

Important Disclosures About Your Klarna Card

Klarna Card is issued by WebBank, pursuant to a license from Visa U.S.A. Inc.

Account Opening Disclosures

Fees

Monthly Fee

\$47.88 annually (\$3.99 per month). However, this fee is waived for the first 12 months.

Penalty Fee

- Late Payment

Up to **\$7**

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in your Cardmember Agreement.

Military Lending Act Disclosure: To receive important disclosures and payment obligation information about this Agreement verbally, please call 844-KLARNA1 (844-552-7621).

CARDMEMBER AGREEMENT

General Information: This Cardmember Agreement and the Important Disclosures About Your Klarna Card ("**Important Disclosures**") (together, the "**Agreement**") is the agreement for your Klarna charge card account issued by WebBank (your "**Account**"). Key terms are defined throughout this Agreement, including in the "Definitions" section, below. The words "**we**," "**us**," "**our**" and "**WebBank**" each mean WebBank. The word "**Klarna**" means Klarna Inc., our service provider that

assists us in servicing your Account. The words "**Cardmember**," "**you**" and "**your**" each mean all persons whom we approve to use the Account, and any person who agrees to be responsible for payment of the Account. Please keep a copy of the Agreement for your records and read it carefully.

Arbitration Notice: SECTION 33 OF THIS AGREEMENT IS AN ARBITRATION PROVISION WHICH WILL APPLY TO YOU UNLESS (1) YOU ARE A COVERED BORROWER UNDER THE MILITARY LENDING ACT ON THE DATE YOU OPEN THIS ACCOUNT, OR (2) YOU REJECT THE ARBITRATION PROVISION AS PROVIDED IN SECTION 33. IF APPLICABLE, THE ARBITRATION PROVISION WILL SIGNIFICANTLY AFFECT YOUR RIGHTS IF A DISPUTE ARISES BETWEEN YOU AND US. FOR EXAMPLE, YOU WILL NOT BE ABLE TO BRING OR PARTICIPATE IN A CLASS ACTION RELATING TO MATTERS ARISING UNDER THIS AGREEMENT.

1. Definitions:

The following terms as used in this Agreement mean the following:

"Card" means any charge card, Account number, virtual account or other access device issued by us to you, or any other form of access device that can be used to access credit on your Account. Certain mobile phones or other electronic devices can be provisioned to function as a Card, such as by storing and/or accessing Account data (for example, through a mobile wallet). Transactions using such devices can proceed like an online transaction over the internet, or can function like a traditional card. Any such electronic device constitutes a "Card" under this Agreement.

"Spending Limit" means the maximum amount of credit that can be accessed using your Account at any given time.

"Minimum Payment Due" means the minimum amount you must pay us to remain in good standing. Your Minimum Payment Due will be shown on each Statement and is due within 21 days of when we reasonably attempt to deliver your Statement in accordance with federal law.

"Preferred Payment Date" is the date shown on each Statement by which we prefer you to pay at least the Minimum Payment Due shown on such Statement (i.e., the "Payment Due Date" disclosed on an applicable Statement). The Preferred Payment Date will typically be 11 days before the date you must pay the Minimum Payment Due to avoid a Late Fee. If you enroll in automatic payments, we will generally attempt to debit the applicable Minimum Payment Due on the Preferred Payment Date.

"Purchase" means using your Card (including through a mobile device or mobile wallet) to purchase or lease goods or services. "Purchases" generally include any credit adjustments related to a Purchase.

"Purchase Power" means your Spending Limit minus the outstanding balance on all Klarna-branded payment products and the outstanding balances on any other Klarna-branded credit products you may have.

"Statement" means a periodic billing statement we will provide to you if and as required by applicable law.

2. Acceptance and Use of This Account; Promise to Pay:

Acceptance and Use of This Account; Promise to Pay: By accepting a Card, activating or using the Account, or allowing someone else to do so, you agree to and accept the terms of this Agreement. You may use your Account only for personal, family, or household purposes, and not for any business, commercial or investment purpose. You promise to pay us the amount of all transactions, fees and other amounts charged to your Account.

You may make Purchase transactions up to your Purchase Power either by presenting your Card to a merchant, or by using your Card or Account number over the telephone, internet or some other electronic method, to complete such transactions.

You may be able to establish recurring periodic billing arrangements with various merchants, and it will be your responsibility to ensure such merchants are provided with current Account information. If your Account information changes, such as a change in Account number or Card expiration date, you consent to our providing such new Account information, at our discretion, to any or all such merchants, but we are not obligated to do so. If your Account is closed or your charging privileges are suspended, you understand that you may need to contact the applicable merchant(s) to ensure that the automatic transactions stop.

You may not use your Account for balance transfers, to obtain cash advances or for "quasi-cash" transactions, which include, but are not limited to, purchases of wire transfers, money orders, traveler's checks, foreign currency, lottery tickets, off-track bets and casino gambling chips. If you are somehow able to use your Account for a transaction of this type, you agree to repay any amount(s) for such transactions upon demand.

3. Pay in 4/Minimum Payment Due:

We generally calculate your Minimum Payment Due so that you can pay off all of the Purchases you made in a single billing cycle in four generally equal payments. Each billing cycle is approximately two weeks long (a "Statement Cycle"). For each Statement Cycle, we will compute your Minimum Payment Due as follows:

- We take one-fourth of the amount of all Purchases that posted during the Statement Cycle;
- We add one-fourth of the amount of all Purchases that posted during the billing cycle that was *one* cycle before the Statement Cycle;
- We add one-fourth of the amount of all Purchases that posted during the billing cycle that was *two* cycles before the Statement Cycle;
- We add one-fourth of the amount of all Purchases that posted during the billing cycle that was *three* cycles before the Statement Cycle;
- Finally, we add any unpaid Minimum Payments Due from any billing cycles before the Statement Cycle, and we add any unpaid Late Fees and Monthly Fee.

This gives us the Minimum Payment Due for the Statement Cycle. In no event will your Minimum Payment Due exceed the New Balance (including Late Fees and any Monthly Fee) shown on your Statement. In calculating one-fourth of the sum of Purchases in a cycle, we may round up to the nearest penny. We may, in our sole discretion, adjust down the Purchases that we include in any of the amounts specified in the list above in the event that you make a payment in excess of the Minimum Payment Due or a credit posts to your account (e.g., because you returned a prior Purchase).

For example, if you made \$100 of Purchases in your first billing cycle, \$200 of Purchases in your second billing cycle and \$300 of Purchases in your third billing cycle and you made no further Purchases and all required payments on time, your Minimum Payments Due would be as follows:

- First Statement Cycle: \$25 (i.e., $\$100 \div 4$)
- Second Statement Cycle: \$75 (i.e., $\$100 \div 4 + \$200 \div 4$)
- Third Statement Cycle: \$150 (i.e., $\$100 \div 4 + \$200 \div 4 + \$300 \div 4$)
- Fourth Statement Cycle: \$150 (i.e., $\$100 \div 4 + \$200 \div 4 + \$300 \div 4$)
- Fifth Statement Cycle: \$125 (i.e., $\$200 \div 4 + \$300 \div 4$)
- Sixth Statement Cycle: \$75 (i.e., $\$300 \div 4$)

(This example involves Statement Cycles occurring in the first year of the Account before the Monthly Fee is assessed. Once we begin assessing the Monthly Fee, it will be included in the Minimum Payment every two or three cycles depending on the date it is assessed.)

4. Fees.

a) Late Payment Fee: A Minimum Payment Due for a specific Statement Cycle will be past due if it is not received in the manner specified for payments on your Statement on or before the following date and time: 11:59 p.m. Eastern Time on the 21st day after we reasonably attempt to deliver your Statement in accordance with federal law. If we do not receive a Minimum Payment Due by this time, we will charge you a Late Payment Fee equal to the lesser of (i) \$7 or (ii) 25% of the outstanding balance indicated on the applicable Statement.

b) Monthly Fee: Beginning on the one-year anniversary of your Account and monthly thereafter, we will charge you a Monthly Fee equal to \$3.99. We will charge the Monthly Fee even if there is no balance on your Account in a given month. If you wish to avoid an upcoming Monthly Fee, you should close your Account before it is assessed.

5. Spending Limit and Purchase Power:

You agree we may change your Spending Limit at any time subject to applicable law. You agree never to use your Card when the use would exceed your Spending Limit, and that we are not obligated to extend credit to you for an amount that would cause your outstanding balance to exceed your Spending Limit, or for any amount if your outstanding balance is already over the Spending Limit.

If you make a transaction that would cause you to exceed your Spending Limit, we may (a) allow the transaction without increasing your Spending Limit; (b) allow the transaction without increasing your Spending Limit and treat that amount as immediately due, or (c) refuse the transaction. If we permit a transaction that causes your Account to go over-limit, it does not increase your Spending Limit and does not mean that we will do so again in the future. You will pay any amount(s) which exceeds your Spending Limit, upon demand.

In calculating the amount you can spend with your Card on any particular transaction, we will subtract from your Spending Limit amounts that you owe on any Klarna-branded payment or credit product, including the Card, Pay Later in 30, Pay in 4, Financing and the Klarna Credit Account. This is your Purchase Power. For example, if you have a Spending Limit of \$500, a Card balance of \$100 and a Pay Later in 4 balance through Klarna (a non-Klarna Card transaction) of \$100, your Purchase Power which is your available to spend on your Klarna Card will only be \$300 (not \$400). As a result, your Purchase Power may decrease or increase even though your overall Spending Limit on the Card remains the same. Your Purchase Power will be set forth in the Klarna app that you use to access your Account.

If you make a transaction that would cause you to exceed your Purchase Power, we may (a) allow the transaction while continuing to subtract amounts in the future that you owe on Klarna-branded payment and credit products; or (b) refuse the transaction.

If the transaction is refused, we may notify the person who attempted the transaction that it has been refused.

6. Illegal Activities and Card Use:

You agree not to use your Card or Account to engage in illegal activities, including, but not limited to, certain internet gambling. If you use your Card or Account to engage in any illegal activity, you understand that you will nevertheless be liable for any transactions made by use of your Card or Account, and any related interest and fees.

7. Periodic Interest on Your Account:

We will not assess any interest on your outstanding Account balance.

8. Military Lending Act:

The Military Lending Act provides protections for certain members of the Armed Forces and their dependents ("Covered Borrowers"). The provisions of this section apply only to Covered Borrowers.

- a) **Statement of Military APR:** Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specific credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).
- b) **Oral Disclosures:** Covered Borrowers may receive important disclosures and payment obligation information about this Agreement verbally by calling us toll free at 844-KLARNA1 (844-552-7621).

9. Foreign Transactions:

If a Purchase is in a currency other than U.S. dollars, the payment network supporting your Account will convert the Purchase into U.S. dollars using its own currency conversion procedures. Currently, the exchange rate is determined in one of two ways. The rate will come from either the range of rates available in the wholesale currency markets for the processing date (which may be different from the rate the payment network receives) or a government-mandated rate in effect on that date. The exchange rate used may differ from the rate on the date of your Purchase or its posting date. These rules may change without notice.

10. Document Copies, Rush Card and Other Convenience Fees:

If you request a copy of a charge slip or other document not in connection with a billing error, or if you request overnight delivery of a replacement card, or if you request any other special services, we may charge a fee to your Account, subject to applicable law. Before we do, we will disclose the fee to you at the time of your request.

11. Making Payments:

You agree to make your payments only in U.S. dollars by a means that we make available to you. In our discretion, we may delay increasing your available credit by the amount of any payment until we determine that your payment has been indefeasibly collected. We reserve the right to reject any payment that will create or increase a credit balance on your Account as of the date we receive the payment. We will not pay interest on any credit balance on your Account.

Payment received in the manner specified on your Statement, including via electronic means such as electronic debit or card charge, in proper form by 11:59 p.m. Eastern Time on a business day will be credited to your Account as of that day. Payments received in proper form after that time will be credited to your Account as of the next business day. We may, in our discretion, accept payments not received in proper form, but crediting of such payments may be delayed up to five days following receipt.

12. Irregular Payments:

We may accept late payments, partial payments, disputed payments or payments marked with restrictive writing, such as "Paid in Full" or similar language, without losing any of our rights under the Agreement. If you wish to make a payment in satisfaction of a disputed amount or balance, you

must send it to WebBank, c/o Klarna, Attn: Legal Department, P.O. Box 8116, Columbus, Ohio 43201 with a letter of explanation. Despite any such language, we may deposit such a payment without such deposit satisfying the amount in dispute or otherwise affecting our right to receive payment in full.

You may not use a post-dated check as a payment, and we may return or deposit any such check without waiting for the date found on the check. We are not liable to you for any expense or loss you incur arising from the actions we may take with respect to a post-dated check.

13. Allocation of Payments:

We will allocate payments and other credits in our sole discretion, subject to applicable law.

14. Amendments:

Subject to applicable law, we may change the terms of this Agreement for any reason or no reason, and in any respect, by adding, deleting or modifying any provision, including APRs, fees, the calculation of Minimum Payment Due and other terms. In certain circumstances, when we are required by law to notify you of changes to the terms of this Agreement, we will do so. In other circumstances we may not be required to do so. When required by law to advise you that you have a legal right to reject any changes we make, we will provide an explanation about how to do that. Changes will not apply to existing balances except where permitted by applicable law. In some circumstances, other aspects of your Account may change even though the terms of the Account do not change. We can update any address or telephone number provided in this Agreement, but we will notify you if we do so.

15. Events of Default:

We may declare you to be in default under this Agreement, to the extent permitted by law, if any of the following events occur: (a) you fail to pay any Minimum Payment Due within 21 days of when we reasonably attempt to deliver your Statement in accordance with federal law; (b) you breach any other term of this Agreement or of any other obligation or agreement you have or will have with us or our service providers; (c) you die or become insolvent; (d) a petition is filed or other proceeding is started under the federal Bankruptcy Code or any state insolvency statute by or against you; (e) a receiver is appointed or a writ or order of attachment, levy or garnishment is issued against you or any of your property assets or income; (f) we believe in good faith, that the likelihood of your paying

or performing all your obligations under this Agreement is impaired; or (g) you make a fraudulent, false or misleading statement in your Account application or otherwise in connection with any other obligation or agreement you have with us or our service providers.

PLEASE NOTE: Residents of Idaho, Iowa, Kansas, Maine, South Carolina and Wisconsin should see important terms regarding events of default below under "Additional Disclosures."

16. Remedies on Default:

If you are in default, we may, without limiting any of our rights or remedies, take one or more of the following actions: (a) declare all or any part of the total outstanding balance on your Account to be immediately due and payable; (b) terminate or suspend your Account and/or your ability to make additional transactions using the Account; (c) reduce your Spending Limit; (d) commence an action for the collection of all amounts owed in connection with this Agreement; and (e) subject to applicable provisions of law, charge you all reasonable collection expenses incurred by us in the collection of amounts you owe under this Agreement, including fees of attorneys, court costs (including costs incurred in bankruptcy and appellate court proceedings) and fees of any collection agency to which we refer your Account.

17. Waiver:

We may delay or waive enforcing our rights under applicable law or this Agreement without losing them. A waiver of rights by us shall not be deemed to be a waiver of other rights or of the same rights at any other time.

18. Transfer of Account:

You cannot transfer or assign your Account or your rights under this Agreement to any other person, and any attempt to do so is automatically void and of no legal effect. You understand and agree that we may transfer or assign all or any part of your Account balance and/or our rights under this Agreement at any time and without notice to you.

19. Cancellation:

You may close your Account by notifying us in writing, through the website, mobile application, or by telephone. You must notify anyone you have authorized to charge transactions to your Account that you have closed your Account or we may continue to allow these transactions. Your obligations on the Account will continue even though you or we have closed your Account. We may close your Account or suspend your ability to use your Account or Card, or otherwise cancel, or limit this Agreement at any time for any reason or no reason, and without notice to you, subject to applicable law. If you or we close your Account, you must destroy all Card plastics or other credit devices for the Account. We are not liable for any refusal by anyone to honor your Account or Card.

20. Liability for Account:

Except as otherwise noted herein, you are liable for all amounts due under this Agreement regardless of who receives benefit from the Account to the fullest extent permitted by law.

21. Other Users of your Account:

If you permit another person to use your Account by providing such person with a Card or the Account number, your permission will be deemed to extend to all transactions made by that person and will continue until you notify us at 844-KLARNA1 (844-552-7621) or otherwise take the necessary steps to prevent such person from making further transactions using the Account. Giving another person a device that functions as a Card and/or any information necessary to use the device as a Card has the same consequence for you as permitting such person to use your Account. You will be obligated to pay all transactions made by any person you permit to use your Account, as well as all related fees, whether or not you intended to be responsible for such charges.

22. Liability for Unauthorized Use:

If you notice the loss or theft of your Card or a possible unauthorized use of your Account or Card, you agree to write to us immediately at: WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201. You will not be liable for any unauthorized use that occurs after we receive your notice.

Under our no fraud liability policy, you will not be liable for any unauthorized purchases made through the Visa® network at merchants, including those transacted on the internet if you contact us promptly after the Statement on which the transaction occurred was mailed or electronically sent to you. You understand that we may need your assistance to help to find out what happened and correct the problem, and you agree to respond to any reasonable request for information related to

an unauthorized purchase. You understand that you are solely responsible for protecting access to, and use of, your Card and Account Information, including if your mobile phone or other electronic device can function as a Card or otherwise store your Account Information. You agree that unauthorized use does not include use by a person to whom you have given authority to use the Card or Account, and that you will be liable for all use by such a person until you notify us that such authority to use the Card or Account is no longer authorized. To terminate that authority, you must notify us at 844-KLARNA1 (844-552-7621).

23. Credit Reports and Account Information:

You give us permission to request information and to make whatever inquiries we consider necessary and appropriate, including obtaining information from third parties and requesting consumer reports from consumer reporting agencies, for the purpose of considering your application for this Account and subsequently, in connection with your Account, including any product upgrades or any updates, renewals, reviews of your Spending Limit, or reviewing or collecting your Account. You also authorize us and/or Klarna to obtain reports on you, including consumer reports from consumer reporting agencies, and to use such reports to market to you other products and/or services.

If you believe that you have been the victim of identity theft and want to exercise your rights under the Fair Credit Reporting Act, submit an identity theft report and affidavit to WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201.

24. Change of Contact Information:

You agree to notify us promptly if you change your name, address, telephone number or any other contact information. You also agree that if the U.S. Postal Service or one of its agents notifies us of a change in address for you, we may change your address based on this information. We will have no liability to you for changing your address based on such information, even if the information provided by the U.S. Postal Service or one of its agents is in error. If any Statement is returned to us because of an incorrect address, we may stop sending Statements to you until a valid address is provided to us, but for all purposes it shall be considered as if we made your Statement available to you as of the Statement date that was or would have been printed on your Statement.

25. Telephone Communication Monitoring and Contacting You:

You agree that your telephone communications with us or any of our representatives, affiliates or service providers may be monitored, recorded and retained by any of them. You expressly consent and authorize us, our representatives, affiliates, agents and service providers (including Klarna) to contact you at any telephone number you provide to us, in the application or otherwise, now or in the future, or any number you have previously provided to us, or any of our representatives, affiliates or service providers, using an auto dialer, pre-recorded messages, artificial voice, or text messages, in order to perform account authentication and to provide alerts and other information regarding your current or future applications and accounts for all products you have or may have with us. Message and data rates may apply. You also expressly consent to WebBank, or any of its representatives, affiliates or service providers (including Klarna) sending email messages regarding your Account to your email address, including emails delivered to a cell phone or mobile device. You agree that you will accept calls at your home, place of business or on a mobile telephone regarding the Account. You understand that calls may be automatically dialed and a message played; you understand and agree that these calls and messages may be read or listened to by anyone with access to your telephone or email account, and that such calls are not "unsolicited calls" for purposes of any state or federal law, and you expressly consent to receive such calls and messages. You agree that we are not liable for any resulting breach of privacy or for any charges or costs you incur in connection with text messaging, emails or other communication that we or any of our representatives, affiliates or service providers may send you. You agree that this authorization constitutes a bargained for exchange. To the extent you have the right under applicable law to revoke this authorization, you agree you may do so only by writing to us at WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201 or customerservice@klarna.com.

26. Communications Under Federal Bankruptcy Code:

Any communication with us required or permitted under the Federal Bankruptcy Code must be in writing, must include your Account number, and must be sent to WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201.

27. GOVERNING LAW; CLASS ACTION WAIVER:

THE TERMS AND ENFORCEMENT OF THIS AGREEMENT AND YOUR ACCOUNT SHALL BE GOVERNED AND INTERPRETED IN ACCORDANCE WITH FEDERAL LAW AND, TO THE EXTENT STATE LAW APPLIES, THE LAW OF THE STATE OF UTAH, WITHOUT REGARD TO CONFLICT-OF-LAW PRINCIPLES. THE LAW OF THE STATE OF UTAH, WHERE WE AND YOUR ACCOUNT ARE LOCATED AND FROM WHICH WE EXTEND CREDIT TO YOU, WILL APPLY NO MATTER WHERE YOU LIVE OR USE THE ACCOUNT. **UNLESS YOU ARE A COVERED BORROWER UNDER THE**

MILITARY LENDING ACT AT THE TIME THIS ACCOUNT IS ORIGINATED, YOU EXPRESSLY WAIVE YOUR RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION RELATED TO THIS AGREEMENT PURSUANT TO UTAH CODE ANN. § 70C-3-104.

28. Waiver of Jury Trial:

You acknowledge that the right to trial by jury is a constitutional right but may be waived in certain circumstances. To the extent permitted by law, you knowingly and voluntarily waive any right to trial by jury in the event of litigation arising out of or related to this Agreement. This jury trial waiver shall not affect or be interpreted as modifying in any fashion the Arbitration Provision below, which has its own separate jury trial waiver. This waiver does not apply if you are a Covered Borrower under the Military Lending Act at the time this Account is originated.

29. Enforceability:

Subject to and except as otherwise provided in the Arbitration Provision, if any term of this Agreement is finally determined to be void or unenforceable by a court or government agency of competent jurisdiction, that term will be enforceable to the extent allowed by such court or agency, and the remainder will no longer be a part of this Agreement. All other provisions of this Agreement will remain in effect.

30. Agreement in Writing:

This Agreement is the final expression of the agreement between you and us and it may not be contradicted by evidence of an alleged oral agreement.

31. Unsecured Credit:

Notwithstanding any language in any agreement to the contrary, this Account and this Agreement, and your obligation to pay amounts due under this Agreement, are not secured, and any security interest which might otherwise exist with respect to the Account or Agreement is hereby waived by us.

32. **ARBITRATION PROVISION:**

This ARBITRATION PROVISION does not apply if you are a Covered Borrower under the Military Lending Act at the time this Account is opened.

To the extent permitted under federal law, you and we agree that either party may elect to arbitrate – and require the other party to arbitrate – any Claim under the following terms.

A. RIGHT TO REJECT: You may reject this Arbitration Provision by mailing a personally signed rejection notice to WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201, certified mail, return receipt requested, within 60 days after your receipt of the Card after your Account is opened. Any Rejection Notice must include your name, address, telephone number and Account number. No other person may submit a rejection notice for you. If you send a rejection notice we will give you a credit for the standard cost of a letter sent by certified mail. Rejecting this Arbitration Provision will not affect any other provision of this Agreement.

B. IMPORTANT WAIVERS: If you or we elect to arbitrate a Claim, **YOU AND WE BOTH WAIVE THE RIGHT TO: (1) HAVE A COURT OR JURY DECIDE THE CLAIM; (2) PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION, WHETHER AS A CLASS REPRESENTATIVE, CLASS MEMBER OR OTHERWISE; (3) ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; OR (4) JOIN OR CONSOLIDATE CLAIM(S) WITH CLAIMS INVOLVING ANY OTHER PERSON IN COURT OR IN ARBITRATION.** Other rights are more limited in arbitration than in court or are not available in arbitration. The waivers in items (2)-(4) above are called the "Class Action and Multi-Party Waivers." The arbitrator shall have no authority to conduct any arbitration inconsistent with the Class Action and Multi-Party Waivers or to issue any relief that applies to any person or entity except you or us individually.

C. DEFINITIONS: In this Arbitration Provision, the following definitions will apply:

"**You**," "**your**" and "**yours**" mean all persons whom we approve to accept or use the Account, and any person who agrees to be responsible for payment of the Account, and the heirs, executors and assigns of all of the foregoing. "**We**," "**us**," "**our**" and "**ours**" mean WebBank; Klarna; and any servicer or any agent acting on behalf of WebBank or Klarna; all of their parents, wholly or majority owned subsidiaries and other affiliates; any predecessors, successors, and assigns of these entities; and all officers, directors, employees, agents, controlling persons and representatives thereof. These terms also include any party named as a co-defendant with us in a Claim (as defined below) asserted by you, such as a credit reporting agency, a merchant accepting a charge card, a servicing company or a debt collector. "**Claimant**" means the party who asserts or seeks to assert a Claim in a lawsuit or arbitration proceeding. "**Administrator**" means the American Arbitration Association (the "**AAA**"), 120 Broadway, Floor 21, New York, NY 10271, www.adr.org, or JAMS, 620 Eighth

Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com, provided that, if the Claimant seeks to assert a Claim in a class or multi-party basis, the Administrator must not have in place a formal or informal policy that is inconsistent with and purports to override the Class Action and Multi-Party Waivers set forth above (see the above Section B.). The Claimant will select the Administrator by filing a Claim with the Administrator of that party's choice. (If a Claimant files a lawsuit in court asserting Claim(s) that are subject to arbitration and the other party files a motion to compel arbitration, which is granted, it will be up to the Claimant to commence the arbitration proceeding.) If for any reason the selected Administrator is unable or unwilling to serve or continue to serve as Administrator, the other company will serve as Administrator. If neither the AAA nor JAMS is able or willing to serve as Administrator, you and we will mutually agree upon an Administrator or arbitrator, or the court will appoint the Administrator or arbitrator or arbitrators (in the case of a three-arbitrator panel provided for in Section H., below), subject to the limitations set forth above regarding the Class Action and Multi-Party Waivers.

D. A "**Claim**" means any legal claim, dispute or controversy between you and us that arises from or relates in any way to this Agreement, including, but not limited to, any dispute arising before the date of this Arbitration Provision and any dispute relating to: (1) any Card; (2) your Account; (3) any transaction in connection with your Account; (4) fees, charges or interest; (5) the events leading up to the Agreement (for example, any disclosure, advertisement, application, solicitation, promotion or oral or written statement, warranty or representation made by us); (6) an application for or denial of credit; (7) credit reporting; (8) benefit programs related to your Account; (9) any product or service provided by or through us or third parties in connection with the Agreement and any associated fees; (10) the collection of amounts due and the manner of collection; (11) our use or failure to protect any personal information you give us in connection with this Agreement; (12) enforcement of any and all of the obligations a party hereto may have to another party; (13) compliance with applicable laws and/or regulations; or (14) the relationships resulting from the Agreement or any of the foregoing. "**Claim**" has the broadest possible meaning. It includes initial claims, counterclaims, cross-claims, third-party claims and federal, state, local and administrative claims and claims which arose before the effective date of this Arbitration Provision. It also includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity and claims for money damages and injunctive or declaratory relief. However, "**Claim**" does not include any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court. **Also, "Claim" does not include disputes about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof (including, without limitation, this sentence, the Class Action and Multi-Party Waivers or, subparts (A) and (B) of Section K. below, captioned "SEVERABILITY"); all such disputes are for a court and not an arbitrator to decide.** Notwithstanding the foregoing, the term "**Claim**" includes any dispute about the validity or enforceability of this Agreement, as a whole; any such Claim is for the arbitrator, not a court, to decide.

E. ELECTING OR REQUIRING ARBITRATION: The Claimant may elect arbitration of a Claim by initiating an arbitration in accordance with the Administrator's rules. The other party may elect arbitration by giving written notice of an election to arbitrate. This notice may be given after a lawsuit has been filed and may be given in papers or motions in the lawsuit. If such a notice is given, the Claim shall be resolved by arbitration under this Arbitration Provision and the applicable rules of the Administrator then in effect. It will be up to the Claimant to commence the arbitration proceeding. Even if all parties have opted to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any Claim later asserted by a party in that or any related or unrelated lawsuit (including a Claim initially asserted on an individual basis but modified to be asserted on a class, representative or multi-party basis). Nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. The arbitrator will be selected under the Administrator's rules, except that the arbitrator must be a lawyer with at least ten years of experience or a retired judge, unless you and we agree otherwise.

F. LOCATION AND COSTS: Any arbitration hearing that you attend will take place in a location that is reasonably near your residence or in another location agreed to by you and us. We will consider (and generally honor) any good faith request to bear the fees charged by the Administrator and the arbitrator. We will pay the reasonable and actual expense of our attorneys, experts and witnesses, regardless of which party prevails in the arbitration, and we will pay all such reasonable and actual fees of yours if you prevail in an arbitration where you are the Claimant (even if we are not required to pay such fees under applicable law). We will also pay all such fees we are required to bear: (a) under applicable law; or (b) in order to enforce this Arbitration Provision.

G. DISCOVERY; GETTING INFORMATION: Either party may obtain from the other party prior to the hearing any information available under the Administrator's rules or any relevant information the arbitrator determines should in fairness be made available.

H. EFFECT OF ARBITRATION AWARD: Any state or federal court with jurisdiction and venue may enter an order enforcing this Arbitration Provision, enter judgment upon the arbitrator's award and/or take any action authorized under the Federal Arbitration Act, 9 U.S.C. §§1 *et seq.* (the "**FAA**"). For any arbitration-related proceedings in which courts are authorized to take actions under the FAA, each party hereto expressly consents to the non-exclusive jurisdiction and venue of any state court of general jurisdiction or any state court of equity that is reasonably convenient to you, provided that the parties to any such judicial proceeding shall have the right to initiate such proceeding in federal court or remove the proceeding to federal court if authorized to do so by applicable federal law. The arbitrator's award will be final and binding, except for: (1) any appeal right under the FAA; and (2) Claims involving more than \$50,000. For Claims involving more than \$50,000 (including claims where the cost of any requested injunctive or declaratory relief would potentially exceed \$50,000), if permitted by the rules of the Administrator, any party may appeal the award to a three-arbitrator panel appointed by the Administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for

any appeal right under the FAA. Costs of any appeal will be governed by Section F. above. No arbitration award involving the parties will have any preclusive effect as to issues or claims in any dispute involving anyone who is not a party to the arbitration, nor will an arbitration award in prior disputes involving other parties have preclusive effect in an arbitration between the parties to this Agreement.

I. GOVERNING LAW: This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the FAA, and not by any state law concerning arbitration. The arbitrator shall follow applicable substantive law to the extent consistent with the FAA, applicable statutes of limitation and applicable privilege rules, and shall be authorized to award all remedies permitted by applicable substantive law, including, without limitation, compensatory, statutory and punitive damages (subject to constitutional limits that would apply in court), declaratory, injunctive and other equitable relief, and attorneys' fees and costs. Upon the timely request of either party, the arbitrator shall write a brief explanation of the basis of his or her award. The arbitrator will follow rules of procedure and evidence consistent with the FAA, this Arbitration Provision and the Administrator's rules.

J. SURVIVAL; PRIMACY: This Arbitration Provision shall survive your full payment of amounts due on your Account under the Agreement; termination or cancellation of the Agreement; our sale, assignment or transfer of the Agreement, the Account or any Account receivables; any legal proceeding to collect a debt owed by you; any bankruptcy or insolvency; and any postponement of payments, waiver of payments or modification granted pursuant to the Agreement. In the event of any conflict or inconsistency between this Arbitration Provision and the Administrator's rules or the Agreement, this Arbitration Provision will govern.

K. SEVERABILITY: If any portion of this Arbitration Provision cannot be enforced, the rest of the Arbitration Provision will continue to apply, except that (A) the entire Arbitration Provision (other than this sentence) shall be null and void with respect to any Claim asserted on a class, representative or multi-party basis if the Class Action and Multi-Party Waivers are held to be invalid, subject to any right to appeal such holding, and (B) if a Claim is brought seeking public injunctive relief and a court determines that the restrictions in the Class Action and Multi-Party Waivers prohibiting the arbitrator from awarding relief on behalf of third parties are unenforceable with respect to such Claim (and that determination becomes final after all appeals have been exhausted), the Claim for public injunctive relief will be determined in court and any individual Claims seeking monetary relief will be arbitrated. In such a case the parties will request that the court stay the Claim for public injunctive relief until the arbitration award pertaining to individual relief has been entered in court. In no event will a Claim for public injunctive relief be arbitrated.

L. NOTICE OF CLAIM; RIGHT TO RESOLVE; SPECIAL PAYMENT: Prior to initiating, joining or participating in any judicial or arbitration proceeding, whether individually, as a class representative or participant or otherwise, regarding any Claim, the Claimant shall give the other party written notice of the Claim (a "**Claim Notice**") and a reasonable opportunity, not less than 30 days, to resolve the

Claim. Any Claim Notice you send must include your name, address, telephone number and Account number. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. You may only submit a Claim Notice on your own behalf and not on behalf of any other party. The Claimant must reasonably cooperate in providing any information about the Claim that the other party reasonably requests. If: (i) you submit a Claim Notice in accordance with this paragraph on your own behalf (and not on behalf of any other party); (ii) we refuse to provide the relief you request before an arbitrator is appointed; and (iii) an arbitrator subsequently determines that you were entitled to such relief (or greater relief), the arbitrator shall award you at least \$7,500 plus any arbitration fees and attorneys' fees and costs to which you may be entitled under this Arbitration Provision or applicable law.

33. BILLING RIGHTS SUMMARY

YOUR BILLING RIGHTS: KEEP THIS DOCUMENT FOR FUTURE USE

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

WHAT TO DO IF YOU FIND A MISTAKE ON YOUR STATEMENT

If you think there is an error on your statement, write to us at: WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201. In your letter, give us the following information:

- **Account information:** Your name and Account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

You must notify us of any potential errors **in writing**. You may call us, but if you do we are **not required** to investigate any potential errors and you may have to pay the amount in question.

WHAT WILL HAPPEN AFTER WE RECEIVE YOUR LETTER

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your Spending Limit.

After we finish our investigation, one of two things will happen:

- **If we made a mistake:** You will not have to pay the amount in question or any interest or other fees related to that amount.
- **If we do not believe there was a mistake:** You will have to pay the amount in question along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within **10 days** telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

YOUR RIGHTS IF YOU ARE DISSATISFIED WITH YOUR CHARGE CARD PURCHASES:

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these is necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your charge card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your charge card Account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us **in writing** at:

WebBank c/o Klarna

P.O. Box 8116

Columbus, Ohio 43201

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

34. Additional Disclosures

IDAHO, IOWA, KANSAS, MAINE AND SOUTH CAROLINA RESIDENTS ONLY: We may declare you to be in default if the prospect of your payment or performance is significantly impaired (for Iowa residents, if, following an event of default, the prospect of your payment is materially impaired). We have the burden of establishing the impairment of such prospect of payment or performance.

IOWA, MISSOURI, NEBRASKA, AND TEXAS RESIDENTS ONLY: ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FORBEAR FROM ENFORCING REPAYMENT OF DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE. TO PROTECT YOU AND US FROM ANY MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

CALIFORNIA AND UTAH RESIDENTS: As required by California and Utah law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.

NEW YORK, RHODE ISLAND AND VERMONT RESIDENTS: You understand and agree that we may obtain a consumer credit report in connection with any updates, renewals or extensions of any credit as a result of your application and card membership. If you ask, you will be informed whether or not such a report was obtained and, if so, the name and address of the agency that furnished the report. You also understand and agree that we may obtain a consumer credit report in connection with the review or collection of any extension of credit made to you or for other legitimate purposes related to such extension of credit.

WISCONSIN RESIDENTS ONLY: We may declare you to be in default (a) if you fail to pay the first payment or last payment within 40 days of its scheduled due date or deferred due date or (b) if you fail to observe any other provision of this Agreement, the breach of which materially impairs your ability to pay the amounts due under the Agreement.

MARRIED WISCONSIN RESIDENTS: If you are married: (i) you confirm that this Account is being incurred in the interest of your marriage or family; (ii) no provision of any marital property agreement, unilateral statement, or court decree under the Wisconsin Marital Property Act will adversely affect a creditor's interest unless, before the time credit is granted, the creditor is furnished a copy of that agreement or decree or is given complete information about the agreement or decree; (iii) you understand and agree that we will provide a copy of this Agreement to your spouse for his or her information. If the Account for which you are applying is granted, you will notify us if you have a spouse by sending your name and your spouse's name and address to us at WebBank c/o Klarna, P.O. Box 8116, Columbus, Ohio 43201.