

This is an Addendum (this "Addendum") to the Merchant and/or ACH Origination Agreement (the "Agreement"), between \_\_\_\_\_, (the "Merchant"), ISO, and Bank/ODFI ("Bank") as defined in the Agreement.

This Addendum shall be deemed to be integrated into and added to the Agreement. The Addendum shall be fully subject to all the terms and conditions of the Agreement. This Addendum shall be additive to the Agreement and shall not limit or supersede any of the Agreement's terms. For any conflict between the Agreement and this Addendum, the Agreement shall control. All capitalized terms not defined herein shall have the meaning set forth in the Agreement.

WHEREAS the Merchant provided certain representations and warranties in the Merchant Agreement related to Merchant's compliance with applicable law;

WHEREAS the Merchant desires that ISO and the Bank process payments related to the Merchant's sale of Hemp and Hemp-derived cannabidiol ("CBD") products (the "Hemp Products"), as the term Hemp is defined by the Agricultural Improvement Act of 2018; and

WHEREAS, as a condition of rendering the Services to Merchant, Merchant must execute this Addendum, making each of the acknowledgements, representations, warranties, and/or agreements contained herein.

NOW THEREFORE, as an inducement to, and in consideration of, ISO and the Bank processing the Merchant's payments related to its sale of CBD Products, the Merchant makes each of the representations, warranties, acknowledgements and/or agreements contained herein as follows:

**Representations, Warranties and/or Acknowledgements.**

- The individual executing this Merchant Agreement Certification on behalf of Merchant is duly authorized to make the statements contained herein, and to bind Merchant in accordance with the terms hereof.
- Merchant is engaged in the business of offering CBD, Hemp, and/or related Hemp products and has obtained, and throughout the term of the Agreement will maintain, all local, state, and federal licenses, registrations, and approvals required to conduct such business in the states where Merchant conducts business and where Merchant's customers reside.
- Merchant does not know of any reason that could lead to the revocation or cancellation of any license and has not received notice from any governmental authority of any revocation or intention to revoke, suspend or modify any license.
- Merchant understands and acknowledges that the Agreement requires Merchant to abide by all Applicable Laws, and all Association Rules. Merchant understands that the inclusion of Applicable Law or a particular Rule herein does not limit or narrow Merchant's obligations to be aware of and compliant with Applicable Law and Association Rules.
- Merchant shall provide a list detailing each and every Hemp Product Merchant sells at the time of application (a "Product List"). Merchant understands that Merchant may not sell products that are not disclosed on the Product List. Further, Merchant shall not make any changes to products set forth on the Product List without prior written approval from Bank and ISO. Further, Merchant agrees that no new products may be made available to consumers without prior approval from Bank and/or ISO.
- Merchant attests that all Hemp Products Merchant sells or may sell in the future do not contain THC in amounts in excess of 0.3% by dry weight. Merchant understands that at any time, Bank and/or ISO may request documentation validating compliance with applicable law, including, without limitation, lab results validating THC levels are within permissible ranges. Merchant agrees to provide requested documentation promptly, or within three (3) days of a request from ISO and/or Bank.
- Merchant will use age verification protocols when transacting to adhere with Applicable Law.
- Merchant represents that it has verified that its suppliers of any Hemp Products have all the necessary licenses and registrations related to the products supplied.
- Merchant, in a commercially reasonable manner, will monitor the respective state(s) they operate, sell, or advertise in to

ensure they are compliant and legal while making proper changes should any rules, laws, or regulations change. In the case Merchant operates in a new state, county or municipality with specific requirements, Merchant will provide a separate attestation of how it satisfies the respective rules and shall be signed by the principal(s).

- Merchant attests that each Hemp Product is excluded from the definition of “marijuana” in the Controlled Substances Act (21 U.S.C. §801 et. Seq.), as amended (the “CSA”), and has been approved for sale under applicable federal and state laws, rules and regulations. Merchant will fully comply with:
  - The Federal Food, Drug, and Cosmetic Act, 21 U.S.C 301, et seq.
  - Federal Trade Commission Act, 15 U.S.C. Sections 41-58
  - All other applicable federal, state, and local laws, rules and regulations in connection with the sale of Hemp Products.

**Websites and URLs.** Merchant agrees to disclose to ISO each and every URL it uses to sell its products or market its business to consumers. This includes an obligation to update ISO as to any new or changed URLs. Merchant acknowledges and agrees that ISO (or a vendor engaged by ISO) will monitor their URLs monthly, and that **Merchant will be charged a fee of \$15.00 per URL per month for such monitoring.** This fee will begin upon ISO’s acceptance of the Agreement and shall continue for each full or partial month in which the Agreement is in effect. Merchant authorizes ISO to initiate debit entries for the foregoing fee on a monthly basis from the Operating Account or any other account authorized by the Agreement.

**General Advertising Practices.** Merchant attests they will strictly comply with regulatory requirements in respect to marketing tactics and claims made to ensure they are compliant with regulators, including without limitation, the FTC and FDA. Additionally, Merchant attests that it will not advertise that its Hemp Products cure, prevent, treat, help, any condition, illness, or have any preventative qualities.

Furthermore, Merchant attests it will not participate in the following activities:

- Send unsolicited emails and/or perform outbound telemarketing
- Advertise unreasonable or unsubstantiated results/claims.
- Use any unapproved government and/or celebrity names in any advertisements (i.e. professional athletes, Oprah, U.S. Government, etc.).
- Use any unapproved news source logos in advertisements (i.e. CNN, Fox News, etc.).
- Utilize uncorroborated news source websites or any fake testimonials.
- Create any false sense of urgency (i.e. time clock stating stock may run out).

**Prohibited Billing Practices.** Merchant attests that it will not participate in the identified activities:

- Bill the cardholder for any product not clearly disclosed on the payment page, confirmation page, and terms & conditions
- Share cardholder’s information with third parties (for upsell or other purposes) unless clearly disclosed, such as with delivery of the product
- Fail to honor any request to stop recurring charges
- Make its charges confusing or misleading in any form
- Any “free” trial practices or negative option billing, including any advertisement that the trial is free, risk-free, or similarly indicate zero risk
- Change any order to surpass the amount ordered by the customer or charging any customer for any product or misrepresenting the cost of any good or service without the consumers’ express, informed consent.

#### **Miscellaneous.**

- **Notice.** Merchant will immediately notify ISO and Bank in writing of any inquiry, investigation, complaint, charge, subpoena, claim, civil investigative demand, request for information, judgment, injunction, restraining order, cease and desist order, any similar judicial, quasi-judicial, administrative, or executive order, or any license or permit revocation or cancellation, by any local, state or federal law enforcement or regulatory agency, entity, or official in connection with or relating to

Merchant's business including without limitation any complaints, charges or claims against Merchant by any customers of Merchant or by any local, state or federal official.

- **Indemnity.** In addition to the indemnity obligations set forth in the Agreement, Merchant will also indemnify and hold ISO and Bank harmless from and against any and all losses, costs, liabilities, damages and expenses (including attorneys' fees and collection costs) resulting from or incurred in connection with any breach of the Agreement including and as modified by this Addendum, and/or resulting from or incurred in connection with any inquiry, investigation, complaint, charge, subpoena, claim, or request for information of or against Merchant, or against or involving ISO or Bank in connection with Merchant, by any local, state or federal law enforcement or regulatory agency in connection with or relating to Merchant's business including without limitation any complaints, charges or claims by any customers of Merchant or by any local, state or federal official.
- **Termination.** Merchant understands that ISO or Bank may terminate the Agreement effective immediately in the event of any breach of this Addendum, an Event of Default, or as otherwise set forth in the Agreement.

**Legal Advice.** This Addendum is not legal advice to Merchant from Bank and/or ISO. Merchant is strongly encouraged to obtain its own legal counsel regarding matters of compliance in its business; however, Merchant shall be responsible for complying with Association Rules and Applicable Law, regardless of whether it chooses to obtain legal counsel, and may be required to provide legal opinions as may be provided herein or the Agreement.

Merchant:

By:

Print Name:

Its:

Dated: