

Important Disclosures About Loans Through the Debit Flex Card

Interest Rates and Interest Charges

Annual Percentage Rate (APR) for Pay in 4 Installments with Fee	0.00%
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For Credit Card Tips from the Consumer Financial Protection Bureau

To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <http://www.consumerfinance.gov/learnmore>.

Fees

Late Fee	Up to \$7
Origination Fee for Pay in 4 Installments with Fee	\$1- 3 based on the amount of the loan at the time of application.

How We Will Calculate Your Balance: Your Pay in 4 Installments with Fee loans will not accrue interest.

Billing Rights: Information on your rights to dispute transactions and how to exercise those rights is provided in Section H below.

Credit Accessible through the Debit Flex Card: You may be offered the opportunity to apply for Pay in 4 Installment with Fee Loans through the Klarna app that can be accessed through the Debit Flex Card. The terms that govern these loans will be separately presented to you and agreed to by you at the time you apply for the loan. Pay in 4 Installments with Fee Loans (up to \$3 Service Charge; up to \$7 Late Fee) may be accessed through the Debit Flex Card along with high-level information about their finance charges and late fees. For more detailed information on the cost of any product, please see the pricing information made available to you when you are offered or approved for such a product.

Military Lending Act Disclosure: To receive important disclosures and payment obligation information about this Agreement verbally, please call 866-483-6518. See your account agreement for a written disclosure concerning the maximum permitted Military APR. If you are a Covered Borrower under the MLA, the arbitration provision in the account agreement will not apply to you.

Klarna balance Deposit Account and Debit Flex Card Agreement

This Klarna balance Deposit Account and Debit Flex Card Agreement ("**Agreement**") governs the Klarna balance Account and the Debit Flex Card offered through the Klarna application and website ("**Klarna App**"). This agreement defines the relationship between you, the depositor ("**you**") and WebBank ("**Financial Institution**" or "**we**", "**us**"), the provider of the Klarna balance Account and the Debit Flex Card. The Important Disclosures About Credit Plans Available Through Debit Flex Card are incorporated as part of this Agreement with respect to the Debit Flex Card's ability to access credit.

Electronic Funds Transfer Disclosures

Billing Rights for Credit Purchases

Truth in Savings Act Disclosure

Arbitration Notice: SECTION O 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 O. 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.

A. Opening an Account

The Kb Account is an interest bearing Negotiable Order of Withdrawal ("**NOW**") account held at WebBank, Member FDIC. The Klarna Debit Flex Card is a Visa card linked to your Kb Account that can access previously applied for and approved Pay in 4 Installment with Fee Loans (each, a "**Loan**"). When you make a purchase with the Debit Flex Card, the transaction will be processed by default as a debit transaction, unless you previously elected to apply for and were approved for a Loan in which case it will be processed as a Loan transaction.

1. USA PATRIOT Act Disclosure

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

2. Eligibility

You must be at least eighteen (18) years old to open a Kb Account and must be a resident of the United States. You represent and warrant that you are at least 18 years old, that you are a legal resident of the United States, and that your enrollment in and use of Kb Account is in compliance with laws and regulation.

B. Klarna balance Account Information

1. Rate Information: Your interest rate and Annual Percentage Yield ("**APY**") depend on your Klarna Membership type. Please see the [Klarna balance Rates & Fees](#) for the current information, which is incorporated into this Agreement by reference. Your interest rate and APY are variable and subject to change. At our discretion, we may change the interest rate on your account. We may change the interest rate on your account at any time.
2. Compounding and Crediting: The interest on your account will be compounded and credited on a monthly basis and posted to your account on the 1st day of every month. If you close your account before interest is credited, you will not receive the accrued interest.
3. Balance Computation Method: Daily balance method is used to calculate interest on your Kb Account. This method applies a daily periodic rate to the principal in the account each day. A daily rate of 1/365 or 366 of the interest rate is used, depending on the number of days in the calendar year.
4. Accrual of interest: Interest will begin to accrue no later than the next Business Day following the Business Day on which your funds were received in your Kb Account.
5. Fees and Minimum Balance: You may be charged a fee in connection with your Klarna Membership. Your Klarna Membership type will affect certain features of your Kb account. Please see your [Klarna balance Rates & Fees](#) for current information regarding such fees. For each transfer you make using our "Withdrawal by Push to Card" functionality, we will charge you a fee of 1.75% of the amount of transaction with a minimum fee of \$0.25. There is no minimum balance required for you to open a Kb Account or to earn the APY.

6. Number or dollar amount of withdrawals or deposits: You may make deposits and withdrawals in to and out of your deposit account, subject to the transaction limits described in the [Klarna balance Rates & Fees](#).

C. Depositing Funds

You can add funds in the form of U.S. Dollars to your Kb Account using electronic transfer methods listed in Section H on a one-time or recurring basis. We do not accept deposits through wire transfer, cash, or checks. When we receive a deposit into your account, you will not receive any separate notice of our receipt apart from the information included in the periodic statement.

We may refuse to accept deposit transfers or may require you to provide further information or documentation for any reason and at any time in our sole discretion.

D. Availability of Funds and Processing

We receive transactions in to and out of your Kb Account throughout the day. Funds that are available for your use or withdrawal in your Kb Account at any given time are referred to as the "Available Balance." Your Available Balance throughout the day takes into account all of the incoming and outgoing transactions and reflects the amount of available funds that you can use or withdraw. Our policy is to not accept cash, checks, or wires for deposit. Electronic deposits will be made available on the first business day after the day we receive the funds. Once the funds are available, you may use those funds to make electronic transfers.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays, and federal banking holidays.

If you apply for a Pre-purchase Loan in the Klarna App as described in Section F below, your Pre-purchase Loan amount will not be deducted from your Available Balance.

1. Error Adjustment

If funds are transferred or credited to your Kb Account by mistake or other error, we may correct the situation by deducting the amount of the erroneous transfer or credit from your Kb Account without prior notice to you.

E. Withdrawal of Funds

1. Ability to Withdraw Funds

You can withdraw funds from your Kb Account on a one-time or recurring basis. Pursuant to federal law, we reserve the right to require you to give us written notice of your intention to make a withdrawal seven (7) days before the withdrawal is made. By permitting you to make a withdrawal without requiring seven (7) days prior notice, we are not waiving our right to require the notice.

1. Negative Balance

You may not withdraw funds in an amount larger than what you have available in your Kb Account. If there are not sufficient funds in your account to cover the entire amount of withdrawal, your transaction will be rejected. We do not charge any fees associated with insufficient funds. There may still be instances where your Kb Account gets overdrawn due to unforeseen circumstances, such as the timing of debits and credits on your Kb Account. If an electronic payment credited to your account is reversed, we will deduct the amount from your Kb Account which may result in a negative balance. If you do not have sufficient funds in your Kb Account, this will result in a negative balance. When negative balance occurs, you are required to deposit funds into your Kb Account at least in the amount of negative balance at least in the amount of the negative balance so that the funds in your Kb Account equal at least \$0. We may initiate a collection effort for your negative balance and we may choose to close your Kb Account.

F. Debit Flex Card

1. Activating or Cancelling the Debit Flex Card

By agreeing to this Agreement, you have requested to open a Kb Account and to receive a virtual Debit Flex Card associated with the account. If you enroll in a Klarna Membership Plan, which is subject to the Klarna Membership Plan Agreement, you will receive a physical card in the mail which you will activate by following instructions that arrive with the card. When you activate your Debit Flex Card, you will be able to start using your Debit Flex Card to make purchases at participating merchants. When you use your Debit Flex Card to make a purchase, the funds in the amount of your purchase will be debited from your Kb Account. If you apply for and are approved for a Loan using the Klarna App, your purchase will not be debited from your Kb Account and will be subject to the separate Loan you accessed with the Debit Flex Card.

We may cancel your Debit Flex Card for any reason and at any time at our sole discretion. You may cancel your Debit Flex Card by contacting us in the Klarna App or by calling us at 1 (888) 518-2771.

1. Credit Terms Summary

In addition to using your card as a debit card to pull funds from your Kb Account, your Debit Flex Card has the ability to access credit when you select “credit mode” for your next purchase within the

Klarna App after you have been approved for a Loan. Obtaining the Debit Flex Card does not guarantee that you will be approved for credit. You will be required to apply for and be approved for each Loan separately, and enter into a separate loan agreement in order to obtain each Loan. Each Loan will be governed by such separate loan agreement and will have a separate payment due date and a separate payment amount due. If you apply for and receive a Pay in 4 Installments with Fee Loan, your payments will be due biweekly.

If you apply for and are approved for a Loan in the App in advance of making a purchase (a "Pre-Purchase Loan"), you will have 24 hours to utilize the loan. We call this the "credit authorization" time period. The next purchase you make with your card during the credit authorization time period up to the approved Loan amount will disburse loan proceeds to the merchant. You will then be responsible for repaying the Loan in accordance with your loan agreement which you consented to at the time you applied to and were approved for a Pre-Purchase Loan. If the next purchase is more than the approved Loan amount, the transaction will be processed as a debit transaction. If you are approved for a Pre-Purchase Loan and do not complete the intended transaction using your Debit Flex Card within the authorization window displayed in the App, we will cancel the Pre-Purchase Loan and you will need to re-apply if you wish to use your Debit Flex Card in credit mode. You can cancel any Pre-Purchase Loan in the App at any time within the credit authorization time period up to the time of purchase if you no longer wish to make a credit purchase

1. 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. 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 dependents 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 specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

To receive important disclosures and payment obligation information about this Agreement verbally, please call (866) 483-6518.

1. Card Usage

You agree to use your Kb Account and Debit Flex Card only for personal, family, or household purposes. You also confirm that your Kb Account and Debit Flex Card will not be used for purposes that are illegal under federal or state law, including without limit illegal gambling activity. You agree and represent to us that your loan proceeds are not being used for: (i) engaging in any illegal activity; (ii) any post-secondary educational expenses, including, but not limited to, tuition, fees, books,

supplies, miscellaneous expenses, or room and board; (iii) purchasing or carrying any securities; (iv) investing, trading, or speculating in any currencies, including without limitation cryptocurrencies or digital currencies or any futures or derivatives thereof; (v) cash withdrawals; (vi) transactions involving items that are directly convertible to cash, for example wire transfer money orders, prepaid cards or prepaid digital wallets, foreign currency, money orders and travelers checks; (vii) gambling, including but not limited to, lottery tickets, government owned lotteries, casinos, casino gaming chips, off-track betting, horse/dog racing and other wagers at race tracks; and at (viii) massage parlors, escort and similar services. We reserve the right to deny transactions or authorizations from merchants that appear to be engaged in illegal activities.

We are not responsible if anyone does not allow you to use your Debit Flex Card or refuses to accept your Debit Flex Card. We may decline any transaction at any time for any reason at our sole discretion.

If you give your Debit Flex Card to any other person to use or otherwise authorize any person to use your Debit Flex Card, you will be responsible for that person's use of your Card and anyone else they allow to use your Card, even if you did not anticipate, or agree to, that use. You are responsible for such transactions with your Card.

If you think that someone other than you has gained access to your Debit Flex Card, you should inform us immediately. You should not write down the PIN or share it with anyone. If you think that someone other than you has gained access to the PIN, you should inform us immediately.

1. Digital Wallet Usage

You can add or remove your Debit Flex Card from a digital wallet by following the instructions provided by the wallet provider. By doing this, you allow us to share your Debit Flex Card information with the wallet provider. You must also accept the terms provided by the wallet provider. We do not charge you any additional fees for adding your Debit Flex Card to a wallet or for using your Debit Flex Card in the wallet. The wallet provider and other third parties may charge you fees and we are not responsible for services provided by any third party wallet providers.

1. Card Not Present Transactions

If you initiate a transaction without presenting your Debit Flex Card (such as for an internet purchase), the legal effect will be the same as if you used the Debit Flex Card itself. We may limit the dollar amount for Card Not Present Transactions.

1. Foreign Transactions

You may use your Debit Flex Card in foreign countries except in restricted or prohibited countries. If you obtain funds or make a purchase in a currency other than US Dollars, the amount will be converted by Visa into US Dollars using the procedures established by Visa and based on the exchange rate in effect at the time the transaction is processed and deducted from your Kb

Account. The exchange rate between the transaction currency and the billing currency used for processing foreign transactions is a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or a government-mandated rate in effect for the applicable central processing date, in each instance. The exchange rate used may differ from the rate on the date of your transaction or its posting date.

1. Split Transactions

If you wish to split your transaction when you make a purchase at a merchant, you must instruct the merchant to charge a part of the purchase with the Debit Flex Card, and pay the remaining amount with cash or another card. You must inform the merchant that you would like to split the transaction before the Debit Flex Card is used. If you do not and the amount of transaction is more than the amount of funds in your Kb Account, your Debit Flex Card will be declined.

1. Authorization Holds

Merchants may request to obtain a preauthorization for any purchase you make with your Debit Flex Card. In those instances, your funds will be placed on hold for the amount of the authorization temporarily. If you are using the debit feature of your Debit Flex Card, you must have a sufficient Available Balance in your Kb Account. Otherwise, you won't be able to access the preauthorized amount in your Kb Account. If the preauthorization request varies from the amount of the actual transaction, the actual transaction amount will be charged.

1. Returns and Refunds

If you return a purchase using funds from your Kb Account, we will aim to credit the return amount to your Kb Account. If you return a purchase made using a Loan, we will aim to apply the return amount to the outstanding balance of your Loan for that purchase and any excess amount to your designated repayment funding method, unless you've elected to receive all your excess return amounts into your Kb Account. We reserve the right to credit the return amount to your Kb Account for any purchases that you wish to return.

G. Statements and Cell Phone Communications

1. Statements and Notices

(i) Kb Account

We will make a monthly account statement available for Kb Account during each statement period. The specific dates covered by your statement period will be on the account statement document. You will receive a paperless statement in your Klarna App and we may not post a statement if your account has not had any other Electronic Funds Transfer (EFT) activities than the interest payment. You may receive other paperless notices related to your Kb Account in your Klarna App.

(ii) Loans

You will receive a monthly statement for any credit accessed through the Debit Flex Card for any month with an outstanding loan balance. These statements will be separate from monthly account statements for the Kb Account.

2. Change in Personal Information

If your name, address, email address or phone number, or any other personal information has changed, you agree to notify us immediately in the Klarna App or at 1 (888) 518-2771. We are only required to send you a notice or any other communication to your last known address or your email address.

3. Cell Phone Communication

By providing your cell phone number, you expressly consent to receiving communications and messages on the phone number you provided, including communications using automatic telephone dialing system or an artificial or prerecorded voice. Such communications may concern any aspect of your Kb Account, Debit Flex Card, or the Loans you access through the Debit Flex Card. 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, although they have no obligation to do so. You also expressly consent to WebBank, or any of its representatives, affiliates or service providers (including Klarna, Inc. "Klarna") sending email messages regarding your Kb Account to your email address at any time of the day or night, including emails delivered to a cell phone or mobile device.

H. Electronic Funds Transfer Disclosure

These provisions govern Electronic Funds Transfers ("EFT") in connection with your Kb Account and the Klarna Debit Flex Card.

1. Consumer Liability

Tell us AT ONCE if you believe your Debit Flex Card or your PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission. You

could lose all the money in your account. If you tell us within 2 business days after you learn of the loss or theft of your Debit Flex Card or PIN, you can lose no more than \$50 if someone used your Debit Flex Card or PIN without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your Debit Flex Card or PIN, and we can prove we could have stopped someone from using your Debit Flex Card without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was issued to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

2. Contact in event of unauthorized transfer. If you believe your Debit Flex Card has been lost or stolen, call: (888) 518-2771 or write: WebBank c/o Klarna, 800 N. High St., Suite 300, P.O. Box 8116, Columbus, OH 43215. You should also call this number or write to the address listed above if you believe a transfer has been made using your information without your permission.
3. Business days. For purposes of these disclosures, our business days are Monday through Friday. Holidays are not included.
4. Transfer types and limitations.

(i) Account Access

You may use your Debit Flex Card to: (i) pay for purchases at places that have agreed to accept the Debit Flex Card; and make recurring payments at places that have agreed to accept the Debit Flex Card.

(ii) Limitations on frequency of transfers

You may make deposits and withdrawals in and out of your deposit account, subject to the transaction limits described in [Klarna balance Deposit Rates & Fees](#).

5. Fees. As detailed in the [Klarna balance Rates & Fees](#), we will charge you a fee of 1.75% of the amount of transaction with a minimum fee of \$0.25 for each transfer you make using our “Withdrawal by Push to Card” functionality. “Withdrawal by Push to Card” enables you able to withdraw funds from Kb account and send to another account at a financial institution using a Visa or Mastercard debit card linked to that account.
6. Confidentiality. We will disclose information to third parties about your account or the transfers you make:
 - (i) Where it is necessary for completing transfers,

(ii) In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant,

(iii) In order to comply with government agency or court orders, or

(iv) If you give us written permission.

7. Documentation.

(i) Preauthorized credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at (888) 518-2771 to find out whether or not the deposit has been made.

(ii) Periodic Statements. You will get a monthly account statement unless there are no transfers in a particular month. In any case you will get the statement at least quarterly.

8. Preauthorized payments.

(i) Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at: (888) 518-2771 [or write us at: WebBank c/o Klarna, 800 N. High St., Suite 300, Columbus, OH 43215, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

(ii) Notice of varying amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

(iii) Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

9. Financial institution's liability. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance: if, through no fault of ours, you do not have enough money in your account to make the transfer; the system was not working properly and you knew about the breakdown when you started the transfer or (iii) if circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.

0. In Case of Errors.

In Case of Errors or Questions About Your Electronic Transfers Telephone us at 1-(888) 518-2771, or write us at WebBank c/o Klarna, 800 N. High St., Suite 300, Columbus, OH 43201, or contact us by Klarna App as soon as you can. If you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(i) Tell us your name and account number (if any).

(ii) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(iii) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

1. ATMs. You are not able to access any Automated Teller Machines (“ATM”) with Debit Flex Card. You will not be able to make withdrawals or deposits using ATMs.

I. Loan Purchases Billing Rights

Your Billing Rights for Loan Purchases

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

800 N. High St., Suite 300

Columbus, Ohio 43215

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.

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 CREDIT PURCHASES:

If you are dissatisfied with the goods or services that you have purchased with your Debit Flex 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

800 N. High St., Suite 300

Columbus, Ohio 43215

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.

J. Setoff and Security Interest

If you owe a debt to us or any of our affiliates (either now or in the future) that is due or overdue, you grant us a right of setoff to, and a security interest in, all of your accounts to secure the debt and, as a consequence, we may use funds in your Kb Account to pay all or part of that debt. Our security interest will be governed by Uniform Commercial Code Article 9, whether Article 9 applies by its terms or not. We do not have to give you any prior notice to apply the funds except as required by law. To the extent permitted by law, you expressly agree that our rights extend to any federal or state benefit payments (including Social Security benefits) deposited to your account. The right of setoff does not apply if the debt is created under or in connection with a consumer credit card plan. Any term that may exist in another agreement that governs your debt that may also provide for such rights provided here will be governed by that agreement. If any federal benefits or other payments are deposited to your account after you become ineligible to receive them, we may reduce your account balance by that amount and return the funds to the payor.

K. Abandoned Property

After a certain period of time of inactivity or dormancy, if we are unable to contact you, we are required to send the funds in your Kb Account to the state of your last known address in compliance with respective state laws.

L. Closing the Account

In order to close your Kb Account, you may contact us by phone, email or using Klarna App. We may close or suspend your Kb account and/or Klarna Debit Card at any time and for any reason at our sole discretion. You understand that there are obligations and rights that will survive the closing of your Kb Account, including the obligation to pay any amount you owe to use, our right of setoff, and the agreement to arbitration (if applicable).

M. Deposit Account Ownership & FDIC Insurance

Deposits in your Kb account are held at WebBank, Member FDIC. Klarna is not an FDIC-insured bank and deposit insurance only covers the failure of WebBank. Your deposits in the balance account are eligible for pass-through deposit insurance coverage if certain conditions are satisfied. Funds may be made available to you before WebBank receives them (“early availability funds”); such early availability funds may not be FDIC insured until actually received by WebBank. Loans that you obtain using the Klarna Debit Flex Card are not insured by the FDIC and are not deposits.

N. Legal Processes

If we receive a document with a force of law regarding holding or paying out funds in your Kb Account, such as levy, garnishment, attachment, or similar order, we may decline to permit withdrawals or transfers from your Kb Account. You acknowledge that you are responsible for consulting your own attorney. If any action is brought against you or your Kb Account, you will be liable to us for any loss, cost or expense (including attorneys' fees) resulting from our compliance with any legal process. We have no obligation to initiate any legal proceedings, or seek clarification, of any kind regarding any issue related to the document we received. You acknowledge and agree that we will pay out all funds as required by applicable law.

O. Mandatory Arbitration of Disputes

PLEASE READ THIS ARBITRATION PROVISION CAREFULLY. UNLESS YOU (1) ARE SUBJECT TO THE PROTECTIONS OF THE MILITARY LENDING ACT OR (2) OPT OUT IN ACCORDANCE WITH THE PROCEDURES DESCRIBED BELOW, IT WILL HAVE A SUBSTANTIAL EFFECT ON YOUR RIGHTS, INCLUDING YOUR RIGHT TO BRING OR PARTICIPATE IN A JURY TRIAL OR A CLASS ACTION.

1. Scope of Provision

Except as set forth in Section O.2, you agree that any and all past, present or future disputes or claims, including without limitation (a) federal and state regulatory and statutory claims, (b) common law claims, (c) claims under local ordinances, (d) data breach or privacy claims and (e) claims based in contract, tort, intentional tort, fraud, misrepresentation or any other legal theory, arising out of this Agreement, or the relationship between us, you or Klarna and their agents, employees, officers, directors, predecessors in interest, and successors and assigns (collectively, “Dispute(s)”) – at the election of you or us – shall be resolved exclusively through final and binding arbitration, as set forth

in this Arbitration Provision, rather than in court before a judge or a jury. A “Dispute” will also include disputes that arose or involve facts occurring before the existence of this Agreement as well as claims that may arise after the termination of the Agreement. This Arbitration Provision is also binding upon and may be enforced by any third party who is named in a claim asserted by you or us.

2. Exceptions to Arbitration

a. If either party contends that the amount of a claim in a Dispute is within the jurisdiction of the small claims court (or an equivalent court), it may instruct the administrator to administratively close the arbitration case, prior to payment of fees, and direct that the claim be filed, if at all, in small claims court. Upon such a request by a party, the arbitration provider shall administratively close the arbitration proceeding. Any dispute about whether a claim qualifies for small claims court shall be resolved by that court, not by an arbitrator. In the event of any such dispute, the arbitration proceeding shall remain closed unless and until a decision by the small claims court that the small claims court lacks jurisdiction over the action. Only in the event that the small claims court determines that it lacks jurisdiction over the Dispute, may the arbitration provider reopen the arbitration case. You and we acknowledge that failure to comply with the provisions of this Section O.2.a. would irreparably harm the party requesting administrative closure of the arbitration proceeding, and you and Klarna agree that a court may issue an order staying the arbitrations (and any obligation to pay arbitration fees) until any disagreements over the provisions of this Section O.2.a. are resolved by the court. You and we do not have to arbitrate a small claim that is filed in small claims court, but if that claim is transferred, removed, or appealed to a different court, you or we may elect to compel arbitration. Moreover, if you or we bring any counterclaim or cross-claim that is for more than the small claims court’s jurisdiction, you or we can elect to have the entire claim (including the counterclaim or cross-claim) resolved by arbitration.

b. This Arbitration Provision shall not apply to transactions subject to the Military Lending Act involving covered borrowers, as defined in the Act. Thus, if you are on active duty military service or a spouse or dependent of a person who is on such active duty military service and a claim involves a covered transaction under the Military Lending Act, this Arbitration Provision will be inapplicable to such claim.

3. This Arbitration Provision shall be broadly construed and any dispute or arbitration hereunder will be governed by the Federal Arbitration Act (“FAA”), federal law, and the laws of the State of Ohio or the laws of the State of Utah as provided in the “Governing law, venue” Section of the Agreement governing the parties’ transactions, without regard to principles of conflict of law, including any applicable statutes of limitations. The arbitrator’s award shall be final and binding, except for any appeal rights under the FAA, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration shall be confidential, and neither you nor we may disclose the existence, content or results of any arbitration, except as may be required by law or for purposes of enforcement of the arbitration award.

4. Waiver of Jury Trial. IF A DISPUTE IS ARBITRATED, THE PARTIES WAIVE THEIR RIGHT TO RESOLVE THE DISPUTE IN COURT BEFORE A JUDGE OR A JURY. IF FOR ANY REASON A DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT PROCEEDS IN COURT WITH A THIRD PARTY, RATHER THAN IN ARBITRATION, YOU AND THE OTHER PARTY EACH WAIVE ANY RIGHT TO A JURY TRIAL TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW. There is no judge or jury in arbitration, and court review of an arbitration award is subject to very limited review.

5. NO CLASS OR MASS ACTION (“Class and Mass Action Waiver”). YOU AGREE THAT EACH PARTY MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, CONSOLIDATED OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND THE OTHER PARTY AGREE OTHERWISE IN WRITING, AND EXCEPT AS PROVIDED IN SECTION O.8.f., THIS ARBITRATION PROVISION WILL PRECLUDE YOU FROM BRINGING ANY CLASS, COLLECTIVE, COORDINATED, CONSOLIDATED, MASS AND/OR REPRESENTATIVE ACTION AGAINST US OR KLARNA, AND WILL ALSO PRECLUDE YOU FROM PARTICIPATING IN OR RECOVERING RELIEF IN ANY CURRENT OR FUTURE CLASS, COLLECTIVE, COORDINATED, CONSOLIDATED, MASS AND/OR REPRESENTATIVE ACTION BROUGHT AGAINST US OR KLARNA BY SOMEONE ELSE. EXCEPT AS SET FORTH IN SECTION O.8.f., THE ARBITRATOR MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON’S OR PARTY’S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. EXCEPT AS SET FORTH IN SECTION O.8.f., THE ARBITRATOR MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) AVAILABLE IN AN INDIVIDUAL LAWSUIT ONLY EXCEPT AS SET FORTH IN SECTION O.8.f. BELOW.

6. Initial Dispute Resolution. Before submitting a claim for arbitration in accordance with this Arbitration Provision, you and we agree to try, for 60 days, to resolve any Dispute informally. This 60-day period begins when any party wishing to bring a claim provides a notice of the Dispute (“Notice of Claim”) to the other party, which shall include the sender’s name, address and contact information, the facts giving rise to the Dispute, and the relief requested. The Notice of Claim shall be an individualized claim specific to the individual bringing the claim. Any Notice of Claim to us or Klarna shall be sent to: **noticeofclaim.us@klarna.com** from the primary email address associated with your account. We will not respond to any emails sent to this email address that do not relate to a Notice of Claim. Any Notice of Claim sent to you will be sent to the most recent email address we have in our records for you. The personal participation includes a telephone settlement conference between you personally (along with your counsel, if you are represented) and us, or Klarna respectively, if it is requested by the Party that receives the Notice. To minimize the cost and inconvenience to all parties, and to promote prompt resolution of Disputes, you and we agree that engaging in this initial dispute resolution process is a material term of this Agreement and a requirement that must be fulfilled before commencing any arbitration. You and we agree to act in good faith to resolve the Dispute before commencing arbitration in accordance with this Section O.6.

7. Compliance with Section O(F). You and we agree that arbitration (as well as any obligation to pay arbitration fees) shall be stayed until the initial dispute resolution process in Section O.6 is complete. You and we acknowledge that either party's failure to comply with the provisions of this Section O.6 would irreparably harm the other, and you and we agree that a court may issue an order staying arbitration (and any obligation to pay arbitration fees) until the initial dispute resolution process in Section O.6 is complete.

8. Arbitration Procedure

- a. If you or we elect to arbitrate a claim, it will be resolved by mandatory binding arbitration. Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, discovery is more limited, and court review of an arbitration award is very limited. However, an arbitrator will follow applicable substantive law consistent with the FAA and give effect to the applicable statute of limitations, defenses and privileges. The arbitrator can award the same damages and relief available in an individual lawsuit that a court can award, including monetary damages, punitive damages (subject to constitutional limits that would apply in court), attorneys' fees and costs and injunctive or declaratory relief. An arbitrator also must follow the Agreement as a court would.
- b. A claim may be submitted to binding arbitration at any time, regardless of whether you or we have previously initiated any lawsuit or other proceeding. If a party files a lawsuit in court asserting initial claims, counterclaims, cross-claims or third-party claims that are subject to arbitration and the other party files a motion to compel arbitration with the court which is granted, it will be the responsibility of the party asserting the claim(s) to start the arbitration proceeding in accordance with the administrator's rules and procedures. 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.
- c. Except as set forth Section O(8)(f), the arbitration will be conducted by FedArb under its rules and procedures. FedArb's rules are available at <https://www.fedarb.com>. A form for initiating arbitration proceedings is available on FedArb's website at <https://www.fedarb.com/arbitration-submission-forms/>. The arbitrator must be a retired judge or attorney with more than 10 years of experience. If FedArb cannot serve, the parties may agree on another administrator or arbitrator in writing. Absent such written agreement, a court with jurisdiction will select the administrator or arbitrator. Any administrator or arbitrator selected by the parties or a court will be bound by the terms of this Arbitration Provision.
- d. The arbitration shall be held in a location reasonably convenient to where you reside or at another mutually agreed upon location. Attendance at an in-person hearing may be made by telephone by you and/or the other party, unless the arbitrator requires otherwise. No arbitration award involving the

parties will have any preclusive effect on any 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 be preclusive of any issues or claims in an arbitration between the parties to this Arbitration Provision.

e. Expedited Arbitration. If the value of the relief sought is \$10,000 or less, either you or we may elect to resolve the dispute under FedArb Rule 16 (Expedited Disposition), with administration by FedArb, provided, however, that such rules shall be modified as follows:

i. Tribunal. The tribunal shall consist of a single arbitrator selected from FedArb's list of panelists, unless the parties agree on three arbitrators, selected in accordance with the FedArb Rules.

ii. Deadlines. No party may ask the tribunal, and no arbitrator may ask the parties, for an adjournment of any deadline; adjournments may only be implemented as agreed by all parties, or for good cause as determined by the FedArb administrator.

iii. Place of Arbitration. Arbitrations shall be held at a venue that minimizes costs; telephonic or video hearings will be utilized whenever possible provided that such location is reasonably convenient to you.

iv. Applicable Law. All disputes shall be resolved in accordance with the laws of the State of Ohio or the laws of the State of Utah as provided in the "Governing law, venue" Section of the Agreement governing the parties' transactions, without regard to its rules regarding conflicts of law.

v. Procedural Order and Timetable. As soon as practicable, and no later than 30 days after Respondent's Answer is filed, the tribunal shall confer with the parties and issue a procedural order and timetable that reserves agreed dates for the hearing on the merits and such preliminary deadlines as may be appropriate. There are to be no motions to enforce discovery requests, to dismiss, for summary judgment, or for any other form of relief except (1) by agreement of all parties, or (2) upon a determination by the tribunal that the motion is necessary and likely to enhance efficiency.

vi. Documentary Discovery. All parties shall provide discovery of nonprivileged documents relevant to any party's claim or defense and proportional to the needs of the case (as measured by the standards set forth in Federal Rule of Civil Procedure 26(b)) within 45 days of the final pleading; only documents produced in discovery shall be permitted to be introduced into evidence absent a showing that the document was unavailable for earlier production.

vii. Requests for Admissions Prohibited. The parties shall submit an Agreed Statement of Facts at least thirty days before the hearing.

viii. Depositions. No depositions shall be held except by agreement of the parties, or upon a showing that the interests of justice require the pre-hearing testimony of a particular witness.

- ix. Expert Discovery. Experts shall be used only on issues requiring expert testimony, and only upon agreement; expert testimony shall be provided in writing, at least 30 days in advance of the hearing, and an expert's oral testimony shall be limited to the scope of the expert's written testimony.
- x. Pre-hearing Briefs. The parties shall file pre-hearing briefs only if they agree such briefs are necessary, and with the tribunal's approval on such conditions as to scope and length as the tribunal considers appropriate.
- xi. Exhibits. The parties shall file a single set of all the exhibits they agree should be admitted into evidence. All other exhibits shall be party-designated. Paper copies shall be filed only as required by the tribunal, which shall be provided with digital versions of all papers and exhibits in a convenient format.
- xii. Hearing. The hearing shall be recorded in an economical manner, and transcripts will be ordered only as required by the parties or tribunal. Hearing time shall be divided equitably among the parties, unless otherwise agreed.
- xiii. Post-hearing Briefs & Oral Argument. Post-hearing briefs shall be filed only on agreement by the parties and with the tribunal's consent; they shall generally be considered unnecessary where the parties have filed pre-hearing briefs. Oral argument shall be held whenever possible as a substitute for briefing and as promptly after the close of the hearing as possible.
- xiv. Award. The parties shall agree on the form of award no later than the completion of the hearing. An Award may be formal (including findings of fact and conclusions of law), reasoned (setting out the tribunal's reasoning in a logical but informal manner, or conclusory (setting out the tribunal's conclusions without reasoning). In the absence of agreement, the Award shall be reasoned. The tribunal may issue partial final awards where necessary.
- xv. Finality. The parties agree that the Award (or awards) shall be final, except as provided in the Federal Arbitration Act and other governing authorities, and that they waive any right to a trial by jury. The parties may agree at any time during the arbitration process on a right to appeal to a panel of FedArb arbitrators as provided in FedArb Rule 12.
- f. Initiation of Mass Arbitration. If 20 or more demands for arbitration are filed relating to the same or similar subject matter, and counsel for the parties submitting the demands are the same or coordinated, you and we agree that this will constitute a "Mass Arbitration."
- i. If a Mass Arbitration is commenced, you and we agree that it shall be governed by FedArb's Rules, including FedArb's Framework for Mass Arbitration Proceedings ADR-MDL, available at <https://www.fedarb.com/>, but excluding any rules that permit arbitration on a class-wide basis (the "FedArb Rules"), and under the rules set forth in this Agreement. The FedArb Rules are available at <https://www.fedarb.com/> or by calling 1-650-328-9500.

ii. Before any Mass Arbitration is filed with FedArb, you and we agree to contact FedArb jointly to advise that the parties intend to use FedArb's Framework for Mass Arbitration Proceedings ADR-MDL. The individual demands comprising the Mass Arbitration shall be submitted on FedArb's claim form(s) and as directed by FedArb.

iii. Consistent with Section O(5) above, you and we agree that if either party fails or refuses to commence the Mass Arbitration before FedArb, you or we may seek an order from a court of competent jurisdiction compelling compliance with this Section O.8.f. and compelling administration of the Mass Arbitration before FedArb. Pending resolution of any such requests to a court, you and we agree that all arbitrations comprising the Mass Arbitration (and any obligation to pay arbitration fees) shall be stayed. You and we acknowledge that either party's failure to comply with the provisions of this Section O.8.f. would irreparably harm the other, and you and we agree that a court may issue an order staying the arbitrations (and any obligation to pay arbitration fees) until any disagreements over the provisions of this Section O.8.f. are resolved by the court.

9. Attorneys' Fees and Costs. The parties shall bear their own attorneys' fees and fees and costs in arbitration in accordance with the applicable arbitration rules unless the arbitrator finds that either the substance of the Dispute or the relief sought in the claim was frivolous or was brought for an improper purpose (as measured by the standards set forth in Federal Rule of Civil Procedure 11(b)). If you or we need to invoke the authority of a court of competent jurisdiction to compel arbitration, then the party that obtains an order compelling arbitration in such action shall have the right to collect from the other party its reasonable costs, necessary disbursements, and reasonable attorneys' fees incurred in securing an order compelling arbitration. The prevailing party in any court action relating to whether either party has satisfied any condition precedent to arbitration, including the initial dispute resolution process in Section O.6 and the mass arbitration process in Section O.8.f., is entitled to recover their reasonable costs, necessary disbursements, and reasonable attorneys' fees and costs.

10. 30-day Opt-out Right. NOTWITHSTANDING THE FOREGOING, YOU MAY CHOOSE TO PURSUE YOUR CLAIM IN COURT AND NOT BY ARBITRATION. IF YOU OPT OUT OF THIS ARBITRATION PROVISION WITHIN 30 DAYS FROM THE DATE YOU FIRST USE THE KLARNA SERVICE OR OTHERWISE ACCEPT THIS AGREEMENT (THE "OPT OUT DEADLINE"). YOU MAY OPT OUT OF THIS ARBITRATION PROVISION BY FULLY COMPLETING, SIGNING AND DATING THE ARBITRATION OPT-OUT NOTICE FORM LOCATED AT [Arbitration Opt-Out Notice \(https://cdn.klarna.com/1.0/shared/content/legal/en_us/arbitration/opt_out_notice.pdf\)](https://cdn.klarna.com/1.0/shared/content/legal/en_us/arbitration/opt_out_notice.pdf) AND MAILING IT TO KLARNA VIA FIRST-CLASS MAIL AT THE FOLLOWING ADDRESS: Klarna Inc., Attn: Arbitration Opt-Out, P.O. Box 8116, Columbus, Ohio 43201.

ANY ARBITRATION OPT-OUT NOTICE RECEIVED AFTER THE OPT-OUT DEADLINE WILL NOT BE VALID AND YOU MUST PURSUE YOUR CLAIM IN ARBITRATION OR SMALL CLAIMS COURT.

IF YOU DO NOT OPT OUT WITHIN 30 DAYS FROM THE DATE YOU ACCEPT THE AGREEMENT, THIS ARBITRATION PROVISION WILL BE PART OF ALL OTHER AGREEMENTS YOU HAVE WITH US NOW OR IN THE FUTURE. IF YOU DO OPT OUT WITHIN 30 DAYS FROM THE DATE YOU ACCEPT THE AGREEMENT, ALL OTHER AGREEMENTS YOU HAVE WITH US NOW OR IN THE FUTURE WILL NOT BE SUBJECT TO THIS ARBITRATION PROVISION.

11. Prior Arbitration Provision. If there is an Arbitration Provision in place (a “Prior Arbitration Provision”) governing a prior agreement between you and we (a “Prior Agreement”) and you do not reject this Arbitration Provision, claims subject to the Prior Arbitration Provision will be governed by this Arbitration Provision instead, unless you served notice of your claims on us or initiated a lawsuit or arbitration against us asserting your claims prior to the effective date of publication above.

12. Survival, Conflict, Severance. This Arbitration Provision will survive the termination of any agreement you have with us and any bankruptcy. In the event of any conflict or inconsistency between this Arbitration Provision, on the one hand, and the administrator’s rules or the Agreement or other agreement you have with us, on the other hand, this Arbitration Provision will govern. If any part of this Arbitration Provision is found to be invalid or unenforceable, then that specific part shall be severed, and the rest of this Arbitration Provision will continue in full force and effect, except that at either your or our election the entire Arbitration Provision (other than this sentence) may be null and void with respect to any claim asserted on a class, representative or multiple-party basis that does not seek public injunctive relief if the Class and Mass Action Waiver is held to be invalid with respect to such claim and that determination becomes final after all appeals have been exhausted. If a court decides by means of a final decision, not subject to any further appeal or recourse, that the Class and Mass Action Waiver is invalid or unenforceable as to a particular claim or request for relief (such as a request for public injunctive relief), that particular claim or request for relief (and only that particular claim or request for relief) shall be severed from the arbitration and may be litigated in the state or federal courts. All other disputes shall be arbitrated or litigated in small claims court.

13. Future Changes to This Arbitration Provision. Notwithstanding any provision in this Agreement or any other agreement you enter into with us to the contrary, you agree that if we make any change to this Arbitration Provision (other than a change to any notice address or website link provided herein) in the future, that change shall not apply to any claim that was filed in a legal proceeding prior to the effective date of the change.

P. Default

Except where prohibited by law, we may declare a default if you: (a) fail to make any payment by its required due date; (b) become the subject of insolvency or bankruptcy proceedings; (c) supply false, misleading, or incorrect information to us; (d) a payment is returned to us by your bank; or (e) violate or are unwilling to comply with any provision in this Agreement (each a "Default"). If you are in default

we may: (i) close or suspend your account, and (ii) employ a debt collection agency to collect any payment; and (iii) we or Klarna may prevent you from future use of any service or product through Klarna.

Q. Assignment

You may not assign, transfer or grant a security interest in your Kb account to anyone other than us without our written consent. Any permitted assignment of your account is subject to our setoff rights. We may assign this Agreement or any of our rights pursuant to this Agreement, including any amount you owe us in connection with your Kb account or Debit Flex Card.

R. Legal Incompetence, Power of Attorney, Death of the Account Holder

Your agent, attorney, or representative must let us know immediately if you die or are declared incompetent. When we receive a proper notice, we may freeze the account until documents verifying the incapacity or death and instructions regarding the funds in the account are received. We may pay any item previously authorized by the account owner. We may exercise our right to set off if the account owner has any debt owed to us.

If you sign a power of attorney, it means that your agent is authorized to act on your behalf to do anything you could do with regards to your Kb Account, including withdrawing or sending the funds. If you would like to appoint an agent, you must provide us with a power of attorney that we can accept. We have no obligation to verify the authenticity of the document.

S. Indemnification and Limitation of Liability

You agree to indemnify and hold harmless WebBank and its affiliates, service providers including Klarna, Inc, and their agents, employees, directors, representatives ("**Indemnified Party**") against any losses in connection with your violation of this Agreement and any losses arising out of our action or inaction in reliance upon your instructions or information from you.

In no event shall we be liable for any indirect, special, punitive, consequential damages. We will not be liable if we have followed your instructions, and we also will not be liable if we did not follow your

instructions because we reasonably believed that following your instruction would expose us to a potential loss, civil or criminal liability.

T. Severability

If any section or clause in this Agreement is deemed invalid or unenforceable, the remainder of the Agreement will remain in full force and effect.

U. Changes to this Agreement

We may change terms of this Agreement, including fees, rates, features by adding, modifying or deleting terms. When we are required to notify you of the changes, we will communicate the changes using appropriate means.

V. No Waiver

We may delay enforcing any of its rights under this Agreement without losing them. Any waiver by us of any provision of this Agreement will not be a waiver of the same or any other provision on any other occasion.

W. Entire Agreement

This Agreement, including all documents incorporated by reference, constitutes, and contains the entire agreement between you and us with respect to the matters addressed in the Agreement and supersedes any prior or contemporaneous oral or written agreements.

X. Governing Law

You agree that, without regard to principles of conflict of laws, federal law will govern this Agreement and any claim or dispute that has arisen or may arise between you and WebBank and, to the extent not preempted by federal law, the laws of Utah. Subject to the Mandatory Arbitration of Disputes Provision and the foregoing, you and we may also litigate any dispute in small claims court with jurisdiction over that dispute if the dispute meets all requirements to be heard in the small claims

court and remains in that court. You may litigate in small claims court whether or not you negotiated with us informally first. 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-4-105 and 70C-3-104.