us/en-us/business/overview/support/rules.html>
- https://icm.aexp-static.com/content/dam/gms/en_us/optblue/us-mog.pdf

The foregoing Rules are incorporated by reference into this Agreement and will control with respect to any conflict between the terms of this Agreement and the Rules. If Merchant exceeds the guidelines or submits suspicious transactions, Merchant may be subject to: (a) fee increases; (b) settlement delay or withholding; (c) termination of this Agreement; (d) an audit and imposition of fines; or (e) required implementation of transaction monitoring or risk mitigation programs.

2.2 USE OF TRADEMARKS.

During the Term, Merchant may, and if required will, use Card Brand trademarks and logos pursuant to the terms of the Rules. At any time Vantage, Sponsor Bank, or any Card Brand may, in its sole discretion, prohibit Merchant's use of these marks or require changes to Merchant's use of the marks. The Card Brands are the sole and exclusive owners of their marks. Merchant's right to use the Card Brand marks will immediately cease upon termination of this Agreement.

2.3 INFORMATION SECURITY.

Merchant must remain in compliance with the PCI Standards and take all steps necessary to ensure customer data (including but not limited to Cardholder data, bank account information, and any other personally identifiable or sensitive information) is not disclosed, misused, or subject to unauthorized access. This includes, but is not limited to, keeping secure all systems and media containing account, Cardholder, or transaction information (physical or electronic) and destroying in a manner that will render the data unreadable all such media that is no longer necessary or appropriate to store. To the extent applicable per PCI DSS guidelines and requirements, Vantage may request and Merchant will conduct a self-audit to ensure (i) that Merchant is compliant with all applicable PCI Standards; and (ii) that all customer data (including but not limited to Cardholder data, bank account information, and any other personally identifiable or sensitive information) is protected by commercially reasonable security practices and procedures that include adequate levels of (1) physical security to protect against theft, (2) personnel and access controls, and (3) network security. If and to the extent required by Laws, Rules, Sponsor Bank, Card Brands, or if specifically required by Vantage at its sole discretion, Merchant shall, within 30 days of such requirement or request, and on an annual basis thereafter (or more frequently if so required by Vantage), obtain from an independent third party acceptable to Vantage a certification of compliance with the PCI Standards and submit a copy of such certification to Vantage. Vantage's acceptance of such certification does not constitute a representation or certification that Merchant is compliant with the PCI Standards, nor does it relieve Merchant of any of its obligations or liabilities related to compliance with the PCI Standards or any other data security obligations in this Agreement, including without limitation any indemnification obligations set forth herein with respect to such compliance with the PCI Standards or other data security obligations. If Merchant stores Cardholder account numbers, expiration dates, bank account information and other personally identifiable data in a database, Merchant must follow Card Brand guidelines on securing such data to the extent applicable. Merchant may not retain or store magnetic stripe or CVV2, CVC2, or CID data after authorization. Merchant will not, and will ensure any of its applicable third-party service providers do not, retain any portion of the magnetic strip data subsequent to the authorization of a transaction, nor any other data the retention of which is restricted by the Rules. Merchant agrees to display its consumer privacy policy on its website, and will



include in such policy the right to provide such data to Vantage, Sponsor Bank, and the Card Brands for each of their respective uses in accordance with this Agreement.

3. RESERVED MERCHANT CARD PROCESSING OBLIGATIONS.

3.1 MONITORING, DISPUTES & REFUNDS.

a) MERCHANT'S DUTY TO MONITOR ACCOUNT & NOTIFY VANTAGE OF UNAUTHORIZED ACCESS OR TRANSACTIONS.

Vantage will not, and has no obligation to, confirm the validity of the recipient or transaction Vantage receives. Vantage assumes no liability for any unauthorized transfer request and the attendant transfer of funds. If Vantage receives appropriate and timely notice by Merchant of an unauthorized transfer request prior to the completion of such transfer and with enough time to act on such notice, Vantage will use commercially reasonable efforts to prevent such unauthorized transfer, provided however that Vantage will have no liability associated with any failure to prevent such unauthorized transfer. Merchant must inspect and reconcile its transaction history and deposits daily. Merchant must immediately report any possible errors or unauthorized access to its account by sending an email to support@vantagecard.com that includes: (1) Merchant's name and account number; (2) the dollar amount of the asserted error; (3) a commercially reasonable description of the asserted error (referencing specific transactions if applicable); and, (4) an explanation of why Merchant believes an error exists and, if known, the cause of the error. The email notice must not include any full Social Security Number, Card number, or verification number.

b) VANTAGE'S INVESTIGATION & RESOLUTION.

Merchant may not make a claim against Vantage for any loss or expense relating to any asserted error or unauthorized transaction for 60 days following Vantage's receipt of Merchant's email notice referenced above. During that 60-day period, Vantage will be entitled to investigate the asserted error or unauthorized transaction. Vantage will advise Merchant of the results of Vantage's investigation and if Vantage has made an error, Vantage will correct it promptly. However, Vantage reserves the right, in its sole discretion, to take up to 90 days to investigate Merchant's complaint or question (95 days for transactions at a point of sale terminal or outside the United States). Should Vantage elect to extend the time it takes to investigate Merchant's complaint or question, Vantage may, but will not be obligated to provisionally re-credit Merchant for the amount Merchant thinks is in error, so that Merchant will have use of the money during the time it takes Vantage to complete its investigation. If Vantage determines that there was no error, Vantage will send Merchant an explanation via email of the determination and Vantage may debit any provisional credit, any fees, and/or interest provisionally credited in relation to the alleged error. If Vantage discovers a processing error, Vantage will rectify the error. If the error results in Merchant receiving more money than to which Merchant was entitled, then Vantage reserves the right to correct the transactions that were incorrectly executed, including but not limited to debiting Merchant's account, regardless of the nature and cause of the error.

c) DISPUTES, INQUIRIES, AND CHARGEBACKS.

Merchant is responsible for resolving any disputes between Merchant and a Cardholder. Vantage and/or its third-party service providers will handle inquiries from a Card Brand, the Card Brand dispute resolution process (if applicable) between Merchant and any Cardholder, and credits. Based on Cardholder disputes, Vantage, Sponsor Bank, the Card Brands, or any Cardholder may reverse Card transactions ("**Chargebacks**"), in which case Vantage will offset the value of such Chargebacks from amounts due to Merchant (including but not limited to the proceeds of transactions processed) or otherwise withdraw the amount of such Chargebacks from Merchant's depository account on file with Vantage. Absent written instructions otherwise provided prior to any Chargeback, Merchant authorizes Vantage or its third-party service providers to resolve Chargebacks and respond to retrieval requests and inquiries once Vantage has determined it has all necessary information and instructions related to such Chargeback without further inquiries of or consultation with Merchant. Merchant will not ask or require any Cardholder to waive their dispute rights. Merchant agrees to maintain a sufficient balance in the Bank Account to cover all Chargebacks. Merchant must allow the chargeback process to proceed to its conclusion as described in the Rules. If Merchant disagrees with a Chargeback, Merchant may request a chargeback reversal within the applicable Card Brand's timeline in its Rules. The existence of excessive Chargebacks, as determined in Vantage's reasonable discretion, will be a breach of this Agreement that may result in additional action as Vantage deems necessary, such as suspension of processing privileges, creation of a Reserve Account, or an increase in the amount required to be retained in a Reserve Account. Vantage may decline, revoke, or reverse any credit given to Merchant where: (1) the transaction was not made in compliance with this Agreement and the Laws, Rules, and Policies; (2) the customer or Cardholder disputes liability for any reason, including but not limited to those Chargeback or return rights enumerated in the Rules; (3) the transaction was not directly between Merchant and the Cardholder; or (4) a deposit to Merchant's account was made erroneously.

d) REFUND CREDITS.

Merchant must process returns and refunds for past Card purchases only in accordance with the Rules. Vantage will debit from the amounts owing Merchant for the total face amount of each credit memorandum or withdraw the amount of such credit memorandum from Merchant's bank account on file with Vantage. Merchant will maintain a sufficient balance in its bank account to cover all issued credit memorandums. Merchant will not submit a credit memorandum relating to any Card transaction not originally submitted to Vantage, nor will Merchant submit a credit memorandum that exceeds the amount of the original Card transaction. Merchant will, within the time period specified by Law, provide Vantage with a credit memorandum or credit statement for every return of goods or forgiveness of debt for services that were the subject of a Card transaction.

3.2 PROHIBITED PRACTICES.

Merchant will not present for processing or credit, directly or indirectly, any transaction not originated as a result of a Card transaction between Merchant and a Cardholder, or any transaction Merchant knows or should know to be fraudulent or not authorized by the Cardholder. Merchant must not attempt authorization on a Card twice for the same transaction, or reenter or

reprocess any transaction that has been charged back. Merchant may not split a transaction into multiple Card transactions except when: (a) partial payment is entered on the transaction record and the balance of the transaction amount is paid in cash or by check at the time of transaction; or, (b) the amount represents an advance deposit in a Card transaction completed in accordance with the Rules. Merchant will not use the Services to accept amounts representing the refinancing of an existing uncollectible obligation, debt, or dishonored check of a Cardholder. Merchant must not process transactions for, receive payments on behalf of, or (unless required by Law) redirect payments to a third party. Merchant must not engage in any activity that is deceptive, unfair, abusive, predatory, or otherwise violates any applicable Law. Merchant must not submit transactions for products or services other than those set forth on the Merchant Application and will immediately notify Vantage of any events which, individually or collectively, would cause material changes in Merchant's ability to fulfill its obligations under this Agreement.

3.3 TRANSACTION RESTRICTIONS.

Merchant will not submit any transaction to Vantage which (a) adds any surcharge, unless Merchant has properly notified Vantage and the Card Brands and such surcharge is compliant with the Rules and Law; (b) adds any tax to the transaction, except for those taxes allowed or required by Law, and all such required or allowed taxes must be included in the transaction amount and not separately collected; (c) is for services that have not yet been performed except as otherwise approved by Vantage in writing; (d) is made up of multiple authorization requests for amounts less than the total sale amount; (e) results in the disbursement of cash, scrip, or cash equivalents; or (f) involves any goods or services which are counterfeit or infringe on any party's intellectual property rights. Merchant will not submit any refund or credit to Vantage which would result in an overdraft; or more than two days after a non-disputed request or a regulatory requirement granting the customer a right to a refund.

3.4 CONVENIENCE FEE PROGRAMS.

If Merchant chooses to use a convenience fee program (collectively, "**Convenience Fee Program**"), Merchant represents and warrants to Vantage that (a) Merchant has reviewed and approved such Convenience Fee Program; (b) such Convenience Fee Program is compliant with all Rules and Law and (c) Merchant has fully complied with the requirements set forth in this Section. Merchant is solely responsible for its compliance with all applicable Rules and all present and future federal and state laws and regulations relating to any such Convenience Fee Program and any required consumer disclosures related thereto. Although Vantage may, in its sole discretion, implement disclosures and practices relating to such Convenience Fee Programs, Vantage's provision of such disclosures shall not be deemed a confirmation that such practices comply with the Rules or applicable Law and shall not in any way relieve Merchant from its responsibility to ensure that all program practices comply with the Rules and applicable Law. Merchant is liable for and will indemnify and hold harmless Vantage for and from any losses, assessments, claims or other amounts resulting from its implementation of a Convenience Fee Program.

3.5 INSTALLMENT PROGRAMS.

If Merchant elects to allow Cardholders to pay in installments, Merchant is solely responsible for its compliance with all applicable Rules and all present and future federal and state Laws and regulations relating to installment programs and any required consumer disclosures related thereto, including without limitation the Truth in Lending Act (Regulation Z), the Electronic Fund Transfer Act (Regulation E), the Fair Credit Reporting Act, the Electronic Signatures in Global and National Commerce Act (E-Sign Act), and other consumer protection laws, including without limitation as such laws and their associated regulations apply to consumer disclosures, consumer liability, transaction limits, error resolution and disputes. While Vantage may, in its discretion, assist Merchant with disclosures and practices relating to such installment programs, Vantage's provision or approval of any materials or practices shall not be deemed a confirmation that such materials or practices comply with the Rules or applicable Law and shall not in any way relieve Merchant from its responsibility to ensure that all program materials and practices comply with the Rules and applicable Law. Merchant is liable for and will indemnify and hold harmless Vantage for any losses, assessments, claims or other amounts resulting from its implementation of an installment program.

3.6 RECURRING TRANSACTIONS.

All advance payments, partial payments, recurring transactions, installment programs, delayed charges, and any other transaction involving stored Card information or Card credentials may only be processed in accordance with the Rules applicable to such transactions and applicable Law.

3.7 RESPONSIBILITY FOR TRANSACTIONS.

Notwithstanding anything to the contrary in this Agreement: (a) Merchant is solely liable for all transactions submitted in connection with this Agreement, including but not limited to all acts, omissions, Cardholder disputes, or any related fees (including but not limited to service fees, convenience fees, transaction fees, or other surcharges), fines, assessments, or charges which arise in connection with such transactions; (b) Merchant will only submit transactions to Vantage which were originated in the United States; and (c) Merchant represents and warrants that it will maintain at all relevant times during and after the applicable term of this Agreement reasonable insurance coverage based on its business type, size, and operations, including but not limited to an errors and omissions policy and a data/computer security and privacy policy, in not less than commercially reasonable amounts which cover all of Merchant's activities, obligations, and potential liability for both its business and its specific activities, obligations and potential liabilities in connection with this Agreement, including without limitation all indemnification obligations of Merchant hereunder, and Merchant shall promptly provide Vantage a true and correct copy of its then current certificate of insurance upon Vantage's request to Merchant of the same. Merchant is solely responsible for delivering the goods and/or rendering the services in compliance with all applicable Laws and the Merchant's own contractual arrangements with Cardholders; and (iv) resolving, at Merchant's sole cost and expense, any Cardholder dispute, refund, or Chargeback, including disputes relating to service quality, failure to render services, or failure to deliver goods. Merchant understands that enforcement of any rights it may have against a Cardholder with respect to a disputed transaction must be pursued directly against the Cardholder through legal or other remedial means, and not by reliance upon any authorization or upon Vantage's or Sponsor Bank's services.

3.8 HIGH VOLUME MERCHANT.

If Merchant processes a volume over the threshold set by the Card Brands from time to time, Merchant shall automatically become party to the attached Sub-merchant Tri-Party Agreement. Merchant hereby understands, acknowledges, and agrees that Merchant is solely responsible for monitoring its processing volume and immediately upon reaching said transition point or said processing threshold (as applicable per the Card Brands), Merchant's continued use of the Services shall be deemed Merchant's knowing and explicit consent to be bound by the terms of said Sub-merchant Tri-Party Agreement.

3.9 REPORTING.

Reporting and invoices will be provided by Vantage through the software solution through which transactions are submitted to Vantage in accordance with Vantage's standard operating procedures or the standard operating procedures of the provider of such software solution. It is Merchant's obligation to print and retain each report and invoice. Vantage makes no representation or guaranty as to the availability of such reports or invoices and they may be removed from the software solution Merchant uses at any time. The structure and organization of reports and invoices may be modified by Vantage and/or the software solution Merchant uses at any time in its sole discretion. Merchant will timely review all reports, notices, and invoices prepared by Vantage and/or its third-party service provider which are provided or accessible through the software solution used by Merchant. In addition to the other notification rights provided in this Agreement, Vantage may send notice of any price changes permitted under this Agreement through written notice or through a posting or notification in the software system used by Merchant. Merchant's failure to notify Vantage that it has not received settlement funds within two (2) business days from the date that settlement was due to occur, or failure to reject any report, notice, or invoice within 30 days from the date such report, notice, or invoice was made available to Merchant shall constitute Merchant's acceptance of the same and a waiver of all claims or disputes related thereto. For the avoidance of doubt, and in addition to all other limitations on Vantage's liability under this Agreement, Vantage will have no liability for any error, omission, or inaccuracy not reported to Vantage within 30 days of Vantage's issuance of an invoice or report on which such error or inaccuracy is included or from which any amount or other consideration is omitted (and it is Merchant's sole responsibility to ensure the provider of the software solution Merchant uses, licenses, or purchases provides all such invoices, reports, and notices to Merchant).

3.10 IMPLEMENTATION.

Merchant will, at Merchant's sole expense, take all necessary steps to, and shall, promptly convert to use of Vantage's Services under this Agreement no later than 30 days after the execution of this Agreement or such other time period agreed to by the parties. Merchant understands that the Services will be provided in accordance with Vantage's and, as applicable, any third party software solution provider's current systems, standards, and procedures, and Vantage and, as applicable, any third party software solution provider shall not be required to perform any special programming or provide any special hardware or software to implement any other system, program, or procedure for Merchant. Unless otherwise agreed in writing by Vantage, all transaction, settlement, and other data will be provided in Vantage's, and, as applicable, any third party software solution provider's, then-current data formats using Vantage's, and, as applicable, any third party software solution provider's then-current protocols and methods. Vantage and, as applicable, any third party software solution provider providing some part of the Services may make changes to the Services at any time in its sole discretion, including but not limited to changes associated with technological developments, legislative or regulatory changes, or the introduction of new services. Merchant will comply with all time deadlines, equipment and software maintenance, and upgrade requirements Vantage may reasonably impose from time to time.

4. FEES, ACCOUNTS, RESERVES, TAXES & IRS REPORTING.

4.1 DEPOSIT OF FUNDS TO MERCHANT OPERATING ACCOUNT.

Sponsor Bank will deposit to a non-interest bearing pooled account titled in the name of Sponsor Bank for the benefit of all Vantage merchants all amounts of authorized and approved Card transactions, provided however that authorization or approval of any transaction does not constitute a representation, warranty, or guaranty that such transaction complies with the terms of this Agreement and the Rules. This account is maintained by Sponsor Bank for the clearing and settlement of transactions of all Vantage merchants, including Merchant. All amounts owing to Merchant will be transferred from this account to Merchant's bank account or a Reserve Account as detailed below. The funds in this merchant operating account may be eligible for FDIC pass-through insurance up to the maximum amount as set forth in FDIC regulations, as amended from time to time. Vantage may utilize Hyperwallet payment services to deliver payments to Merchant. Such payment services are subject to the Hyperwallet Terms of Service and the Hyperwallet Privacy Policy:

<https://pay.hyperwallet.com/hw2web/consumer/page/legalAgreement.xhtml>

4.2 SETTLEMENT.

- a) **Settlement by Sponsor Bank or Processor.** Sponsor Bank or Vantage's third party processor ("**Processor**") will settle Merchant funds due from Transactions either directly to Merchant's Bank Account or to such other accounts as designated by Merchant ("**Settlement Account**"), pursuant to Merchant's settlement instructions. Merchant understands that Vantage is not responsible for settling funds to Merchant, and neither Vantage will take possession of Merchant's funds at any time. Upon receipt of Merchant's settlement funds from the relevant Card Brand, Sponsor Bank will settle received Transaction funds within the timeframe as agreed by Vantage and Processor. Except in the case of Merchants that have elected gross settlement of Transaction funds, Sponsor Bank will settle Transaction funds after withholding from such settlement funds: (i) any fees or other amounts owed to Sponsor Bank, Vantage, or Processor, and any other amounts agreed by Merchant and Vantage to be withheld from settlement funds; and (ii) any exception items described in this Agreement. If the settlement funds are insufficient to pay the amounts described in this Section, Vantage shall have the right to collect such unpaid amounts through other means, including without limitation, through instructing Sponsor Bank to offset the Reserve, or invoicing Merchant. If Merchant has elected to receive gross settlement of Transactions, the foregoing fees will be invoiced on a monthly basis, subject to certain withholdings agreed to by Merchant and Vantage. Merchant is responsible

for ensuring that all settlement instructions are true, correct, and complete. Vantage, Sponsor Bank, and Processor are not responsible for any action or inaction taken by the financial institution or other entity that issued the Card(s) to the Cardholders. If Processor or Sponsor Bank cannot transfer the funds to the Settlement Account due to inaccurate or obsolete Sponsor Bank account information entered by the Merchant, or for any other reason, including any block on the Settlement Account, the funds may be refunded to the customer or escheated under Law and they will not have any liability to Merchant for funds so refunded. Sponsor Bank, Vantage, Processor and Merchant's customers are not liable for any amounts directed to an account that has been designated as the Settlement Account by any purported representative of Merchant. If required by Vantage, Processor, Sponsor Bank, or any financial institution where the Settlement Account is maintained, Merchant agrees to sign any additional documents that may be required to authorize the deposits and withdrawals, including without limitation, ACH debits of its Settlement Account.

- b) Settlement Account Information. Settlement funds in connection with Transactions are not insured by Vantage, Processor, the Card Brands, or any third party. Merchant must establish and designate the Settlement Account in the Application in order to process any Transactions. The Settlement Account must match Merchant's legal entity name or registered DBA name. Merchant must provide Vantage and Sponsor Bank with complete and accurate information regarding the account including the name and address of the financial institution, routing number, and account number. Merchant is responsible for ensuring that all such information provided on its Application with respect to the Settlement Account is accurate and correct. Merchant authorizes Vantage to share the Settlement Account information with Sponsor Bank. Merchant must notify Vantage immediately in writing upon any change to the Settlement Account, including all blocks placed on the Settlement Account. If Merchant has a block placed on their Settlement Account, Merchant shall be liable for all settlement and Transaction failures resulting from such block, including, but not limited to Transaction and settlement failures resulting from return code R29 "Corporate Customer Advises Not Authorized."
- c) Limited Role in Settlement. Unless otherwise indicated, Vantage's role is limited to issuing payment instructions to Sponsor Bank and Processor, and all settlement activity and other handling of processed Transaction funds and the Settlement Account will be performed by Processor and/or Sponsor Bank, not Vantage. Deposits to the Settlement Account will be limited or delayed based on Merchant's perceived risk and history with Vantage as determined by the sole and absolute discretion of Vantage or Sponsor Bank, and Vantage may debit the Settlement Account for any reason permitted in this Agreement. Merchant authorizes Vantage to instruct Sponsor Bank to deposit the settlement amounts due to Merchant (namely, the Transaction amounts minus Fees and any other amounts due under this Agreement or the Direct Agreement, if applicable) to the Settlement Account. Unless otherwise agreed in writing by Vantage and Merchant, Transaction settlement will be made by Sponsor Bank via ACH to the Settlement Account.
- d) Merchant agrees that Vantage may direct Sponsor Bank to hold or redirect all funds in the settlement account or otherwise held for the benefit of Merchant if Vantage reasonably determines that there are inconsistent instructions regarding settlement or claims on the funds within the settlement account (including, without limitation, any claim by a judgment creditor of Merchant or of claims of a third party, levy or other legal process, or proceeding in bankruptcy). In its sole discretion, Vantage may elect to interplead any or all funds, freeze or hold funds, prevent withdrawals or transfers, or otherwise act to prevent or reduce loss or risk to Vantage, and, in addition to any other remedy Vantage may have, Merchant will reimburse Vantage for any costs associated with the same.

4.3 RESERVE AND SET OFF

For the purposes of providing a deposit and source of funds to pay Vantage for any and all amounts owed by Merchant, Vantage may (or may cause one of its third party service providers or Sponsor Bank to) at any time at its sole discretion establish one or more reserve accounts (each a "**Reserve Account**") in Vantage's name or Sponsor Bank's name at a depository institution and (a) fund such Reserve Account with amounts due to Merchant under this Agreement (including but not limited to proceeds from processed transactions); (b) withdraw by ACH transactions funds from Merchant's depository account and deposit such amounts into the Reserve Account; or (c) require Merchant to deposit a specified amount into the Reserve Account which Merchant will do within two days of Vantage's request. For the avoidance of doubt, the funds in the Reserve Account are the sole and exclusive property of Sponsor Bank and/or Vantage, who shall have sole control of the Reserve Account. Merchant shall only have a contingent right to repayment of Reserve Account funds after all liabilities are paid in full, and in no event shall Merchant be entitled to a return of any sums remaining in the Reserve Account before 180 days following the effective date of termination of this Agreement. The amount of the Reserve Account shall be the amount Vantage determines, at its sole discretion, reasonable to cover all anticipated fees, Chargebacks, returns, assessments, actual or anticipated liabilities, or other amounts Vantage deems necessary to protect its interests. The ability to establish and fund a Reserve Account is a specifically bargained for inducement for Vantage to enter this Agreement and Vantage would not enter this Agreement without such right. Vantage may, without notice to Merchant, set off against or recoup from the Reserve Account, any amounts due to Merchant under this Agreement (including but not limited to the proceeds of processed transactions), and/or the Secured Assets any amount due to Vantage from Merchant. The Reserve Account will be held by Vantage past the expiration of this Agreement until the later of one hundred eighty (180) days after expiration of this Agreement or such time as all actual and potential liabilities associated with Merchant's transactions and use of the Services have been fulfilled by Merchant or otherwise expired.

4.4 TAXES & IRS REPORTING.

Merchant is obligated to pay all taxes and other charges imposed by any governmental authority on the Services provided under this Agreement. Merchant understands that this does not obviate Merchant's responsibility for Merchant's tax liability incurred with the sale of goods or services regarding transaction activity associated with Merchant's account. To comply with IRS 1099-K reporting requirements, Vantage may be required to file a form 1099-K with the U.S. Internal Revenue Service (IRS). Vantage may



collect federal backup withholding upon transaction settlement, on behalf of the IRS, from Merchant if Merchant does not supply its legal name, SSN or EIN, or if Merchant fails to respond to a request from Vantage to verify the same. All withholdings will be remitted to the IRS as required by law.

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