UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2024
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to
Commission file number 001-41781

SEZZLE INC.
(Exact name of registrant as specified in its charter)

Delaware	**81-0971660**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
700 Nicollet Mall, Suite 640, Minneapolis, Minnesota	**55402**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +1 651 240 6001

Not Applicable
(Former address)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered**
Common Stock, par value $0.00001 per share	SEZL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

Smaller reporting company ☒ Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The total shares of common stock, par value $0.00001 per share, outstanding at November 1, 2024 were 5,607,034.

SEZZLE INC.

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FORWARD-LOOKING STATEMENTS

The information in this Quarterly Report on Form 10-Q ("Form 10-Q") includes "forward-looking statements" under Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements, other than statements of historical fact, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management included in this Form 10-Q are forward-looking statements. When used in this Form 10-Q, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project," and similar expressions (or the negative versions of such words or expressions) are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K") and in any subsequent reports we file with the U.S. Securities and Exchange Commission. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. There is a risk that such predictions, estimates, projections, and other forward-looking statements will not be achieved. Nevertheless, and despite the fact that management's expectations and estimates are based on assumptions management believes to be reasonable and data management believes to be reliable, our actual results, performance, or achievements are subject to future risks and uncertainties, any of which could materially affect our actual performance. Risks and uncertainties that could affect such performance include, but are not limited to:

- impact of the "buy-now, pay-later" ("BNPL") industry becoming subject to increased regulatory scrutiny;
- impact of operating in a highly competitive industry;
- impact of macro-economic conditions on consumer spending;
- our ability to increase our merchant network, our base of consumers and underlying merchant sales ("UMS");
- our ability to effectively manage growth, sustain our growth rate and maintain our market share;
- our ability to maintain adequate access to capital in order to meet the capital requirements of our business;
- impact of exposure to consumer bad debts and insolvency of merchants;
- impact of the integration, support and prominent presentation of our platform by our merchants;
- impact of any data security breaches, cyberattacks, employee or other internal misconduct, malware, phishing or ransomware, physical security breaches, natural disasters, or similar disruptions;
- impact of key vendors or merchants failing to comply with legal or regulatory requirements or to provide various services that are important to our operations;
- impact of the loss of key partners and merchant relationships;
- impact of exchange rate fluctuations in the international markets in which we operate;
- impact of our delisting from the Australian Securities Exchange ("ASX") and trading on the Nasdaq Capital Market as our sole trading exchange;
- our ability to protect our intellectual property rights and third party allegations of the misappropriation of intellectual property rights;
- our ability to retain employees and recruit additional employees;
- impact of the costs of complying with various laws and regulations applicable to the BNPL industry in the United States and Canada; and
- our ability to achieve our public benefit purpose and maintain our B Corporation certification.

We caution you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, the risks described under "Risk Factors" in our 2023 Form 10-K. Should one or more of the risks or uncertainties described in the 2023 Form 10-K occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this Form 10-Q are expressly qualified in their entirety by these cautionary statements. These cautionary statements should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the cautionary statements in this section, to reflect events or circumstances after the date of this Form 10-Q.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Consolidated Balance Sheets

	As of	
	September 30, 2024 (unaudited)	December 31, 2023 (audited)
Assets		
Current Assets		
Cash and cash equivalents	$ 80,062,505	$ 67,624,212
Restricted cash, current	7,173,326	2,993,011
Notes receivable	151,413,490	142,885,682
Allowance for credit losses	(18,626,222)	(12,253,041)
Notes receivable, net	132,787,268	130,632,641
Other receivables, net	3,823,280	1,571,728
Prepaid expenses and other current assets	8,580,986	6,223,274
Total current assets	232,427,365	209,044,866
Non-Current Assets		
Internally developed intangible assets, net	2,289,227	1,898,470
Operating right-of-use assets	834,117	994,476
Restricted cash, non-current	1,107,298	82,000
Deferred tax asset, net of $8,349,879 and $32,478,033 valuation allowance, respectively	15,863,790	—
Other assets	347,475	625,471
Total Assets	**$ 252,869,272**	**$ 212,645,283**
Liabilities and Stockholders' Equity		
Current Liabilities		
Merchant accounts payable	$ 70,449,314	$ 74,135,491
Operating lease liabilities	83,222	57,316
Accrued liabilities	11,475,162	10,790,308
Other payables	10,498,376	5,261,436
Deferred revenue	4,373,270	2,643,230
Line of credit, net of unamortized debt issuance costs of $619,094	—	94,380,906
Total current liabilities	96,879,344	187,268,687
Long Term Liabilities		
Long term debt	—	250,000
Operating lease liabilities	854,509	981,692
Line of credit, net of unamortized debt issuance costs of $1,062,276	93,937,724	—
Warrant liabilities	—	967,257
Other non-current liabilities	59,681	1,083,323
Total Liabilities	**191,731,258**	**190,550,959**
Commitments and Contingencies (see Note 8)		
Stockholders' Equity		
Common stock, $0.00001 par value; 750,000,000 shares authorized; 5,747,907 and 5,826,206 shares issued, respectively; 5,580,093 and 5,697,517 shares outstanding, respectively	2,084	2,085
Additional paid-in capital	184,865,379	186,015,079
Treasury stock, at cost: 167,814 and 128,689 shares, respectively	(7,938,255)	(5,755,961)
Accumulated other comprehensive loss	(649,352)	(646,999)
Accumulated deficit	(115,141,842)	(157,519,880)
Total Stockholders' Equity	**61,138,014**	**22,094,324**
Total Liabilities and Stockholders' Equity	**$ 252,869,272**	**$ 212,645,283**

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Operations and Comprehensive Income (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Total revenue	$ 69,957,691	$ 40,844,201	$ 172,904,830	$ 110,455,297
Operating Expenses				
Personnel	13,423,723	11,079,174	37,185,286	34,670,235
Transaction expense	12,761,438	9,936,804	35,290,202	26,121,338
Third-party technology and data	2,386,490	2,002,515	6,723,895	5,655,321
Marketing, advertising, and tradeshows	2,725,615	3,615,339	4,375,579	10,128,175
General and administrative	2,416,951	2,184,076	7,318,511	6,679,915
Provision for credit losses	15,402,303	6,676,548	30,636,149	12,667,346
Total operating expenses	49,116,520	35,494,456	121,529,622	95,922,330
Operating Income	**20,841,171**	**5,349,745**	**51,375,208**	**14,532,967**
Other Income (Expense)				
Net interest expense	(3,327,998)	(4,143,258)	(10,320,573)	(11,453,751)
Other income (expense), net	96,057	14,560	54,624	1,206,800
Fair value adjustment on warrants	—	89,227	(1,261,556)	(79,268)
Loss on extinguishment of line of credit	—	—	(259,706)	—
Income before taxes	17,609,230	1,310,274	39,587,997	4,206,748
Income tax expense (benefit)	2,162,989	15,874	(13,567,130)	48,024
Net Income	**15,446,241**	**1,294,400**	**53,155,127**	**4,158,724**
Other Comprehensive Income (Loss)				
Foreign currency translation adjustment	71,598	(358,465)	(2,353)	(199,586)
Total Comprehensive Income	**$ 15,517,839**	**$ 935,935**	**$ 53,152,774**	**$ 3,959,138**
Net income per share*:				
Basic	$ 2.79	$ 0.23	$ 9.46	$ 0.75
Diluted	$ 2.62	$ 0.23	$ 8.94	$ 0.74
Weighted-average shares outstanding*:				
Basic	5,545,353	5,667,430	5,620,754	5,576,233
Diluted	5,905,833	5,729,665	5,948,131	5,651,221

* Effective May 11, 2023, we performed a 1-for-38 reverse stock split. Share and per-share amounts have been retroactively restated.

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Stockholders' Equity (unaudited)

	Common Stock		Additional Paid-in Capital	Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares*	Amount						
Balance at January 1, 2023	**5,478,470**	**$ 2,083**	**$ 179,054,368**	**$ —**	**$ (4,072,752)**	**$ (643,974)**	**$ (165,496,479)**	**$ 8,843,246**
Adoption of Accounting Standards Update No. 2016-13	—	—	—	—	—	—	878,577	878,577
Equity based compensation	—	—	2,639,574	—	—	—	—	2,639,574
Stock option exercises	13,784	—	26,996	—	—	—	—	26,996
Restricted stock issuances and vesting of awards	288,894	3	3,272,438	—	—	—	—	3,272,441
Issuance of additional shares related to reverse stock split	6,245	—	—	—	—	—	—	—
Repurchase of common stock	(97,306)	(1)	—	—	(1,645,916)	—	—	(1,645,917)
Foreign currency translation adjustment	—	—	—	—	—	(199,586)	—	(199,586)
Net income	—	—	—	—	—	—	4,158,724	4,158,724
Balance at September 30, 2023	**5,690,087**	**$ 2,085**	**$ 184,993,376**	**$ —**	**$ (5,718,668)**	**$ (843,560)**	**$ (160,459,178)**	**$ 17,974,055**

	Common Stock		Additional Paid-in Capital	Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount						
Balance at January 1, 2024	**5,697,517**	**$ 2,085**	**$ 186,015,079**	**$ —**	**$ (5,755,961)**	**$ (646,999)**	**$ (157,519,880)**	**$ 22,094,324**
Equity based compensation	—	—	2,532,644	—	—	—	—	2,532,644
Stock option exercises	48,472	—	1,566,243	—	—	—	—	1,566,243
Warrant exercises	50,198	1	400,740	—	—	—	—	400,741
Restricted stock issuances and vesting of awards	117,332	1	1,290,867	—	—	—	—	1,290,868
Stock subscriptions receivable related to stock option exercises	658	—	38,848	(38,848)	—	—	—	—
Stock subscriptions collected related to stock option exercises	—	—	—	38,848	—	—	—	38,848
Conversion of warrant liabilities to stockholders' equity	—	—	2,228,813	—	—	—	—	2,228,813
Repurchase and retirement of common stock	(294,959)	(3)	(9,207,855)	—	—	—	(10,777,089)	(19,984,947)
Repurchase of common stock	(39,125)	—	—	—	(2,182,294)	—	—	(2,182,294)
Foreign currency translation adjustment	—	—	—	—	—	(2,353)	—	(2,353)
Net income	—	—	—	—	—	—	53,155,127	53,155,127
Balance at September 30, 2024	**5,580,093**	**$ 2,084**	**$ 184,865,379**	**$ —**	**$ (7,938,255)**	**$ (649,352)**	**$ (115,141,842)**	**$ 61,138,014**

* Effective May 11, 2023, we performed a 1-for-38 reverse stock split. Share amounts have been retroactively restated.

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Stockholders' Equity (unaudited)

	Common Stock		Additional Paid-in Capital	Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares*	Amount						
Balance at July 1, 2023	**5,635,084**	**$ 2,084**	**$ 183,892,873**	**$ —**	**$ (5,378,140)**	**$ (485,095)**	**$ (161,753,578)**	**$ 16,278,144**
Equity based compensation	—	—	(57,582)	—	—	—	—	(57,582)
Stock option exercises	7,273	—	14,527	—	—	—	—	14,527
Restricted stock issuances and vesting of awards	71,105	1	1,143,558	—	—	—	—	1,143,559
Issuance of additional shares related to reverse stock split	—	—	—	—	—	—	—	—
Repurchase of common stock	(23,375)	—	—	—	(340,528)	—	—	(340,528)
Foreign currency translation adjustment	—	—	—	—	—	(358,465)	—	(358,465)
Net income	—	—	—	—	—	—	1,294,400	1,294,400
Balance at September 30, 2023	**5,690,087**	**$ 2,085**	**$ 184,993,376**	**$ —**	**$ (5,718,668)**	**$ (843,560)**	**$ (160,459,178)**	**$ 17,974,055**

	Common Stock		Additional Paid-in Capital	Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares*	Amount						
Balance at July 1, 2024	**5,584,986**	**$ 2,084**	**$ 184,228,378**	**$ —**	**$ (7,258,600)**	**$ (720,950)**	**$ (125,961,197)**	**$ 50,289,715**
Equity based compensation	—	—	905,524	—	—	—	—	905,524
Stock option exercises	30,684	—	1,328,724	—	—	—	—	1,328,724
Warrant exercises	30,036	1	367,340	—	—	—	—	367,341
Restricted stock issuances and vesting of awards	22,068	—	550,735	—	—	—	—	550,735
Stock subscriptions collected related to stock option exercises	—	—	—	—	—	—	—	—
Repurchase and retirement of common stock	(80,546)	(1)	(2,515,322)	—	—	—	(4,626,886)	(7,142,209)
Repurchase of common stock	(7,135)	—	—	—	(679,655)	—	—	(679,655)
Foreign currency translation adjustment	—	—	—	—	—	71,598	—	71,598
Net income	—	—	—	—	—	—	15,446,241	15,446,241
Balance at September 30, 2024	**5,580,093**	**$ 2,084**	**$ 184,865,379**	**$ —**	**$ (7,938,255)**	**$ (649,352)**	**$ (115,141,842)**	**$ 61,138,014**

* Effective May 11, 2023, we performed a 1-for-38 reverse stock split. Share amounts have been retroactively restated.

See the accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows (unaudited)

	For the nine months ended September 30,	
	2024	2023
Operating Activities:		
Net income	$ 53,155,127	$ 4,158,724
Adjustments to reconcile net income to net cash provided from operating activities:		
Depreciation and amortization	707,450	624,608
Provision for credit losses	30,636,149	12,667,346
Provision for other credit losses	4,939,580	2,067,268
Equity based compensation and restricted stock vested	3,823,512	5,912,015
Amortization of debt issuance costs	417,207	534,638
Fair value adjustment on warrants	1,261,556	79,268
Impairment losses on long-lived assets	47,962	42,248
(Gain) loss on sale of fixed assets	(37,735)	17,644
Loss on extinguishment of line of credit	259,706	—
Deferred income taxes	(14,941,204)	—
Changes in operating assets and liabilities:		
Notes receivable	(32,993,867)	(20,945,172)
Other receivables	(7,191,657)	(1,590,055)
Prepaid expenses and other assets	(3,122,311)	(23,191)
Merchant accounts payable	(3,473,648)	(14,869,007)
Other payables	4,985,620	1,166,248
Accrued liabilities	(333,592)	(1,101,420)
Deferred revenue	1,729,684	554,005
Operating leases	59,086	29,667
Net Cash Provided from (Used for) Operating Activities	**39,928,625**	**(10,675,166)**
Investing Activities:		
Purchase of property and equipment	(36,063)	(53,533)
Internally developed intangible asset additions	(1,022,087)	(984,176)
Net Cash Used for Investing Activities	**(1,058,150)**	**(1,037,709)**
Financing Activities:		
Proceeds from line of credit	74,726,901	28,900,000
Payments to line of credit	(74,726,901)	(18,000,000)
Payments of debt issuance costs	(1,051,707)	(75,475)
Proceeds from stock option exercises	1,566,243	26,996
Stock subscriptions collected related to stock option exercises	38,848	—
Proceeds from warrant exercises	400,741	—
Repurchase of common stock	(22,167,241)	(1,645,917)
Net Cash (Used for) Provided from Financing Activities	**(21,213,116)**	**9,205,604**
Effect of exchange rate changes on cash	(13,453)	(202,689)
Net increase (decrease) in cash, cash equivalents, and restricted cash	17,657,359	(2,507,271)
Cash, cash equivalents, and restricted cash, beginning of period	70,699,223	69,522,658
Cash, cash equivalents, and restricted cash, end of period	**$ 88,343,129**	**$ 66,812,698**
Noncash investing and financing activities:		
Lease liabilities arising from obtaining right-of-use assets	—	1,059,263
Conversion of warrant liabilities to stockholders' equity	$ 2,228,813	$ —
Supplementary disclosures:		
Interest paid	$ 10,476,571	$ 11,859,913
Income taxes paid	3,544,746	72,600

See the accompanying Notes to the Consolidated Financial Statements.

Notes to Consolidated Financial Statements (unaudited)

Note 1. Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

These unaudited consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") applicable to interim financial statements. While these consolidated financial statements and the accompanying notes thereof reflect all normal recurring adjustments that are, in the opinion of management, necessary for fair presentation of the results of the interim period, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. These consolidated financial statements and their accompanying notes should be read in conjunction with the consolidated financial statement disclosures in our 2023 annual consolidated financial statements.

Operating results reported for the three and nine months ended September 30, 2024 might not be indicative of the results for any subsequent period or the entire year ending December 31, 2024.

Sezzle Inc. (the "Company", "Sezzle", "we", "us", or "our") uses the same accounting policies in preparing quarterly and annual consolidated financial statements. We consolidate the accounts of subsidiaries for which we have a controlling financial interest. The accompanying consolidated financial statements include all the accounts and activity of Sezzle Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions are eliminated in consolidation.

Fair Value

Fair values are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The accounting guidance includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 — Unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 — Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability; and
- Level 3 — Unobservable inputs for the asset or liability, which include management's own assumption about the assumptions market participants would use in pricing the asset or liability, including assumptions about risk.

We measure the value of our money market securities based on Level 1 inputs. Our warrant liabilities were valued using a Black-Scholes valuation model, which was calculated using Level 3 inputs. The primary unobservable input used in determining the fair value of the warrant liabilities was the expected volatility of our common stock. During the nine months ended September 30, 2024, we reclassified our warrant liabilities to stockholders' equity in connection with our delisting from the Australian Securities Exchange and amending the outstanding warrant agreements to reference our common stock price on the Nasdaq Capital Market, which is stated in U.S. Dollars. Refer to Note 7. Warrant Liabilities for more information.

Our assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Fair Value	Level 1	Level 2	Level 3	Fair Value
Assets:								
Cash and cash equivalents:								
Money market securities	$ 14,241	$ —	$ —	$ 14,241	$ 14,432	$ —	$ —	$ 14,432
Liabilities:								
Warrant liabilities	$ —	$ —	$ —	$ —	$ —	$ —	$ 967,257	$ 967,257

The fair value and its classification within the fair value hierarchy for financial assets and liabilities not reported at fair value within the consolidated balance sheets as of September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:					
Cash and cash equivalents[1]	$ 80,048,264	$ 80,048,264	$ —	$ —	$ 80,048,264
Restricted cash[2]	8,280,624	8,280,624	—	—	8,280,624
Notes receivable, net	132,787,268	—	—	132,787,268	132,787,268
Total assets	**$ 221,116,156**	**$ 88,328,888**	**$ —**	**$ 132,787,268**	**$ 221,116,156**
Liabilities:					
Line of credit, net	93,937,724	—	93,937,724	—	93,937,724
Total liabilities	**$ 93,937,724**	**$ —**	**$ 93,937,724**	**$ —**	**$ 93,937,724**

	December 31, 2023				
	Carrying Amount	Level 1	Level 2	Level 3	Balance at Fair Value
Assets:					
Cash and cash equivalents[1]	$ 67,609,780	$ 67,609,780	$ —	$ —	$ 67,609,780
Restricted cash[2]	3,075,011	3,075,011	—	—	3,075,011
Notes receivable, net	130,632,641	—	—	130,632,641	130,632,641
Total assets	**$ 201,317,432**	**$ 70,684,791**	**$ —**	**$ 130,632,641**	**$ 201,317,432**
Liabilities:					
Long term debt	$ 250,000	$ —	$ 250,000	$ —	$ 250,000
Line of credit, net	94,380,906	—	94,380,906	—	94,380,906
Total liabilities	**$ 94,630,906**	**$ —**	**$ 94,630,906**	**$ —**	**$ 94,630,906**

(1) Excludes $14,241 and $14,432 as of September 30, 2024 and December 31, 2023, respectively, relating to money market securities that are reported at fair value.
(2) Includes both restricted cash, current and restricted cash, non-current as disclosed on the consolidated balance sheets.

Segments

We conduct our operations through a single operating segment and, therefore, one reportable segment. There are no significant concentrations by state or geographical location.

Reclassifications

Certain prior period amounts have been reclassified to conform with the current period presentation format. These reclassifications had no effect on our total assets, net income, or total comprehensive income.

Recent Accounting Pronouncements

Recently Issued Accounting Guidance, Not Yet Adopted Within Our Consolidated Financial Statements

Standard	Description	Date of Planned Adoption	Effect on Consolidated Financial Statements
ASU 2023-07, Segment Reporting Improvements to Reportable Segment Disclosures	This ASU requires disclosure of incremental segment information on an annual basis (and interim basis beginning January 1, 2025) for all public entities, including entities with one reportable segment. Such incremental disclosures include information about significant segment expenses, how chief operating decision makers measure a segment's profit or loss, and qualitative information about how a chief operating decision maker assesses segment performance.	January 1, 2024 (On an annual basis) January 1, 2025 (On an interim basis)	We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements. We will disclose information about significant segment expenses, how management assesses our single segment's performance, and other required disclosures in our 2024 annual consolidated financial statements on a retrospective basis.
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	This ASU requires enhanced disclosures on the income tax rate reconciliation, income taxes paid, and other income tax-related disclosures. Such disclosures include specific categories in the rate reconciliation, qualitative information about significant components of income tax, and disaggregation of income taxes paid by federal, state, and local jurisdiction.	January 1, 2025	We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements. We will include the enhanced disclosure requirements in our 2025 annual consolidated financial statements on a prospective basis.

There are additional new accounting pronouncements issued by the FASB that we have not yet adopted. We do not believe any of these additional accounting pronouncements will have a material impact on the consolidated financial statements or disclosures.

Note 2. Total Revenue

Total revenue for the three months ended September 30, 2024 and 2023 was $69,957,691 and $40,844,201, respectively, and $172,904,830 and $110,455,297 for the nine months ended September 30, 2024 and 2023, respectively. Total revenue in the fourth quarter has historically been strongest for us, in line with consumer spending habits during the holiday shopping season. Our total revenue is classified into three categories: transaction income, subscription revenue, and income from other services.

Transaction Income

Transaction income is comprised of all income earned from merchants, consumers, and other third parties that relate to processing orders and payments on the Sezzle Platform. This primarily includes merchant processing fees, partner income, and consumer fees.

We earn income from fees paid by merchants in exchange for our payment processing services. These merchant processing fees are applied to the underlying sales of consumers passing through our platform and are predominantly based on a percentage of the consumer order value plus a fixed fee per transaction. For orders that result in a financing receivable, merchant processing fees are recognized over the duration of the underlying order using the effective interest method. For orders that do not result in a financing receivable, merchant processing fees are recognized at the time the sale is completed. Merchant processing fees totaled $14,843,752 and $17,814,082 for the three months ended September 30, 2024 and 2023, respectively, and $42,937,048 and $57,246,226 for the nine months ended September 30, 2024 and 2023, respectively.

We also earn income from partners on consumer transactions. This income includes interchange fees earned through our virtual card solution and promotional incentives with third parties. Virtual card interchange income is recognized over the duration of the underlying order using the effective interest method and promotional incentives are recognized as they are earned during the promotional period. Partner income totaled $7,048,498 and $4,445,823 for the three months ended September 30, 2024 and 2023, respectively, and $17,009,956 and $9,355,137 for the nine months ended September 30, 2024 and 2023, respectively.
Transaction income also includes income from consumer fees that are related to processing orders and payments. Such fees are assessed when consumers choose to make an installment payment, excluding the first installment, using a card pursuant to state law, or when a payment method fails when attempting to make an installment payment. These fees are recognized at the time the fee is assessed to the extent the fee is reasonably collectible and totaled $14,505,044 and $4,786,304 for the three months ended September 30, 2024 and 2023, respectively, and $32,149,318 and $12,269,101 for the nine months ended September 30, 2024 and 2023, respectively.

Subscription Revenue

We offer our consumers the ability to subscribe to two paid services: Sezzle Premium and Sezzle Anywhere. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits, for a recurring fee. Sezzle Anywhere allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions, for a recurring fee. Subscription fees are recognized straight-line over the subscription period.

Income from Other Services

Income from other services includes all other incomes earned from merchants, consumers, and other third parties not included in transaction income or subscription revenue. This includes late payment fees, gateway fees, and marketing revenue earned from affiliates. Late payment fees are assessed to consumers who fail to make a timely principal payment. Late payment fees are recognized at the time the fee is charged to the consumer to the extent the fee is reasonably collectible. Late payment fees totaled $6,844,629 and $2,557,529 for the three months ended September 30, 2024 and 2023, respectively, and $13,528,076 and $7,018,990 for the nine months ended September 30, 2024 and 2023, respectively.

Disaggregation of Total Revenue

Our total revenue by category and Accounting Standards Codification ("ASC") recognition criteria for the three and nine months ended September 30, 2024 and 2023 was as follows:

	For the three months ended September 30,					
	2024			2023		
	Topic 310	Topic 606	Total	Topic 310	Topic 606	Total
Transaction income	$ 26,951,377	$ 9,445,917	$ 36,397,294	$ 21,571,303	$ 5,474,906	$ 27,046,209
Subscription revenue	—	22,857,165	22,857,165	—	8,554,947	8,554,947
Income from other services	7,451,481	3,251,751	10,703,232	3,091,928	2,151,117	5,243,045
Total revenue	**$ 34,402,858**	**$ 35,554,833**	**$ 69,957,691**	**$ 24,663,231**	**$ 16,180,970**	**$ 40,844,201**

	For the nine months ended September 30,					
	2024			2023		
	Topic 310	Topic 606	Total	Topic 310	Topic 606	Total
Transaction income	$ 66,678,124	$ 25,418,198	$ 92,096,322	$ 64,131,154	$ 14,739,309	$ 78,870,463
Subscription revenue	—	57,377,021	57,377,021	—	17,768,953	17,768,953
Income from other services	15,236,772	8,194,715	23,431,487	8,232,335	5,583,546	13,815,881
Total revenue	**$ 81,914,896**	**$ 90,989,934**	**$ 172,904,830**	**$ 72,363,489**	**$ 38,091,808**	**$ 110,455,297**

Transaction income that falls under the scope of ASC Topic 310, Receivables, relates to transactions that result in a note receivable being recognized. Such income is initially recorded as a reduction to notes receivable, net, within the consolidated balance sheets. The income is then recognized over the average duration of the note using the effective interest rate method. Transaction income to be recognized over the duration of existing notes receivable outstanding was $3,659,424 and $3,340,150 as of September 30, 2024 and December 31, 2023, respectively.

Transaction income that falls under the scope of ASC Topic 606, Revenue from Contracts with Customers, relates to transactions that do not result in a note receivable being recognized. Such revenue comprises a single performance obligation which is satisfied at the time the transaction occurs, at which point we recognize revenue.

Subscription revenue entirely falls under the scope of ASC Topic 606. Such revenue comprises a single performance obligation which is satisfied evenly over the underlying subscription period. Revenue is recognized ratably over the duration of the performance obligation. All performance obligations are fully satisfied within one year or less of receiving payment. Payment received for performance obligations not yet satisfied are recorded as deferred revenue on the consolidated balance sheets until such performance obligations are satisfied. Subscription revenue to be recognized over the remaining duration of outstanding performance obligations was $4,373,270 and $2,643,230 as of September 30, 2024 and December 31, 2023, respectively. Of the deferred revenue as of December 31, 2023, $2,602,536 was recognized during the nine months ended September 30, 2024.

Income from other services that falls under the scope of ASC Topic 310 primarily relates to late payment fees. Such fees are recognized at the time the fee is charged to the consumer to the extent they are reasonably collectible. Income from other services that fall under the scope of ASC 606 comprises a single performance obligation which is satisfied immediately and not deferred.

Note 3. Notes Receivable and Allowance for Credit Losses

We offer consumer installment payment plans on our platform. Consumer installment payment plans are generally interest-free and consist of four installments, with the first payment made at the time of purchase and subsequent payments due every two weeks thereafter. We purchase certain receivables related to installment payment plans extended to consumers in the United States by an independent chartered financial institution ("originating partner") and are responsible for servicing such receivables. All other consumer installment payment plans are originated by us. Our notes receivable represents amounts due from consumers primarily for outstanding principal on installment payment plans made on our platform that we have either originated or purchased from our originating partner. Our notes receivable are generally due within 42 days.

We classify all of our notes receivable as held for investment, as we have the intent and ability to hold these investments for the foreseeable future or until maturity or payoff. Since our portfolio is comprised of one product segment, point-of-sale unsecured installment loans, we evaluate our notes receivable as a single, homogenous portfolio and make merchant-specific or other adjustments as necessary. Our notes receivable are reported at amortized cost, which primarily includes unpaid principal, adjusted for unearned transaction income, direct loan origination costs, and charge-offs. The amortized cost basis is adjusted for the allowance for credit losses within notes receivable, net.

As of September 30, 2024 and December 31, 2023, our notes receivable at amortized cost was comprised of the following:

	September 30, 2024	December 31, 2023
Notes receivable, gross	$ 155,072,914	$ 146,225,832
Deferred transaction income	(3,659,424)	(3,340,150)
Notes receivable, amortized cost	**$ 151,413,490**	**$ 142,885,682**

Deferred transaction income is primarily comprised of unrecognized merchant fees, which are recognized over the duration of the note with the consumer and are recorded as an offset to transaction income on the consolidated statements of operations and comprehensive income. Our notes receivable had a weighted average days outstanding of 34 days.

We closely monitor credit quality for our notes receivable to manage and evaluate our related exposure to credit risk. When assessing the credit quality and risk of our portfolio, we monitor a variety of internal risk indicators and consumer attributes that are shown to be predictive of ability and willingness to repay, and combine these factors to establish an internal, proprietary score as a credit quality indicator (the "Prophet Score"). We evaluate the credit risk of our portfolio by grouping Prophet Scores into three buckets that range from A to C, with receivables having an "A" rating representing the highest credit quality and lowest likelihood of loss. Our risk and fraud team closely monitors the distribution of Prophet Scores for signs of changes in credit risk exposure and portfolio performance. The risk and fraud team also regularly evaluates the integrity of the Prophet Score machine learning model and updates it as necessary, but at least annually. We last updated the Prophet Score model in October 2023.

The amortized cost basis of our notes receivable by Prophet Score and year of origination as of September 30, 2024 and December 31, 2023 was as follows:

	September 30, 2024			December 31, 2023		
	Amortized cost basis by year of origination					
	2024	2023	Total	2023	2022	Total
A	$ 50,070,705	$ —	$ 50,070,705	$ 47,752,196	$ —	$ 47,752,196
B	57,354,419	1,000	57,355,419	58,815,920	257	58,816,177
C	43,858,876	8,714	43,867,590	35,832,476	2,708	35,835,184
No score	119,776	—	119,776	482,125	—	482,125
Total amortized cost	**$ 151,403,776**	**$ 9,714**	**$ 151,413,490**	**$ 142,882,717**	**$ 2,965**	**$ 142,885,682**

Our notes receivable are considered past due when the principal has not been received within one calendar day of when they are due in accordance with the agreed upon contractual terms. Any amounts delinquent after 90 days are charged off with an offsetting reversal to the allowance for credit losses through the provision for credit losses on our consolidated statements of operations and comprehensive income. Charged-off principal payments recovered after 90 days are recognized as a reduction to the allowance for credit losses in the period the receivable is recovered. The amortized cost basis of our notes receivable by delinquency status as of September 30, 2024 and December 31, 2023 was as follows:

	September 30, 2024	December 31, 2023
Current	$ 126,225,572	$ 129,681,699
1–28 days past due	13,817,258	6,808,467
29–56 days past due	6,204,170	3,015,612
57–90 days past due	5,166,490	3,379,904
Total amortized cost	**$ 151,413,490**	**$ 142,885,682**

We maintain an allowance for credit losses at a level necessary to primarily absorb expected credit losses on principal receivables from consumers. The allowance for credit losses is determined based on our current estimate of expected credit losses over the remaining contractual term and incorporates evaluations of known and inherent risks in our portfolio, historical credit losses, consumer payment trends, estimates of recoveries, current economic conditions, and reasonable and supportable forecasts. We regularly assess the adequacy of our allowance for credit losses and adjust the allowance as necessary to reflect changes in the credit risk of our notes receivable. Any adjustment to the allowance for credit losses is recognized in net income through the provision for credit losses on our consolidated statements of operations and comprehensive income. While we believe our allowance for credit losses is appropriate based on the information available, actual losses could differ from the estimate.

In estimating the allowance for credit losses, we utilize a roll rate analysis of delinquent and current notes receivable. Roll rate analysis is a technique used to estimate the likelihood that a loan progresses through various stages of delinquency and eventually charges off. We segment our notes receivable into delinquency statuses and semi-monthly vintages for the purpose of evaluating historical performance and determining the future likelihood of default.

The activity in the allowance for credit losses, including the provision for credit losses, charge-offs, and recoveries for the three and nine months ended September 30, 2024 and 2023 was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Balance at beginning of period	$ 11,786,141	$ 6,494,092	$ 12,253,041	$ 10,223,451
Adoption of Accounting Standards Update No. 2016-13	—	—	—	(878,577)
Provision for credit losses	15,402,303	6,676,548	30,636,149	12,667,346
Charge-offs	(9,167,620)	(5,239,171)	(26,394,129)	(16,416,612)
Recoveries of charged-off receivables	605,398	666,473	2,131,161	3,002,334
Balance at end of period	**$ 18,626,222**	**$ 8,597,942**	**$ 18,626,222**	**$ 8,597,942**

Net charge-offs by year of origination for the nine months ended September 30, 2024 was as follows:

	2024	2023	2022	2021	2020	Total
Current period gross charge-offs	$ (13,524,757)	$ (12,861,272)	$ (6,753)	$ (1,347)	$ —	$ (26,394,129)
Current period recoveries	197,490	1,195,333	350,355	295,203	92,780	2,131,161
Current period net charge-offs	**$ (13,327,267)**	**$ (11,665,939)**	**$ 343,602**	**$ 293,856**	**$ 92,780**	**$ (24,262,968)**

Note 4. Other Receivables

As of September 30, 2024 and December 31, 2023, the balance of other receivables, net, on the consolidated balance sheets was comprised of the following:

As of	September 30, 2024	December 31, 2023
Late payment fees receivable, net	$ 1,362,289	$ 548,649
Receivables from merchants, net	589,751	1,023,079
Receivables from originating partner	1,871,240	—
Other receivables, net	**$ 3,823,280**	**$ 1,571,728**

Late payment fees are applied to principal installments that are delinquent, subject to regulations within specific state jurisdictions. Any late payment fees associated with a delinquent payment are considered to be the same number of days delinquent as the principal payment. Late payment fees receivable, net, is comprised of outstanding late payment fees that we reasonably expect to collect from our consumers. As of September 30, 2024 and December 31, 2023, gross late payment fees receivable totaled $3,955,290 and $1,821,002, respectively.

We maintain an allowance for other credit losses at a level necessary to absorb expected credit losses on late payment fees receivable from our consumers. Any amounts delinquent after 90 days are charged off with an offsetting reversal to the allowance for other credit losses. Any adjustment to the allowance for other credit losses is recognized in net income through an offset to total revenue on our consolidated statements of operations and comprehensive income. Payments recovered after 90 days are recognized as a reduction to the allowance for other credit losses in the period the receivable is recovered.

The activity in the allowance for other credit losses related to late payment fees, including the provision for other credit losses, charge-offs, and recoveries for the three and nine months ended September 30, 2024 and 2023 was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Balance at beginning of period	$ 1,525,889	$ 768,602	$ 1,272,353	$ 980,713
Provision for other credit losses	2,340,716	917,226	4,939,580	2,067,268
Charge-offs	(1,381,418)	(783,784)	(3,994,062)	(2,539,804)
Recoveries of charged-off receivables	107,814	114,396	375,130	508,263
Balance at end of period	**$ 2,593,001**	**$ 1,016,440**	**$ 2,593,001**	**$ 1,016,440**

Receivables from merchants primarily represent amounts due to us from our long-term lending partners for processing applications and referring potential consumers to them. Such transactions are settled with the merchant for the full purchase price at the point of sale and we separately invoice our long-term lending partners for the fees due to us. Expected losses on merchant fees receivable are minimal, therefore, there is no allowance for credit losses recorded.

Receivables from originating partner represents amounts due to us from our originating partner that will be used to settle outstanding merchant accounts payable on orders originated by them.

Note 5. Merchant Accounts Payable

Merchant accounts payable represents amounts owed to merchants related to orders placed on the Sezzle Platform.

Merchants have the ability to enroll, subject to our approval, into the Delayed Settlement Incentive Program ("DSIP"), which allows merchants to defer payment from us in exchange for daily incentive payments. Within merchant accounts payable, $51,907,543 and $53,616,718 were recorded within the DSIP balance as of September 30, 2024 and December 31, 2023, respectively.

During the three and nine months ended September 30, 2024, all deferred payments retained in the program bore daily incentive payments at a fixed rate of 5.20% on an annual basis, compounding daily. The average annual percentage yield and related expense was 4.95% and $632,607, and 5.21% and $679,012 for the three months ended September 30, 2024 and 2023, respectively. The average annual percentage yield and related expense was 4.77% and $1,887,632, and 4.32% and $1,917,378 for the nine months ended September 30, 2024 and 2023, respectively. Expense related to the DSIP is recorded within net interest expense on the consolidated statements of operations and comprehensive income.

Deferred payments are due on demand, up to $250,000 during any seven day period, at the request of the merchant. Any request larger than $250,000 is processed within seven to ten days. We reserve the right to impose additional limits on the program and make changes to the program without notice or limits. These limits and changes to the program can include but are not limited to maximum balances, withdrawal amount limits, and withdrawal frequency.

Note 6. Line of Credit

We fund our consumer receivables through the use of a secured line of credit. We had an outstanding principal balance on our line of credit totaling $95,000,000 as of September 30, 2024 and December 31, 2023. Our revolving credit facilities are secured by a pool of pledged, eligible notes receivable. As of September 30, 2024 and December 31, 2023, we had pledged $132,032,578 and $131,379,797 of eligible gross notes receivable, respectively. We had an unused borrowing capacity of $17,887,829 and $3,534,848 as of September 30, 2024 and December 31, 2023, respectively.

Expenses related to our line of credit for the three and nine months ended September 30, 2024 and 2023 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest expense on utilization	$ 2,608,239	$ 3,471,806	$ 8,373,286	$ 9,611,867
Interest expense on unused daily amounts	82,361	25,555	199,874	90,639
Amortization of debt issuance costs	102,280	183,073	417,207	534,638

For the three months ended September 30, 2024 and 2023, our line of credit carried an effective annual interest rate of 12.65% and 20.70%, respectively. For the nine months ended September 30, 2024 and 2023, our line of credit carried an effective annual interest rate of 11.75% and 18.19%, respectively.

2024 Credit Agreement

On April 19, 2024, we entered into a secured revolving credit facility (the "2024 Credit Agreement") with Bastion Funding VI LP. The 2024 Credit Agreement has a borrowing capacity of up to $150,000,000 and a maturity date of April 19, 2027. The borrowing base is 85% of pledged, eligible notes receivable, increased to 90% based on the loss rates of the underlying collateral. Eligible notes receivable are defined as notes receivable from consumers from the United States or Canada that are less than 30 days past due and fall within certain term and principal criteria.

Our 2024 Credit Agreement carries an interest rate of 3-month Term U.S. Federal Reserve Secured Overnight Financing Rate ("SOFR") plus 6.75%, with a SOFR floor rate of 2.0%. Interest on borrowings is due on collection dates as specified in the loan agreement, typically monthly. We incur an unused facility fee of 0.5% per annum on the difference between the maximum borrowing capacity and the amount of principal outstanding. We are also required to maintain a minimum outstanding balance of $60,000,000.

The 2024 Credit Agreement contains customary representations, warranties, affirmative and negative covenants, events of default (including upon change of control or collateral loss rates exceeding pre-determined levels), and indemnification provisions in favor of the lenders. The negative covenants limit our ability to incur or guarantee additional indebtedness; make investments or other restricted payments; acquire assets or form or acquire subsidiaries; create liens; sell assets; pay dividends or make other distributions or repurchase or redeem capital stock; engage in certain transactions with affiliates; enter into agreements that restrict the creation or incurrence of liens other than liens securing the new 2024 Credit Agreement and related documents; engage in liquidations, mergers, or consolidations; and make any material amendment, modification, or supplement to our credit guidelines or servicing guide, in each case subject to certain exceptions and qualifications. We are also subject to financial covenants, which require us to meet financial tests related to collection rates, default rates, leverage, tangible net worth, and liquidity.

In connection with entering into the 2024 Credit Agreement, we recognized a $259,706 loss on the extinguishment of our previous line of credit primarily related to unamortized debt issuance costs.

Note 7. Warrants

On February 23, 2024, in connection with our delisting from the ASX, we amended the strike price of all outstanding warrants originally denominated in Australian dollars to US dollars. As a result of the amendment, the warrants were no longer subject to foreign currency fluctuations and became considered indexed directly to our stock price and, on the date of amendment, we converted the warrants from a liability to stockholders' equity within the consolidated balance sheets. The amount converted totaled $2,228,813.

Prior to converting our warrant liabilities, we revalued them to their fair value as of each reporting date using a Black-Scholes valuation model, which is calculated using Level 3 inputs. The primary unobservable input used in determining the fair value of the warrant liabilities is the expected volatility of our common stock. On the conversion date, we revalued the warrants using the Black-Scholes valuation model using a risk-free interest rate of 4.2%, expected volatility of 139.1%, and an expected life of 5.6 years, resulting in an estimated fair value of $40.81 per warrant. The activity related to our warrant liabilities during the nine months ended September 30, 2024 and 2023 was as follows:

	For the nine months ended September 30,	
	2024	**2023**
Balance at beginning of period	$ 967,257	$ 511,295
Fair value remeasurement loss	1,261,556	79,268
Conversion of warrant liabilities to stockholders' equity	(2,228,813)	—
Balance at end of period	**$ —**	**$ 590,563**

The fair value remeasurement loss was recognized within other income (expense) on the consolidated statements of operations and comprehensive income.

During the nine months ended September 30, 2024, 54,610 warrants were exercised into 50,198 shares of common stock, with 4,412 shares withheld to cover the exercise price on certain exercises during the period. As of September 30, 2024, we had no warrants outstanding. No warrants were cancelled during the nine months ended September 30, 2024.

Note 8. Commitments and Contingencies

Loan Commitments

Our originating partner entered into a five-year strategic partnership program with us by executing a Loan and Receivables Sale Agreement and Marketing and Servicing Agreement, effective September 27, 2024. We have a direct obligation to purchase receivables extended to consumers by our originating partner. As of September 30, 2024, we had an obligation to purchase $17,711,358 of receivables from our originating partner.

Note 9. Income Taxes

Income tax expense (benefit) was $2,162,989 and $15,874 for the three months ended September 30, 2024 and 2023, respectively, and ($13,567,130) and $48,024 for the nine months ended September 30, 2024 and 2023, respectively. We assess all relevant positive and negative evidence to determine if our existing deferred tax assets can be realized at each reporting date. As of September 30, 2024, significant pieces of positive evidence include our cumulative taxable income earned over a two-year period, which is objective and verifiable, and consideration of our expected future taxable earnings. Based on our assessment, we concluded that it is more likely than not that our U.S. federal and state deferred tax assets are realizable. As a result, we recorded a discrete tax benefit of $14,941,204 for the release of our valuation allowance during the nine months ended September 30, 2024. As of September 30, 2024 and December 31, 2023, we had a $8,349,879 and $32,478,033 valuation allowance recorded against our net deferred tax assets, respectively. Additionally, during the three months ended September 30, 2024 we recognized discrete tax benefits primarily related to excess tax benefits on equity based compensation totaling approximately $0.7 million.

Note 10. Net Income Per Share

Basic net income per share is computed by dividing net income for the period by the weighted-average number of shares outstanding during the period, including repurchases carried as treasury stock. Diluted net income per share is computed by dividing net income by the weighted-average number of shares outstanding adjusted for the dilutive effect of all potential shares of stock, including the exercise of employee stock options and assumed vesting of restricted stock units (if dilutive). Diluted net income per share was computed using the treasury stock method for warrants, stock options, and restricted stock units.

The following table presents the calculation of basic and diluted net income per share:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net income	$ 15,446,241	$ 1,294,400	$ 53,155,127	$ 4,158,724
Denominator*:				
Basic shares:				
Weighted-average shares outstanding	5,545,353	5,667,430	5,620,754	5,576,233
Diluted shares:				
Stock options	120,886	60,299	95,696	67,351
Restricted stock units	239,594	—	231,681	—
Warrants	—	1,936	—	7,637
Weighted-average shares outstanding	5,905,833	5,729,665	5,948,131	5,651,221
Net income per share:				
Basic	$ 2.79	$ 0.23	$ 9.46	$ 0.75
Diluted	$ 2.62	$ 0.23	$ 8.94	$ 0.74

* Effective May 11, 2023, we performed a 1-for-38 reverse stock split. Share amounts have been retroactively restated.

Because their effect would have been anti-dilutive, 42,033 and 564,802 shares were excluded from the denominator of diluted net income per share for the three months ended September 30, 2024 and 2023, respectively, and 43,739 and 442,847 shares for the nine months ended September 30, 2024 and 2023, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q ("Form 10-Q"). This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. You should review the "Forward-Looking Statements", "Factors Affecting Results from Operations", and "Risk Factors" sections of this Form 10-Q, and the "Risk Factors" sections on this Form 10-Q and the 2023 Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements described in the following discussion and analysis.

Overview

We are a purpose-driven payments company on a mission to financially empower the next generation. Launched in 2017, we built a digital payments platform that allows merchants to offer their consumers a flexible alternative to traditional credit. As of September 30, 2024, our platform has supported the business growth of 23 thousand Active Merchants while serving 2.7 million Active Consumers. Through our products we aim to enable consumers to take control of their spending, be more responsible, and gain access to financial freedom. Our vision is to create a digital ecosystem benefiting all of our stakeholders—including consumers, merchants, employees, communities, and investors—while continuing to drive ethical growth.

The Sezzle Platform offers a payments solution for consumers that instantly extends credit at the point-of-sale, allowing consumers to purchase and receive the ordered merchandise at the time of sale while paying in installments over time. The Sezzle Platform flagship product, "pay-in-four," allows consumers to pay a fourth of the purchase price up front, and then another fourth of the purchase price every two weeks thereafter over a total of six weeks. We also offer alternative payment options on the Sezzle Platform, including "pay-in-two" and "pay-in-full," to certain consumers. We realize high repeat usage rates by many of our consumers, with the top 10% of our consumers measured by Underlying Merchant Sales ("UMS," as defined below) transacting an average of 77 times per year based on the transaction activity during the rolling twelve months ended September 30, 2024, although historical transaction activity is not an indication of future results.

Our product is generally free to consumers who pay on time and use a bank account to make their installment payments, excluding their first payment, unless they choose to pay for one of our two subscription products or enter into an interest-bearing loan with our third-party partners. We make most of our revenue by charging our merchants fees in the form of a merchant processing fee and through our two paid versions of the core Sezzle experience: Sezzle Premium and Sezzle Anywhere. Sezzle Premium is a paid subscription service for consumers to access large, non-integrated premium merchants, along with other benefits, for a recurring fee. Sezzle Anywhere is a paid subscription service that allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions, for a recurring fee. Additionally, through collaboration with third-party partners we enable our consumers at participating merchants access to interest-bearing monthly fixed-rate installment-loan products for larger-ticket items (up to $15,000), which extend up to 60 months.

We primarily operate in the United States and Canada, and are currently winding down and exiting operations in India and certain countries in Europe.

Factors Affecting Results of Operations

We have set out below a discussion of the key factors that have affected our financial performance and that are expected to impact our performance going forward.

Sustainable Business Model

Our ability to profitably scale our business long-term is reliant on creating a transparent and sustainable ecosystem of products and services that add value for all of our stakeholders, including our consumers and merchants. Our product is generally free for consumers who pay on time and use a bank account to make their installment payments, excluding their first payment, unless they choose to pay for one of our two optional subscription products or enter into an interest-bearing loan with our long-term lending partners. Subscription revenue comprised approximately 33% and 16% of our total revenue for the nine months ended September 30, 2024 and 2023, respectively.

We earn fees from our merchants predominately based on a percentage of the UMS value plus a fixed fee per transaction, collectively called a "merchant processing fee." We generally pay our merchants the full transaction value upfront, net of the merchant fees owed to us, and assume all costs associated with the consumer payment processing, fraud, and payment default. Merchant and partner-related income comprised approximately 39% and 65% of our total revenue for the nine months ended September 30, 2024 and 2023, respectively. Our merchants have access to a toolkit we provide that can assist in the growth of their businesses. This toolkit includes marketing placements, co-branded marketing, exclusive promotions for consumers using Sezzle, and Sezzle Capital which facilitates access to small business loans issued by third-party lenders.

Acquisition and Retention of Consumers and Merchants

Our ability to profitably scale our business is reliant on the acquisition and retention of both consumers and merchants on the Sezzle Platform. Changes in our merchant and consumer bases have had, and will continue to have, an impact on our results of operations. It is costly for us to acquire (and in some cases retain) merchants and consumers. As such, high turnover in our merchant and consumer bases could result in higher than anticipated overhead costs.

We rely heavily on our merchant base to offer our product to new consumers at the point of sale. As of September 30, 2024, we had approximately 23 thousand Active Merchants (defined as directly integrated merchants who have had at least one order on the Sezzle Platform in the last twelve months) on our platform. Our integration into scaled e-commerce platforms is expected to give more merchants the opportunity to offer Sezzle as a payment option at checkout, and we expect that our partnerships with larger retailers will familiarize more consumers with the Sezzle Platform. Onboarding and retaining merchants, as well as growing merchant utilization of the Sezzle Platform, requires investment in sales, co-marketing, and competitively priced merchant fee rates and incentives. In order to stay competitive, we have and may continue to adjust our pricing or offer incentives to larger merchants in order to increase UMS. These pricing structures with merchants may include up-front cash payments, fee discounts, rebates, credits, performance-based incentives, marketing, and other support payments that impact our revenues and profitability, and therefore, could incur substantial costs to acquire and retain these larger merchants. Certain agreements contain provisions that may require us to make payments to certain merchants and are contingent on us and/or the merchants meeting specified criteria, such as achieving implementation benchmarks.

There is a risk that we may lose merchants for a variety of reasons, including a failure to meet key contractual or commercial requirements, or merchants shifting to other service providers, including competitors or in-house offerings. We also face the risk that our key partners could become competitors of our business if such partners are able to determine how we have designed and implemented our model to provide our services. We continue to prioritize our focus on merchant profitability, which has resulted in a decline in our directly-integrated merchant base.

The success of our business is also dependent on a consumer base that actively uses our products. As of September 30, 2024, we had approximately 2.7 million Active Consumers on the platform. We aim to provide offerings to our consumers that keep them engaged within our ecosystem, such as Sezzle Up, our tap-to-pay Sezzle Virtual Card, and our paid subscription services Sezzle Premium and Sezzle Anywhere. There is a risk that we may lose consumers for a variety of reasons, including consumers shifting to competitors or other payment options, changes in the general macroeconomic climate, or changes in our underwriting.

Product Innovation

Our expanding product suite enables us to further promote our mission of financially empowering the next generation, and the adoption of these products by our consumers is expected to drive operating and financial performance. In 2023, we launched Sezzle Anywhere, a paid subscription service that allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions, for a recurring fee. In 2023, we also began offering a "pay-in-two" option to certain consumers who are not qualified for our "pay-in-four" product. In "pay-in-two," a consumer pays half of the value of their order up-front and the second half in two weeks. In 2024, we launched Payment Streaks, a new feature designed to reward consumers for consistent and timely payments. Our free Payment Streaks program enables consumers to ascend through loyalty tiers by consistently making on-time payments, with each tier providing additional benefits to consumers. We continue to seek out new partners to adopt our existing products and strategize on new products to complement our platform and core products, which we believe will have an impact on the continued growth of our business.

Credit Risk Management

A critical component of our business model is the ability to effectively manage the repayment risk inherent in allowing consumers to pay over time, as we absorb the costs of all credit losses on the credit we extend to our consumers. The provision for credit losses is a significant component of our operating expenses, and excessive exposure to consumer repayment failure may impact our results of operations. To that end, a team of Sezzle engineers and risk specialists oversee our proprietary systems, identify transactions with an elevated risk of fraud, assess the credit risk of the consumer, assign spending limits, and manage the ultimate receipt of funds. Because consumers typically settle 25% of the purchase value upfront at the point of sale, we believe repayment risk is more limited relative to other traditional forms of unsecured consumer credit.

We believe our systems and processes are highly effective and allow for predominantly accurate, real-time decisions in connection with the consumer transaction approval process. As our consumer base grows, the availability of data on consumer repayment behavior will better optimize our systems and ability to make real-time consumer repayment capability decisions over time. Optimizing repayment capacity decisions of our current and future consumer base may reduce our provision for credit losses and related charge-offs by providing optimal limitations on spending power to qualified consumers. We also utilize third-party collection agencies in addition to our internal collections process, which further helps us lower our loss rates and manage credit risk.

Maintaining our Capital-Efficient Strategy

Maintaining our funding strategy and efficient use of capital is important for the ability to grow our business. We have designed a funding strategy that we believe allows us to scale our business and drive rapid growth. Due to the short-term nature of our products, we are able to recycle capital quickly and create a multiplier effect on our committed capital. We primarily rely on revolving credit facilities to fund our receivables over time, and do not currently require additional equity contributions to directly fund product growth.

General Economic Conditions and Regulatory Climate

Our business depends on consumers transacting with merchants, which is affected by changes in general economic conditions. For example, the retail sector is affected by macroeconomic conditions such as unemployment, interest rates, consumer confidence, economic recessions, public health crises, or extended periods of uncertainty or volatility—all of which may influence consumer spending, and suppliers' and retailers' focus and investment in outsourcing solutions. This may subsequently impact our ability to generate income. Additionally, in weaker economic environments, consumers may have less disposable income to spend, and may be less likely to purchase products by utilizing our services. This could also cause our credit losses to increase due to consumers' failure to repay the loans originated on the Sezzle Platform. Our industry is further impacted by numerous consumer finance and protection regulations, both domestic and international, and the prospects of new regulations, including the cost to comply with such regulations, have an ongoing impact on our results of operations and financial performance.

Seasonality

We experience seasonality as a result of the spending patterns of our consumers. Total revenue and UMS in the fourth quarter have historically been strongest for us, in line with consumer spending habits during the holiday shopping season, which has typically been accompanied by increased charge-offs when compared to the prior three quarters.

Key Operating Metrics

Underlying Merchant Sales

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Underlying Merchant Sales ("UMS")	$ 659,889	$ 469,500	$ 190,389	40.6 %	$ 1,684,797	$ 1,222,392	$ 462,405	37.8 %

UMS is defined as the total value of sales made by merchants based on the purchase price of each confirmed sale where a consumer has selected the Sezzle Platform as the applicable payment option. UMS does not represent revenue earned by us, is not a component of our income, nor is included within our financial results prepared in accordance with U.S. GAAP. However, we believe that UMS is a useful operating metric to both us and our investors in assessing the volume of transactions that take place on the Sezzle Platform, including our Sezzle Premium and Sezzle Anywhere products, which is an indicator of the strength of the Sezzle Platform.

For the three months ended September 30, 2024 and 2023, UMS totaled $659.9 million and $469.5 million, respectively, which was an increase of 40.6%. For the nine months ended September 30, 2024 and 2023, UMS totaled $1,684.8 million and $1,222.4 million, respectively, which was a increase of 37.8%. The increases in both periods were primarily from the expansion of our Sezzle Anywhere subscription product, which launched in June 2023, as well as changes to consumer underwriting to further promote profitable top-line growth.

Active Consumers and Active Subscribers

	As of		Change	
	September 30, 2024	December 31, 2023	#	%
	(in thousands, except percentages)			
Active Consumers	2,667	2,601	66	2.6 %
Active Subscribers	529	307	222	72.0 %

Active Consumers is defined as unique consumers who have placed an order with us within the last twelve months. As of September 30, 2024 we had 2.7 million Active Consumers, an increase of 2.6% when compared to our 2.6 million Active Consumers as of December 31, 2023. The increase in Active Consumers was driven by our marketing efforts and changes to our underwriting.

Active Subscribers is defined as unique consumers who have an active subscription for either Sezzle Premium or Sezzle Anywhere. As of September 30, 2024, we had 0.5 million Active Subscribers, an increase of 72.0% when compared to our 0.3 million Active Subscribers as of December 31, 2023. The increase in Active Subscribers was driven by the continued marketing and adoption of our subscription products.

Components of Results of Operations

Total Revenue

Our total revenue is classified into three categories: transaction income, subscription revenue, and income from other services.

Transaction Income

Transaction income is comprised of all income earned from merchants, consumers, and other third parties that relate to placing and processing orders on the Sezzle Platform. This includes merchant processing fees, partner income, and consumer fees.

We earn income from fees paid by merchants in exchange for our payment processing services. These merchant processing fees are applied to the underlying sales of consumers passing through our platform and are predominantly based on a percentage of the consumer order value plus a fixed fee per transaction. For orders that result in a financing receivable, merchant processing fees are recognized over the underlying order's duration using the effective interest method. For orders that do not result in a financing receivable, merchant processing fees are recognized at the time the sale is completed.
We also earn income from partners on consumer transactions. This income includes interchange fees through our virtual card solution and promotional incentives with third parties. Virtual card interchange income is recognized over the underlying order's duration using the effective interest method and promotional incentives are recognized as they are earned during the promotional period.
Transaction income also includes income from consumers when they choose to make an installment payment, excluding the first installment, using a card pursuant to state law. These fees are recognized at the time a payment is processed.

Subscription Revenue

We offer our consumers the ability to subscribe to two paid services: Sezzle Premium and Sezzle Anywhere. Sezzle Premium allows consumers to shop at select large, non-integrated premium merchants, along with other benefits, for a recurring fee. Sezzle Anywhere allows consumers to use their Sezzle Virtual Card at any merchant online or in-store, subject to certain merchant, product, goods, and service restrictions, for a recurring fee. Subscription fees are recognized straight-line over the subscription period.

Income from Other Services

Income from other services includes all other incomes earned from merchants, consumers, and other third parties not included in transaction income or subscription revenue. This includes late payment fees, gateway fees, and marketing revenue earned from affiliates. Late payment fees are applied to principal installments that are delinquent, subject to regulations within specific state jurisdictions. Late payment fees are recognized at the time the fee is charged to the consumer to the extent the fee is reasonably collectible.

Personnel

Personnel primarily comprises all compensation paid to employees, contractor payments, employer-paid payroll taxes and employee benefits, equity and incentive-based compensation, and other employee-related expenses.

Transaction Expense

Transaction expense primarily comprises processing fees paid to third parties to process debit, credit and ACH payments received from consumers, merchant affiliate program and partnership fees, and consumer communication costs. We incur merchant affiliate program and partnership fees when consumers make purchases with merchants who either were referred by another merchant or are associated with partner platforms with which we have a contractual agreement. We incur consumer communication costs when we notify the consumer about the transaction status and upcoming payments. Communications are primarily made via text message and email directly to the consumer.

Third-Party Technology and Data

Third-party technology and data primarily includes cloud-based infrastructure, fraud prevention, obtaining underwriting data that resulted in failed loan applications, and consumer engagement. Underwriting costs incurred that result in successfully originated loans are an element of transaction income and recognized as a reduction of the overall income and, therefore, are not included in third-party technology and data.

Marketing, Advertising, and Tradeshows

Marketing, advertising, and tradeshows primarily comprises costs related to marketing, sponsorships, advertising, attending tradeshows, promotions, and co-marketing the Sezzle brand with our merchants.

General and Administrative

General and administrative expenses are primarily comprised of professional service fees, depreciation and amortization, insurance premiums, travel, meals, and entertainment costs. Professional service fees include legal, compliance, audit, tax, and consulting services to support the growth of our company.

Provision for Credit Losses

We maintain an allowance for credit losses at a level necessary to absorb expected credit losses on principal receivables from consumers. The allowance for credit losses is determined based on our current estimate of expected credit losses over the remaining contractual term and incorporates evaluations of known and inherent risks in our portfolio, historical credit losses, consumer payment trends, estimates of recoveries, current economic conditions, and reasonable and supportable forecasts. We regularly assess the adequacy of our allowance for credit losses and adjust the allowance as necessary to reflect changes in the credit risk of our notes receivable. Any adjustment to the allowance for credit losses is recognized through the provision for credit losses.

Net Interest Expense

We incur interest expense on a continuous basis as a result of draws on our revolving line of credit to fund consumer notes receivable as well as our Merchant Interest Program, whereby merchants may defer their payments owed by us in exchange for interest. The interest paid on borrowings under our line of credit is based on SOFR. Interest paid to merchants under the Delayed Settlement Incentive Program is based on a fixed interest rate.

Income Tax Expense (Benefit)

Income tax expense (benefit) consists of income taxes in various jurisdictions, primarily U.S. federal and state income taxes, and also the other foreign jurisdictions in which we operate. Tax effects of transactions reported in the consolidated financial statements consist of taxes currently due. Additionally, we record deferred taxes related primarily to differences between the basis of receivables, property and equipment, equity based compensation, and accrued liabilities for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Significant judgement is required in determining whether or not our net deferred tax assets are more likely than not to be realized. We assess the realizability of our deferred tax assets by taking into account all relevant positive and negative evidence at each reporting date, including our history of taxable income adjusted for permanent book-tax differences, volatility in our earnings, impacts of the timing and reversal of temporary book-tax differences, and our projected future earnings. Our valuation allowance assessment is based on our best estimate of future results considering all available, relevant evidence.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) is comprised of foreign currency translation adjustments.

Results of Operations

Total Revenue

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Transaction income	$ 36,398	$ 27,046	$ 9,352	34.6 %	$ 92,096	$ 78,870	$ 13,226	16.8 %
Subscription revenue	22,857	8,555	14,302	167.2 %	57,377	17,769	39,608	222.9 %
Income from other services	10,703	5,243	5,460	104.1 %	23,432	13,816	9,616	69.6 %
Total revenue	**$ 69,958**	**$ 40,844**	**$ 29,114**	**71.3 %**	**$ 172,905**	**$ 110,455**	**$ 62,450**	**56.5 %**

Transaction income totaled $36.4 million and $27.0 million for the three months ended September 30, 2024 and 2023, respectively. Transaction income totaled $92.1 million and $78.9 million for the nine months ended September 30, 2024 and 2023, respectively. Within transaction income, merchant processing fees totaled $14.8 million and $17.8 million for the three months ended September 30, 2024 and 2023, respectively, and $42.9 million and $57.2 million for the nine months ended September 30, 2024 and 2023, respectively. Merchant processing fees decreased due to the higher concentration of UMS volume transacted with our subscription products. Despite the decrease in merchant processing fees, transaction income grew year-over-year overall due to increases in both partner income and consumer fees.

Subscription revenue totaled $22.9 million and $8.6 million for the three months ended September 30, 2024 and 2023, respectively. Subscription revenue totaled $57.4 million and $17.8 million for the nine months ended September 30, 2024 and 2023, respectively. The increase was primarily driven by the overall growth in our Active Subscribers.

Income from other services totaled $10.7 million and $5.2 million for the three months ended September 30, 2024 and 2023, respectively. Income from other services totaled $23.4 million and $13.8 million for the nine months ended September 30, 2024 and 2023, respectively. The increase was driven by higher consumer fee income and increased marketing revenue generated from merchants. Consumer late payment fees totaled $6.8 million and $2.6 million for the three months ended September 30, 2024 and 2023, respectively, and $13.5 million and $7.0 million for the nine months ended September 30, 2024 and 2023, respectively. The increase in late payment fees was primarily driven by a higher number of orders becoming past due.

Personnel

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Personnel	$ 13,424	$ 11,079	$ 2,345	21.2 %	$ 37,185	$ 34,670	$ 2,515	7.3 %

Personnel costs for the three months ended September 30, 2024 and 2023 totaled $13.4 million and $11.1 million, respectively. Personnel costs for the nine months ended September 30, 2024 and 2023 totaled $37.2 million and $34.7 million, respectively. Recorded within personnel, equity based compensation totaled $1.5 million and $2.0 million for the three months ended September 30, 2024 and 2023, respectively, and $3.8 million and $7.1 million for the nine months ended September 30, 2024 and 2023, respectively. The increase in personnel costs was driven by increased headcount and accrued bonuses in the current period, offset against lower equity based compensation when compared to the prior period.

Transaction Expense

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Payment processing costs	$ 11,230	$ 7,972	$ 3,258	40.9 %	$ 30,483	$ 20,880	$ 9,603	46.0 %
Affiliate and partner fees	1,233	1,143	90	7.9 %	3,774	3,594	180	5.0 %
Other transaction expense	298	822	(524)	(63.7) %	1,033	1,647	(614)	(37.3) %
Transaction expense	**$ 12,761**	**$ 9,937**	**$ 2,824**	**28.4 %**	**$ 35,290**	**$ 26,121**	**$ 9,169**	**35.1 %**

Transaction expenses were $12.8 million and $9.9 million for the three months ended September 30, 2024 and 2023, respectively, and $35.3 million and $26.1 million for the nine months ended September 30, 2024 and 2023, respectively.

Payment processing costs were $11.2 million and $8.0 million for the three months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024 and 2023, payment processing costs were $30.5 million and $20.9 million, respectively. The increase was primarily driven by higher UMS during the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023.

Merchant affiliate program and partnership fees are incurred by us when consumers make purchases with merchants who either were referred by another merchant, or are associated with partner platforms with which we have contractual agreements. Such costs were $1.2 million and $1.1 million for the three months ended September 30, 2024 and 2023, respectively, and $3.8 million and $3.6 million for the nine months ended September 30, 2024 and 2023, respectively.

Other transaction expense was $0.3 million and $0.8 million for the three months ended September 30, 2024 and 2023, respectively, and $1.0 million and $1.6 million for the nine months ended September 30, 2024 and 2023, respectively. Such costs are comprised of consumer communication costs and consumer and merchant support–related costs. The decrease was a result of fewer consumer and merchant support-related costs during the three and nine months ended September 30, 2024 when compared to the three and nine months ended September 30, 2023.

Third-Party Technology and Data

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Third-party technology and data	$ 2,386	$ 2,003	$ 383	19.2 %	$ 6,724	$ 5,655	$ 1,069	18.9 %

Third-party technology and data costs totaled $2.4 million and $2.0 million for the three months ended September 30, 2024 and 2023, respectively. Third-party technology and data costs totaled $6.7 million and $5.7 million for the nine months ended September 30, 2024 and 2023, respectively. The increase in expense was driven by an increase in utilization of cloud-based infrastructure and other related costs to support the Sezzle Platform and our expanded suite of product offerings, as well as general increases in third-party technology costs.

Marketing, Advertising, and Tradeshows

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Marketing, advertising, and tradeshows	$ 2,726	$ 3,615	$ (889)	(24.6) %	$ 4,376	$ 10,128	$ (5,752)	(56.8) %

Marketing, advertising, and tradeshow costs were $2.7 million and $3.6 million for the three months ended September 30, 2024 and 2023, respectively. Marketing, advertising, and tradeshow costs were $4.4 million and $10.1 million for the nine months ended September 30, 2024 and 2023, respectively. The decrease in costs was primarily from a reduction in contractual obligations to co-market the Sezzle brand with our enterprise merchants and partners, offset against higher marketing and advertising expenses to promote user acquisition during the three and nine months ended September 30, 2024.

General and Administrative

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
General and administrative	$ 2,417	$ 2,184	$ 233	10.7 %	$ 7,319	$ 6,680	$ 639	9.6 %

General and administrative costs were $2.4 million and $2.2 million for the three months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024 and 2023, general and administrative costs were $7.3 million and $6.7 million, respectively. The increase in costs was primarily related to higher professional service fees in connection with the growth of our business.

Provision for Credit Losses

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Provision for credit losses	$ 15,402	$ 6,677	$ 8,725	130.7 %	$ 30,636	$ 12,667	$ 17,969	141.9 %

The total provision for credit losses was $15.4 million and $6.7 million for the three months ended September 30, 2024 and 2023, respectively. As a percentage of total revenue, the provision for credit losses was 22.0% and 16.3% for the three months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024 and 2023, the total provision for credit losses was $30.6 million and $12.7 million, respectively. As a percentage of total revenue, the provision for credit losses was 17.7% and 11.5% for the nine months ended September 30, 2024 and 2023, respectively. The increase in credit losses was a result of higher UMS during the three and nine months ended September 30, 2024 when compared to the three and nine months ended September 30, 2023, as well as changes to consumer underwriting to further promote profitable top-line growth.

Net Interest Expense

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Net interest expense	$ 3,328	$ 4,143	$ (815)	(19.7)%	$ 10,321	$ 11,454	$ (1,133)	(9.9)%

Net interest expense was $3.3 million and $4.1 million for the three months ended September 30, 2024 and 2023, respectively, and $10.3 million and $11.5 million for the nine months ended September 30, 2024 and 2023, respectively. The decrease was driven by the lower interest rate on our new line of credit that we entered into on April 19, 2024, offset against higher outstanding borrowings during the three and nine months ended September 30, 2024 when compared to the three and nine months ended September 30, 2023.

Income Tax Expense (Benefit)

	For the three months ended September 30,		Change		For the nine months ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
	(in thousands, except percentages)							
Income tax expense (benefit)	$ 2,163	$ 16	$ 2,147	Not meaningful	$ (13,567)	$ 48	$ (13,615)	Not meaningful

Income tax expense (benefit) for the three months ended September 30, 2024 and 2023 was $2,162,989 and $15,874, respectively. Our effective income tax rate for the three months ended September 30, 2024 and 2023 was 12.3% and 1.2%, respectively. Income tax (benefit) expense for the nine months ended September 30, 2024 and 2023 was ($13,567,130) and $48,024, respectively. Our effective income tax rate for the nine months ended September 30, 2024 and 2023 was (34.3%) and 1.1%, respectively. The change was a result of the release of our valuation allowance during the nine months ended September 30, 2024.

We assess all relevant positive and negative evidence to determine if our existing deferred tax assets can be realized at each reporting date. As of September 30, 2024, we concluded that it is more likely than not that our U.S. federal and state deferred tax assets are realizable. As a result, we recorded a discrete tax benefit of $14,941,204 to reflect the release of our valuation allowance during the nine months ended September 30, 2024. As of September 30, 2024 and December 31, 2023, we recorded a $8,349,879 and $32,478,033 valuation allowance against our net deferred tax assets, respectively.

Other Comprehensive Income (Loss)

We had $71,598 and ($358,465) of foreign currency translation adjustments recorded within other comprehensive income (loss) for the three months ended September 30, 2024 and 2023, respectively. For the nine months ended September 30, 2024 and 2023, we had ($2,353) and ($199,586) of foreign currency translation adjustments, respectively. Foreign currency translation adjustments are a result of the financial statements of our non-U.S. subsidiaries being translated into U.S. dollars in accordance with ASC 830, “Foreign Currency Matters”. We expect to record foreign currency translation adjustments in future periods and changes will be dependent on fluctuations in foreign currencies of countries in which we have operations.

Liquidity and Capital Resources

We have historically financed our operating and capital needs primarily through private sales of equity, our capital raises on the ASX, and our revolving line of credit. As of September 30, 2024, our principal sources of liquidity were cash, cash equivalents, restricted cash, the unused borrowing capacity on our line of credit, and certain cash flows from operations.

As of September 30, 2024, we had cash, cash equivalents, and restricted cash of $88.3 million, compared to $70.7 million as of December 31, 2023. Our cash and cash equivalents were held primarily for working capital requirements and the continued investment in our business. A majority of our restricted cash is made available for use within 2-3 business days.

As of September 30, 2024 and December 31, 2023, we had working capital of $135.5 million and $21.8 million, respectively. The increase in working capital was driven by the reclassification of our line of credit from a current liability to a non-current liability as a result of refinancing of our line of credit agreement on April 19, 2024. As of September 30, 2024 and December 31, 2023 we had an unused borrowing capacity on our line of credit of $17.9 million and $3.5 million, respectively.

We believe that our existing cash, cash equivalents, restricted cash, our unused borrowing capacity on our line of credit, and certain cash flows from operations will be sufficient to meet our working capital and investment requirements beyond the next 12 months.

Factors Affecting Liquidity and Capital Resources

While we believe that our business will be able to generate enough cash flow from operations and that future borrowings will be available to us in an amount sufficient to enable us to fund our liquidity needs, we cannot provide any assurance. Our ability to meet these needs is dependent on current economic conditions and other factors, many of which are beyond our control. Material factors that could affect our liquidity and capital resources are consumer delinquencies and defaults, declines in consumer purchases, an inability to access fundraising, macroeconomic conditions, and instability of financial institutions. If our capital is insufficient to satisfy our liquidity requirements, we will need to seek additional equity or debt financing. In an increasing interest rate environment, our ability to raise equity or incur debt could be limited, our borrowing costs could increase, we could be subject to restrictions, or we could be required to pledge additional collateral as security. If we are unable to raise additional capital or generate the necessary cash flows, our results of operations and financial condition could be materially and adversely impacted.

Cash Flows

The following table summarizes our cash flows:

	For the nine months ended September 30,	
	2024	**2023**
Net Cash Provided from (Used for) Operating Activities	$ 39,928,625	$ (10,675,166)
Net Cash Used for Investing Activities	(1,058,150)	(1,037,709)
Net Cash (Used for) Provided from Financing Activities	(21,213,116)	9,205,604
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 17,657,359	$ (2,507,271)

Operating Activities

Our largest source of operating cash is receipts from consumers, and our largest use of operating cash is payments to merchants. Other primary uses of cash from operating activities are for personnel, payment processing costs, and interest payments.

During the nine months ended September 30, 2024, net cash provided from operating activities totaled $39.9 million which was related to our $53.2 million net income adjusted for $27.1 million of non-cash adjustments such as deferred income taxes, credit losses, equity based compensation, and depreciation and amortization, offset against cash outflows of $40.3 million from changes in our operating assets and liabilities. Our cash outflows from changes in our operating assets and liabilities were driven by a $33.0 million increase in our notes receivable related to higher transaction volume during the nine months ended September 30, 2024 when compared to the nine months ended September 30, 2023, as well as timing of consumer repayments. Cash outflows from changes in our operating assets and liabilities were also driven by a $7.2 million increase in other receivables related to increased late payment fees assessed in the current period and the timing of consumers paying such fees. These both resulted in a decrease of cash receipts from consumers during the nine months ended September 30, 2024.

Offset against these, we had a $5.0 million increase in other payables as a result of the timing of payments received from consumers on receivables owned by our originating partner that we have not yet purchased, which resulted in an increase of cash receipts from consumers during the nine months ended September 30, 2024. During the nine months ended September 30, 2024, cash payments for personnel-related expenses totaled $33.6 million, cash payments for processing costs totaled $31.3 million, and cash interest payments totaled $10.5 million.

During the nine months ended September 30, 2023, net cash used for operating activities totaled $10.7 million, which was related to our $4.2 million of net income adjusted for $21.9 million of non-cash adjustments such as credit losses, equity based compensation, and depreciation and amortization, offset against cash outflows of $36.8 million due to changes in our operating assets and liabilities. The change in operating assets and liabilities was driven by a $20.9 million increase in our notes receivable, which was related to higher transaction volume and timing of consumer repayment resulting in decreased cash receipts from consumers. The change in operating assets and liabilities was also driven by a $14.9 million decrease in our merchants accounts payable as a result of the timing of payments to merchants, which resulted in an increase of cash payments to merchants during the nine months ended September 30, 2023. During the nine months ended September 30, 2023, cash payments for personnel-related expenses totaled $25.2 million, cash payments for processing costs totaled $20.8 million, and cash interest payments totaled $11.9 million.

The change in net cash from operating activities year-over-year was from increased cash receipts from consumers related to our increased profitability during the nine months ended September 30, 2024.

Investing Activities

Net cash used for investing activities was $1.1 million and $1.0 million for the nine months ended September 30, 2024 and 2023, respectively. Cash outflows for investing activities were used for purchasing computer equipment and payments of salaries to employees who create capitalized internal-use software.

Financing Activities

Net cash (used for) provided from financing activities during the nine months ended September 30, 2024 and 2023 was ($21.2) million and $9.2 million, respectively. Our net cash used for financing activities during the nine months ended September 30, 2024 was comprised of repurchases of common stock totaling $22.2 million and the payment of debt issuance costs totaling $1.1 million. Repurchases of common stock include $20.0 million of cash outflows for our stock repurchase plans, with the remaining repurchases representing withheld shares of common stock from employees to cover minimum statutory withholding tax obligations owed for vested restricted stock units issued under our equity incentive plans. These cash outflows were primarily offset against proceeds from stock option and warrant exercises totaling $2.0 million.

Financing cash inflows during the nine months ended September 30, 2023 was comprised of net proceeds from our line of credit totaling $10.9 million, offset against repurchases of common stock totaling $1.6 million and payment of debt issuance costs totaling $0.1 million.

Line of Credit

Refer to Note 6. Line of Credit on the accompanying Notes to the Consolidated Financial Statements for discussion about our lines of credit.

Loan Commitments

Refer to Note 8. Commitments and Contingencies on the accompanying Notes to the Consolidated Financial Statements for discussion about our direct obligation to purchase loans from our originating partner.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. These principles require us to make certain estimates and judgments that affect the amounts reported in our consolidated financial statements. We base our estimates on historical experience and on various other assumptions that management believes to be reasonable. Our actual results may differ materially from our estimates because of certain accounting policies requiring significant judgment. To the extent that there are material differences between our estimates and actual results, our future consolidated financial statements will be affected.

We evaluate our significant estimates on an ongoing basis, including, but not limited to, estimates related to our allowance for credit losses, equity based compensation, and income taxes. We believe these estimates have the greatest risk of affecting our consolidated financial statements; therefore, we consider these to be our critical accounting policies and estimates. Refer to Note 1. Principal Business Activity and Significant Accounting Policies within the Notes to Consolidated Financial Statements and "Critical Accounting Policies and Estimates" within Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2023 Annual Report on Form 10-K for a complete discussion of our significant accounting policies and critical accounting estimates.

New Accounting Pronouncements

Refer to Note 1. Significant Accounting Policies on the accompanying notes to our consolidated financial statements for discussion about recent accounting pronouncements.

Off Balance Sheet Arrangements

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, that would have been established for the purpose of facilitating off balance sheet arrangements (as that term is defined in Item 303(a)(4)(ii) of Regulation S-K) or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships. We enter into guarantees in the ordinary course of business related to the guarantee of our performance and the performance of our subsidiaries.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a smaller reporting company, we are not required to provide the information required by this Item; however, we are exposed to market risks during our ordinary course of business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices, interest rates, and foreign currency exchange rates. Our primary risk exposure is the result of fluctuations in interest rates and foreign currency exchange rates. Management establishes policies and programs around our investing and funding activities in order to mitigate market risks. We continuously monitor risk exposures.

Interest Rate Risk

We are exposed to interest rate risk primarily from our revolving line of credit. As of September 30, 2024 and December 31, 2023, we had a revolving line of credit facility of $150 million and $100 million available to us, respectively. We are obligated to pay interest on borrowing under our line of credit as well as other customary fees, including an unused commitment fee. Borrowings under our line of credit bear interest at a floating rate based on the U.S. Federal Reserve's Secured Overnight Financing Rate ("SOFR"); therefore, we are exposed to risks related to fluctuations in SOFR to the extent of our outstanding borrowings. As of both September 30, 2024 and December 31, 2023, we had $95 million, outstanding under our line of credit. For the nine months ended September 30, 2024, a 100 basis point hypothetical adverse change in SOFR during the year would have resulted in an additional $0.5 million of interest expense recorded within net interest expense on our consolidated statements of operations and comprehensive income, based on actual borrowings on our line of credit during the year.

Interest rates may also adversely impact our consumers' spending levels and ability to repay outstanding amounts owed to us. Higher interest rates could lead to larger payment obligations for consumers under other lenders, such as mortgages and credit cards, which may reduce our consumers' ability to remain current on their installment plans with us. This may lead to increased delinquencies, charge-offs, and credit losses on our notes receivable, which would have an adverse effect on our net income.

Foreign Currency Risk

During the ordinary course of business, we enter into transactions denominated in foreign currencies, primarily the Canadian dollar, which exposes us to foreign currency exchange rate risk. We have experienced and will continue to experience fluctuations in our net income as a result of transaction gains or losses related to revaluing monetary assets and liabilities that are denominated in currencies other than the functional currency of the entities in which they are recorded. We considered historical trends in foreign currency exchange rates and concluded it was reasonably possible that a 10% change in exchange rates could occur in the near term. If a hypothetical 10% foreign currency exchange rate change was applied to total monetary assets and liabilities denominated in currencies other than the functional currency of the entities in which they were recorded at the balance sheet date, it would not have a material impact on our financial results. At this time, we have not entered into derivatives or other financial instrument transactions in an attempt to hedge our foreign currency exchange risk due to its immaterial nature. In the future, we may enter into such transactions should our exposure become more substantial.

We are also subject to foreign currency exchange risk related to translation, as a number of our subsidiaries have functional currencies other than the U.S. Dollar. Translation from these foreign currencies to the U.S. Dollar is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using an average exchange rate for the period. Resulting translation adjustments are reported as a component of accumulated other comprehensive loss on the consolidated balance sheets. A hypothetical adverse 10% change in all of our subsidiaries' functional currencies against the U.S. Dollar compared to the exchange rate during the nine months ended September 30, 2024 and 2023 would have resulted in an additional foreign currency translation adjustment of approximately $1.6 million and $1.1 million, respectively.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Based on their evaluation as of September 30, 2024, our management, including our Chief Executive Officer and Chief Financial Officer, have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting as defined in the Exchange Act Rule 13a-15(f) that occurred during the nine months ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently involved in any material legal proceedings, other than ordinary routine litigation incidental to the business, to which we or any of our subsidiaries is a party or of which any of their property is subject. While the outcome of these matters cannot be predicted with certainty, we do not believe that the outcome of any of these matters, individually or in the aggregate, will have a material adverse effect on our consolidated balance sheets, operations and comprehensive income, or cash flows.

ITEM 1A. RISK FACTORS

As a smaller reporting company, we are not required to provide the information required by this Item. However, there have been no material changes to the risk factors described in Part I, Item 1A, Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2023. Investors are encouraged to review such risk factors, as they have the potential to affect our business, financial condition, results of operations, cash flow, strategies or prospects in a material and adverse manner.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Throughout the three months ended September 30, 2024, we withheld shares of common stock from employees to cover minimum statutory withholding tax obligations owed for vested restricted stock units issued under our equity incentive plans. We also repurchased shares in the open market under our stock repurchase plan, as described in our Current Report on Form 8-K filed on June 24, 2024. The table below presents information with respect to such common stock purchases made by us during the three months ended September 30, 2024, as follows:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs
July 1, 2024 through July 31, 2024	86,956	$ 88.70	80,546	$ —
August 1, 2024 through August 31, 2024	136	132.51	—	—
September 1, 2024 through September 30, 2024	589	154.59	—	—
Total	**87,681**	**$ 89.21**	**80,546**	**$ —**

(1) Of the total, 7,135 shares were surrendered to satisfy minimum statutory tax obligations under our equity incentive plans.
(2) On June 20, 2024, our Board of Directors authorized a stock repurchase plan to repurchase up to $15 million of our outstanding shares. This plan commenced June 24, 2024 and expired on July 9, 2024 in accordance with the plan's terms.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1(c) and/or non-Rule 10b5-1 Trading Arrangements

During the quarter ended September 30, 2024, none of the officers (as defined in Exchange Act Rule 16a-1(f)) or directors of the Company adopted or terminated a "Rule 10b5-1 trading arrangement," (as defined in Item 408(a) of Regulation S-K) intended to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement, except as follows:

On September 3, 2024, Paul Paradis, the Company's President, terminated a Rule 10b5-1 trading arrangement (the "Paradis Plan") that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). On September 13, 2024, Paradis' spouse entered into a Rule 10b5-1 trading arrangement (the "Spousal Plan") that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The Spousal Plan provides for the potential sale of up to 74,432 shares of the Company's common stock, between an estimated start date of January 2, 2025, until termination of the Paradis Plan on September 12, 2025, or earlier if all transactions under the Spousal Plan are completed.

On September 20, 2024, Karen Hartje, the Company's Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement (the "Hartje Plan") that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). The Hartje Plan provides for the potential sale of up to 82,796 shares of the Company's common stock, between an estimated start date of December 23, 2024, until termination of the Hartje Plan on December 22, 2025, or earlier if all transactions under the Hartje Plan are completed.

However, our officers (as defined in Exchange Act Rule 16a-1(f)) and directors may adopt 10b5-1 Plans or non-Rule 10b5-1 trading arrangements in the future.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	File Number	File Date	
10.1	Revolving Credit and Security Agreement dated as of April 19, 2024 among Sezzle Funding SPE II, LLC, the lenders from time to time party thereto and Bastion Funding VI LP, as administrative agent.	8-K	001-41781	4/22/2024	
10.2	Amendment No. 1 to Revolving Credit and Security Agreement				X
10.3	Amendment No. 2 to Revolving Credit and Security Agreement				X
10.4	Pledge and Guaranty Agreement dated as of April 19, 2024 by and between Sezzle Funding SPE II Parent, LLC, as pledgor, and Bastion Funding VI LP, in its capacity as administrative agent.	8-K	001-41781	4/22/2024	
10.4	Limited Guaranty and Indemnity Agreement dated as of April 19, 2024 by Sezzle Inc. for the benefit of Bastion Funding VI LP, in its capacity as administrative agent.	8-K	001-41781	4/22/2024	
10.5	Amendment No. 1 to Limited Guaranty and Indemnity Agreement	8-K	001-41781	6/24/2024	
10.6	Amended and Restated Loan and Receivables Sale Agreement				X
10.7	Amended and Restated Marketing and Servicing Agreement				X
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	Certification of the Chief Executive Officer as Adopted Pursuant to 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of the Chief Financial Officer as Adopted Pursuant to 18 U.S.C. Section 1350 Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	XBRL Instance Document				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEZZLE INC.

Dated: November 7, 2024

By: /s/ Charles Youakim
Charles Youakim
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Karen Hartje
Karen Hartje
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certifications

I, Charles Youakim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sezzle Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)]
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ Charles Youakim
Charles Youakim
Chairman and Principal Executive Officer

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Certifications

I, Karen Hartje, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sezzle Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. [paragraph omitted in accordance with Exchange Act Rule 13a-14(a)]
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2024

/s/ Karen Hartje
Karen Hartje
Principal Financial Officer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO 18 U.S.C. SECTION 1350
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Sezzle Inc., a Delaware corporation ("the Company"), for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof ("the Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 7, 2024

/s/ Charles Youakim
Charles Youakim
Chairman and Principal Executive Officer

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO 18 U.S.C. SECTION 1350
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Sezzle Inc., a Delaware corporation ("the Company"), for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof ("the Report"), the undersigned officer of the Company certifies pursuant to 18 U.S.C. Section 1350, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: November 7, 2024

/s/ Karen Hartje
Karen Hartje
Principal Financial Officer

Amendment No. 1 to Revolving Credit and Security Agreement

This Amendment No. 1 to Revolving Credit and Security Agreement (this "*Agreement*") is entered into as of September 26, 2024 by and among Sezzle Funding SPE II, LLC, a Delaware limited liability company, as borrower (the *"Borrower"*), Bastion Funding VI LP, ("*Bastion*") as lender (the *"Lender"*) and Bastion, as administrative agent for the Secured Parties (as defined in the Loan and Security Agreement referenced below) (in such capacity, together with its successors and assigns, the "*Administrative Agent*").

Recitals

Whereas, the Borrower has entered into that certain Revolving Credit and Security Agreement, dated as of April 19, 2024, by and among the Borrower, the Lender and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the *"Loan and Security Agreement"*); and

Whereas, in accordance with the terms of the Loan and Security Agreement, the Borrower has requested, and the Lender and the Administrative Agent have agreed to, modify certain provisions of the Loan and Security Agreement upon the terms and subject to the conditions set forth herein.

Now, Therefore, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Agreement

1. *Defined Terms*. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan and Security Agreement.

2. *Agreements*. The Borrower, Lender and the Administrative Agent, agree that the Loan and Security Agreement is hereby amended by incorporating the changes shown on the marked copy of the Loan and Security Agreement attached hereto as Exhibit A (it being understood that language which appears "~~struck out~~" or "~~struck out~~", as applicable, has been deleted and language which appears as "double-underlined" or "double-underlined", as applicable, has been added).

3. *Representations and Warranties*. The Borrower hereby represents and warrants to each of the Secured Parties that:

(a) the representations and warranties of Borrower contained in the Loan and Security Agreement are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality or Material Adverse Effect, which is true and correct in all respects) as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality or Material Adverse Effect, which is true and correct in all respects) as of such earlier date;

(b) after giving effect to this Agreement, no Default or Event of Default has occurred and is continuing;

(c) the Borrower has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement;

(d) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement; and

(e) this Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4. *Effect on the Facility Documents and Ratification*. (a) Nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Loan and Security Agreement or any of the other Facility Documents or constitute a course of conduct or dealing among the parties. Each of the Lender and Administrative Agent reserves all rights, privileges and remedies under the Facility Documents. The amendments contained herein do not and shall not create (nor shall the Borrower rely upon the existence of or claim or assert that there exists) any obligation of the Lender or Administrative Agent to consider or agree to any further amendment and, in the event the Lender or Administrative Agent subsequently agrees to consider any further amendments, neither the amendments contained herein nor any other conduct of the Lender or Administrative Agent shall be of any force or effect on its respective consideration or decision with respect to any such requested amendment and the Lender and Administrative Agent shall not have any further obligation whatsoever to consider or agree to any further amendment or other agreement. The Loan and Security Agreement, as hereby amended, is hereby ratified and re-affirmed in all respects and shall remain in full force and effect. All references in the Facility Documents to the Loan and Security Agreement shall be deemed to be references to the Loan and Security Agreement as modified hereby. This Agreement shall constitute a Facility Document.

(a) The relationship of the Lender and the Borrower has been and shall continue to be, at all times, that of creditor and debtor and not as joint venturers or partners. Nothing contained in this Agreement, any instrument, document or agreement delivered in connection herewith or in the Loan and Security Agreement or any of the other Facility Documents shall be deemed or construed to create a fiduciary relationship between or among the parties.

5. *No Novation.* This Agreement is not intended by the parties to be, and shall not be construed to be, a novation of the Loan and Security Agreement or any other Facility Document or an accord and satisfaction in regard thereto.

6. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided* that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent (acting on the instructions of Required Lenders).

7. *Headings*. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

8. *Incorporation of Credit Agreement.* The provisions contained in Section 12.05 (Execution in Counterparts) Section 12.07 (Governing Law), Section 12.08 (Severability of Provisions), Section 12.10 (Merger), Section 12.12 (Submission to Jurisdiction; Waivers; etc.), and Section 12.13 (Waiver of Jury Trial) of the Loan and Security Agreement are incorporated herein by this reference, *mutatis mutandis*.

Remainder of page intentionally blank; signatures follow.

SIGNATURE PAGE
AMENDMENT NO. 1 TO REVOLVING CREDIT AND SECURITY AGREEMENT

In Witness Whereof, the parties have caused this Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

Sezzle Funding SPE II, LLC, as Borrower

By: __
Name:
Title:

Bastion Funding VI LP, as Administrative Agent

By:__
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 1 TO REVOLVING CREDIT AND SECURITY AGREEMENT

Bastion Funding VI LP, as Lender

By:
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 1 TO REVOLVING CREDIT AND SECURITY AGREEMENT

Exhibit A

Marked Credit Agreement

(See attached)

CONFORMED COPY – NOT EXECUTED IN THIS FORM
Incorporating Amendment No. 1 to Revolving Credit and Security Agreement,
dated as of September 26, 2024

REVOLVING CREDIT AND SECURITY AGREEMENT

among

SEZZLE FUNDING SPE II, LLC,
as Borrower,

THE LENDERS FROM TIME TO TIME PARTIES HERETO,

and

BASTION FUNDING VI LP,
as Administrative Agent

Dated as of April 19, 2024

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SCHEDULES

EXHIBITS

REVOLVING CREDIT AND SECURITY AGREEMENT

Revolving Credit and Security Agreement, dated as of April 19, 2024 among Sezzle Funding SPE II, LLC, a Delaware limited liability company, as borrower (together with its permitted successors and assigns, the "*Borrower*"), the Lenders from time to time party hereto, and Bastion Funding VI LP, as administrative agent for the Secured Parties (as hereinafter defined) (in such capacity, together with its successors and assigns, the "*Administrative Agent*").

RECITALS

Whereas, the Borrower desires that the Lenders make advances on a revolving basis to the Borrower on the terms and subject to the conditions set forth in this Agreement; and

Whereas, each Lender may make such advances to the Borrower on the terms and subject to the conditions set forth in this Agreement.

Now, Therefore, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I

Definitions; Rules of Construction; Computations

Section 1.1. Definitions. As used in this Agreement, the following terms shall have the meanings indicated:

"*Accelerated Amortization Event*" means, as of any date of determination, the occurrence of any of the following:

(a) an Unmatured Event of Default or an Event of Default; *provided*, *however*, that if such Unmatured Event of Default is cured within the applicable time period or an Event of Default is waived, the related Accelerated Amortization Event shall cease to exist;

(b) the Servicing Agreement or the Backup Servicing Agreement expires or is otherwise terminated; *provided*, *however*, that if a successor Servicing Agreement or a successor Backup Servicing Agreement, as applicable, reasonably acceptable to the Administrative Agent and the Required Lenders is entered into within two (2) Business Days following the date of such termination, the related Accelerated Amortization Event shall cease to exist; or

(c) a Regulatory Event that causes a Material Adverse Effect on the Sponsor, the Parent, the Borrower, the Servicer, any Seller or the Collateral.

"*Adjusted Total Payment Amount*" means with respect to any Vintage, the Total Merchandise Price of all Collateral Receivables in such Vintage minus the principal refunded with respect to such Collateral receivables

"*Administrative Agent*" has the meaning specified in the introduction to this Agreement.

"*Advance*" shall have the meaning specified in Section 2.01.

"*Advance Rate*" means, if the three most recent Seasoned Vintages have a Weighted Average Loss Rate of less than 3.00%, 90% and otherwise, 85%.

"*Affected Financial Institution*" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"*Affected Person*" means (a) each Lender and each of its Affiliates, and (b) any assignee or participant of any Lender.

"*Affiliate*" means, in respect of a referenced Person, another Person Controlling, Controlled by or under common Control with such referenced Person.

"*Aggregate Receivable Balance*" means, when used with respect to all or a portion of the Collateral Receivables, the sum of the Receivable Balances of all or of such portion of such Collateral Receivables, as applicable.

"*Agreement*" means this Revolving Credit and Security Agreement.

"*Applicable Law*" means any Law of any Governmental Authority, including all federal, state, provincial, territorial or local laws and of other local regulatory authorities, to which the Person in question is subject or by which it or any of its assets or properties are bound.

"*Assigning Lender*" has the meaning specified in Section 13.02(a).

"*Assignment and Acceptance*" means an Assignment and Acceptance in substantially the form of Exhibit C hereto, entered into by a Lender, an assignee and the Administrative Agent and, if applicable, the Borrower.

"*Available Cash Balance*" means, at any time, (x) the aggregate cash balance available in the U.S. Collection Account and Canadian Collection Account at such time minus (y) the aggregate amount of cash required to pay fees, costs, expenses or interest or to reserve for accrued amounts of fees, costs, expenses or interest pursuant to Section 9.01 if the Priority if Payments was run at such time.

"*Available Receivable Balance*" means, with respect to any Collateral Receivable, (a) the Net Funded Amount of such Collateral Receivable *less* (b) the Excess Concentration Amount, if any, in respect of such Collateral Receivable.

"*Available Tenor*" means, as of any date of determination and with respect to the then current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments or interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is no longer available as a result of the application of Section 2.12. For the avoidance of doubt, as of the Effective Date the Available Tenor with respect to the Benchmark is a period of 3 months.

"*Backup Servicer*" means Carmel Solutions, or such other qualified servicer approved by the Administrative Agent in writing, all in accordance with the terms, provisions and conditions of the Backup Servicing Agreement.

"*Backup Servicer Certificate*" means a certificate, in form and substance acceptable to the Administrative Agent, delivered by the Backup Servicer to the Borrower, the Servicer and the Administrative Agent in compliance with the terms and provisions of the Backup Servicing Agreement.

"*Backup Servicer Event of Default*" means (a) an event of default under the Backup Servicing Agreement or (b) a Regulatory Event that causes a Material Adverse Effect on the Backup Servicer.

"*Backup Servicing Agreement*" means the Backup Servicing Agreement, by and between the Borrower, the Administrative Agent, the Servicer and the Backup Servicer, or any replacement backup servicing agreement reasonably acceptable to the Administrative Agent.

"*Bail-In Action*" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"*Bail-In Legislation*" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"*Bank Partner*" means WEBBANK, an FDIC-insured, Utah state-chartered industrial bank.

"*Bank Program Agreement*" shall mean that certain Marketing and Servicing Agreement dated as of August 26, 2024 by and between Bank Partner and Sezzle, as amended, restated or otherwise modified from time to time.

"*Bank Program Purchase and Sale Agreement*" shall mean, that certain Loan and Receivables Sale Agreement to be entered into as of August 26, 2024, by and between Bank Partner and Sezzle, as amended, restated or otherwise modified from time to time.

"*Bankruptcy Code*" means Title XI of the United States Code.

"*Base Rate*" means, on any date of determination, a fluctuating interest rate *per annum* equal to the Federal Funds Rate plus 0.50%. Interest will be determined based on a year of 365 days or 366 days, as applicable, and the actual days elapsed.

"*Benchmark*" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.12.

"*Benchmark Replacement*" means, with respect to any Benchmark Transition Event, the sum of: (a) the alternate benchmark rate that has been selected by the Required Lenders and the Debtor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for U.S. Dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment: provided that, if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Facility Documents.

"*Benchmark Replacement Adjustment*" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Required Lenders and the Debtor giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated syndicated credit facilities at such time.

"*Benchmark Replacement Date*" means, the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"*Benchmark Transition Event*" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication or information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"*Benchmark Disruption Event*" means the occurrence of any of the following: (a) any Lender shall have notified the Administrative Agent of a determination by such Lender or any of its assignees or participants that it would be contrary to law or to the directive of any central bank or other governmental authority (whether or not having the force of law) to fund any Advance under the then-current Benchmark, (b) any Lender shall have notified the Administrative Agent of the inability, for any reason, of such Lender or any of its assignees or participants to determine the Adjusted Benchmark Rate, (c) any Lender shall have notified the Administrative Agent of a determination by such Lender or any of its assignees or participants that the rate at which deposits of U.S. Dollars are being offered to such Lender or any of its assignees or participants does not accurately reflect the cost to such Lender, such assignee or such participant of making, funding or maintaining any Advance under the then-current Benchmark, or (d) any Lender shall have notified the Administrative Agent of the inability of such Lender or any of its assignees or participants to obtain U.S. Dollars to make, fund or

maintain any Advance under the then-current Benchmark; *provided*, *however*, that a Benchmark Disruption Event shall not cover or be triggered by a Benchmark Transition Event and its related Benchmark Replacement Date with respect to the then-current Benchmark.

"*Beneficial Ownership Certification*" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

"*Beneficial Ownership Regulation*" means 31 C.F.R. § 1010.230.

"*Benefit Plan*" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"*BHC Act Affiliate*" of a party means an "affiliate" (as such term is defined under and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"*Borrower*" has the meaning specified in the introduction to this Agreement.

"*Borrower Information*" means the non-public or proprietary information provided hereunder by the Borrower with respect to the Borrower, the Parent, the Sponsor, their respective Affiliates or any other non-public information relating to the foregoing furnished to any Secured Party pursuant to this Agreement or any other Facility Document. Notwithstanding the foregoing, the term "Borrower Information" shall not include any information which (a) is or becomes generally available to the public other than as a result of a breach of Section 12.09, (b) becomes available to the Administrative Agent, or any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or (c) was available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower hereunder.

"*Borrower LLC Agreement*" means that certain Third Amended and Restated Limited Liability Company Agreement of the Borrower, dated as of the Closing Date, by and between the Parent, as the sole equity member, and Ricardo Orozco, as Independent Manager.

"*Borrowing*" has the meaning specified in Section 2.01.

"*Borrowing Base*" means, as of any date of determination, with respect to all Collateral Receivables, the sum of (x) of the Borrowing Base Amounts of all such Collateral Receivables and (y) the Available Cash Balance.

"*Borrowing Base Amount*" means, as of any date of determination, with respect to each Collateral Receivable, the product of (i) the Advance Rate and (ii) the Available Receivable Balance as of such Collateral Receivable.

"*Borrowing Date*" means the date of a Borrowing.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) the days on which banks are authorized or required to close in New York, New York, Minneapolis, Minnesota or Toronto, Ontario, or a legal or federal holiday and (c) if the applicable Business Day relates to the advance or continuation of, or conversion into, or payment of an Advance bearing interest at the Benchmark or the determination of the Benchmark, the days on which banks dealing in U.S. Dollar deposits in the interbank market in London, England, Wilmington, Delaware or New York, New York are authorized or required to be closed.

"*CAD FX Rate*" shall mean, for each date of determination, the closing spot rate for converting Canadian Dollars to U.S. Dollars as published on Reuters or Bloomberg (or such other source acceptable to the Administrative Agent) for the date prior to such date of determination.

"*Canadian Cash Transfer Event*" means, (a) the expiration of the Reinvestment Period, (b) the occurrence and continuation of any Accelerated Amortization Event, Unmatured Event of Default or Event of Default or (c) as of any date of determination, the amounts on deposit in the U.S. Collection Account shall be (i) less than the U.S. Collection Account Required Amount or (ii) insufficient to pay all amounts then due and owing pursuant to Sections 9.01(i) through 9.01(vii) as of the immediately preceding Payment Date.

"*Canadian Collection Account*" means the account established at the Canadian Collection Account Bank in the name of the Borrower, which account has been designated as the Canadian Collection Account and which shall at all times be the subject of a Canadian Collection Account Control Agreement.

"*Canadian Collection Account Bank*" means (a) Bank of Montreal or (b) another Qualified Institution reasonably acceptable to the Administrative Agent.

"*Canadian Collection Account Control Agreement*" means each agreement in form reasonably acceptable to the Administrative Agent among the Borrower, the Administrative Agent and the Canadian Collection Account Bank over the Canadian Collection Account or such other account as may be applicable from time to time, in each case pursuant to which the Administrative Agent has the right to take dominion and control of the Canadian Collection Account upon the occurrence of an Event of Default.

"*Canadian Dollars*" means lawful money of Canada.

"*Canadian Receivable*" means each Receivable sold to the Borrower by the Canadian Seller pursuant to the terms and subject to the conditions set forth in the Canadian Receivable Purchase Agreement.

"*Canadian Receivable Purchase Agreement*" means (a) the Canadian Receivable Purchase Agreement, by and among the Canadian Seller, the Borrower and the Administrative Agent, in form and substance acceptable to the Administrative Agent or (b) such other receivable purchase agreement among the Canadian Seller, the Borrower and the Administrative Agent, that is in form and substance satisfactory to the Administrative Agent.

"*Canadian Seller*" means Sezzle Canada Corp., a company formed under the laws of the Province of Nova Scotia.

"*Cash Equivalent*" has the meaning set forth in the Sponsor Indemnity Agreement.

"*Change of Control*" means, at any time, the occurrence of one or more of the following events: (a) other than a Permitted Holder, any Person or group (within the meaning of the Securities and Exchange Act of 1934 and the rules of the Securities and Exchange Commission thereunder, as in effect on the date hereof), shall acquire ownership, directly or indirectly, beneficially or of record of the Equity Interests of the Sponsor representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Sponsor, (b) individuals who as of the Closing Date constitute the board of directors of the Sponsor cease for any reason to constitute a majority of the board of directors of or Control (in their capacity as directors) the Sponsor at any time, (c) the Sponsor fails to directly own, legally and beneficially, 100% of the Equity Interests of the Parent at any time, (d) the Sponsor ceases to have the power or authority to Control or direct the management and policies of the Parent at any time, (e) the Parent fails to directly own, legally and beneficially, 100% of the Equity Interests of the Borrower at any time or (f) the Parent ceases to have the power or authority to Control or direct the management and policies of the Borrower at any time.

"*Closing Date*" means April 19, 2024.

"*Code*" means the Internal Revenue Code of 1986.

"*Collateral*" has the meaning specified in Section 7.01(a).

"*Collateral Effective Time*" has the meaning set forth in Section 7.01.

"*Collateral Receivable*" has the meaning ascribed to such term on Schedule 2 hereto.

"*Collection Period*" means (a) the period beginning on (and including) the Closing Date and ending on (and including) the last day of April 2024 and (b) each monthly period thereafter.

"*Collections*" means all cash collections, distributions, payments and other amounts received, and to be received by a Seller, the Servicer, the Backup Servicer or the Borrower, from any Person in respect of any Receivables or any Related Documents.

"*Committed Amount*" means $150,000,000.

"*Committed Facility Amount*" means (a) on or prior to the Termination Date, the Committed Amount and (b) following the Termination Date, the outstanding principal balance of all the Advances.

"*Competitor*" means a competitor of the Borrower or Sponsor listed on Schedule 9, which may be modified by the Borrower from time to time upon the Administrative Agent's prior written consent (not to be unreasonably withheld).

"*Concentration Limitations*" means, as of any date of determination, the following limitations applied, without duplication, to the Collateral Receivables owned (or, in relation to a proposed purchase of a Receivable, proposed to be owned) by the Borrower, and in each case in accordance with the procedures set forth in Section 1.04:

(a) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by Canadian Receivables may exceed 10.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(b) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by Extended Term Receivables, collectively, may exceed 10.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(c) [reserved];

(d) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by Past Due Collateral Receivables may exceed 4.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(e) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by any single Merchant (other than the Target Corporation) may exceed 15.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(f) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by Target Corporation may exceed 35.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(g) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by any Obligor that had not been an Obligor under any previous Receivable and satisfied all the obligations thereunder on or prior to the date the relevant Receivable was originated may exceed 35.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(h) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by any Obligor that had not been an Obligor under any previous Receivable and satisfied all the obligations thereunder (other than any Receivables for which the Target Corporation is the Merchant) on or prior to the date the relevant Receivable was funded may exceed 35.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(i) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by Rescheduled Receivables may exceed 12.5% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(j) no more than the Aggregate Receivable Balance of such Collateral Receivables represented by Rescheduled Receivables which the related Obligor has rescheduled an installment payment more than once may exceed 2.5% of the Aggregate Receivable Balance of all Collateral Receivables on such date; and

(k) no more than the Aggregate Receivable Balance of such Collateral Receivables for which the Original Receivable Balance is greater than $500 (excluding Extended Term Receivables) may exceed 10.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date.

"*Conforming Changes*" means, with respect to either the use or administration of SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," or any similar or analogous definition (or the addition of a concept of "*interest period*"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that the Required Lenders decide, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Required Lenders decide that adoption of any portion of such market practice is not administratively feasible or if the Required Lenders determine that no market practice for the administration of any such rate exists, in such other manner of administration as the Required Lenders decide, is reasonably necessary in connection with the administration of this Agreement and the other Facility Documents).

"*Connection Income Taxes*" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"*Consent and Release*" means a consent and release letter executed by the Administrative Agent in substantially the form of Exhibit D hereto or any other form reasonably acceptable to the Administrative Agent.

"*Constituent Documents*" means in respect of any Person, the certificate or articles of formation or organization, trust agreement, limited liability company agreement, operating agreement, partnership agreement, joint venture agreement or other applicable agreement of formation or organization (or equivalent or comparable constituent documents) and other organizational documents and by-laws and any certificate of incorporation, certificate of formation, certificate of limited partnership and other agreement, similar instrument filed or made in connection with its formation or organization.

"*Contract*" means, either: (a) a retail installment sale contract or other loan contract executed by an Obligor under which an extension of credit by a Seller or Bank Partner is made in the ordinary course of business to such Obligor, or (b) an agreement between an Obligor and a Seller or Bank Partner for the purpose of financing the purchase of goods and/or services from a Merchant, together, in each case, with the original endorsements or assignments showing the chain of ownership thereof, if any.

"*Control*" means the direct or indirect possession of the power to direct or cause the direction of the management or policies of a Person, whether through ownership, by contract,

arrangement or understanding, or otherwise. "*Controlled*" and "*Controlling*" have the meaning correlative thereto.

"*Covered Entity*" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"*Covered Party*" has the meaning specified in Section 12.22.

"*Credit Approval Date*" means, with respect to any Receivable, the date on which a Seller granted credit approval for the Obligor in accordance with the Credit Guidelines.

"*Credit Guidelines*" means the credit or underwriting guidelines applicable to the Obligors of the Receivables, listed on Schedule 5, which may be amended, modified or supplemented by the Sponsor subject to Section 5.02(j).

"*Current Collateral Receivable*" means any Collateral Receivable, other than a Defaulted Collateral Receivable, as to which all scheduled installment payments are less than fifteen (15) days past due.

"*Daily Master File*" has the meaning set forth in the Backup Servicing Agreement.

"*Daily Master Payment File*" has the meaning set forth in the Backup Servicing Agreement.

"*Data Tape*" means a data tape, which shall include with respect to each Collateral Receivable the information set forth on Schedule 7.

"*Default Right*" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"*Defaulted Collateral Receivable*" means, at any time, a Collateral Receivable or a Vintage Receivable as to which any of the following occurs:

(a) all or any portion of one or more scheduled installments are past due with respect to such Collateral Receivable or Vintage Receivable for a period of ninety (90) days or more past the scheduled Due Date for such installment payment;

(b) an Insolvency Event relating to the related Obligor of such Receivable or Vintage Receivable has occurred or such Obligor is deceased;

(c) the Borrower or the Servicer has determined in good faith in accordance with the Servicing Guide that such Collateral Receivable or Vintage Receivable shall be placed on "non-accrual" status or "not collectible," or has reserved against it; or

(d) such Collateral Receivable or Vintage Receivable is charged-off by the Servicer (or would be required to be charged off by the Servicer in accordance with the charge-

off policies in the Servicing Guide in effect as of the Closing Date unless the Administrative Agent and the Required Lenders have approved in writing any changes to such charge-off policy following the Closing Date that would result in a Collateral Receivable or Vintage Receivable no longer being subject to charge off).

"*Delinquent Collateral Receivable*" means any Collateral Receivable other than a Defaulted Collateral Receivable as to which any scheduled installment payment is more than 30 days past due.

"*Determination Date*" means the last day of each Collection Period.

"*Due Date*" means each date on which any installment payment is due on a Collateral Receivable in accordance with its terms.

"*EEA Financial Institution*" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"*EEA Member Country*" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"*EEA Resolution Authority*" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"*EFTA*" means the Electronic Fund Transfer Act and the rules and regulations promulgated thereunder.

"*Equity Interests*" means, with respect to any Person, all of the shares of capital stock of (or other ownership (including beneficial ownership) or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership (including beneficial ownership) or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership (including beneficial ownership) or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership (including beneficial ownership) or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, and the regulations promulgated and rulings issued thereunder.

"*ERISA Event*" means (a) any "reportable event," as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the thirty (30) day notice requirement is waived); (b) the failure with respect to any Plan to satisfy the "minimum funding standard" (as defined in Section 412 of the Code or Section 302 of

ERISA); (c) the filing pursuant to Section 412(c) of the Code or Section 302 of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) a determination that any Plan is, or is expected to be, in "at risk" status (as defined in Section 430 of the Code or Section 303 of ERISA); (e) the incurrence by the Borrower or any member of its ERISA Group of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) (i) the receipt by the Borrower or any member of its ERISA Group from the PBGC of a notice of determination that the PBGC intends to seek termination of any Plan or to have a trustee appointed for any Plan, or (ii) the filing by the Borrower or any member of its ERISA Group of a notice of intent to terminate any Plan; (g) the incurrence by the Borrower or any member of its ERISA Group of any liability (i) with respect to a Plan pursuant to Sections 4063 and 4064 of ERISA, (ii) with respect to a facility closing pursuant to Section 4062(e) of ERISA, or (iii) with respect to the withdrawal or partial withdrawal from any Multiemployer Plan; (h) the receipt by the Borrower or any member of its ERISA Group of any notice concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, in endangered status or critical status, within the meaning of Section 432 of the Code or Section 305 of ERISA or is or is expected to be insolvent, within the meaning of Title IV of ERISA; or (i) the failure of the Borrower or any member of its ERISA Group to make any required contribution to a Multiemployer Plan.

"*ERISA Group*" means each controlled group of corporations or trades or businesses (whether or not incorporated) under common control that is treated as a single employer under Section 414(b) or (c) of the Code (or Section 414(m) or (o) of the Code for purposes of provisions related to Section 412 of the Code) with the Borrower.

"*Erroneous Payment*" has the meaning set forth in Section 11.08(a).

"*Erroneous Payment Deficiency Assignment*" has the meaning set forth in Section 11.08(d).

"*Erroneous Payment Impacted Class*" has the meaning set forth in Section 11.08(d).

"*Erroneous Payment Return Deficiency*" has the meaning set forth in Section 11.08(d).

"*EU Bail-In Legislation Schedule*" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"*Event of Default*" has the meaning specified in Section 6.01.

"*Excess Concentration Amount*" means, at any time in respect of which any one or more of the Concentration Limitations are exceeded, the portion (calculated by the Borrower or the Servicer without duplication in accordance with Section 1.04) of the Receivable Balance of each Collateral Receivable that causes such Concentration Limitations to be exceeded.

"*Exchange Act*" means the Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

"*Existing Obligations*" means all Obligations (as defined in the Existing Credit Agreement).

"*Existing Credit Agreement*" means the Revolving Credit and Security Agreement among the Borrower, the lenders from time to time a party thereto and Bastion Funding IV, LLC as Administrative Agent dated as of October 14, 2022, as amended, supplemented or amended and restated from time to time.

"*Excluded Taxes*" means any of the following Taxes imposed on or with respect to a Secured Party or required to be withheld or deducted from a payment to a Secured Party, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed in the case of any Secured Party, by the jurisdiction (or any political subdivision thereof) under the laws of which such Secured Party is organized or in which its principal office is located, or in the case of any Lender, in which its applicable lending office is located, or (ii) that are Other Connection Taxes, (b) in the case of any Lender, any U.S. federal withholding taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in an Obligation pursuant to a law in effect on the date on which (i) such Lender acquires such interest in an Obligation or otherwise becomes a party to this Agreement (other than pursuant to an assignment under Sections 2.09(b), 2.11(b) or 12.03(h)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 12.03, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Secured Party's failure to comply with Section 12.03(g), and (d) any U.S. federal withholding Taxes under FATCA.

"*Extended Term Receivable*" means a Receivable for which (a) the related Contract provides for the final scheduled installment payment to be made by the Obligor more than 42 days but less than 120 days after the origination thereof, (b) the Obligor is in compliance with the terms of such Contract and (c) as of the origination date of such Receivable, such Obligor had previously had one or more Receivables outstanding, was always in compliance with the terms of such Receivables and had completed all payments associated with at least 1 (one) Receivable.

"*Facility Documents*" means this Agreement, the Backup Servicing Agreement, the Borrower LLC Agreement, the Canadian Collection Account Control Agreement, the Canadian Receivable Purchase Agreement, the Parent LLC Agreement, the Parent Pledge and Guaranty Agreement, the Sponsor Indemnity Agreement, the Servicing Agreement, the U.S. Collection Account Control Agreement, the U.S. Receivable Purchase Agreement, and any other agreements, documents, security agreements and other instruments entered into or delivered by or on behalf of the Borrower, the Backup Servicer, the Canadian Collection Account Bank, the Canadian Seller, the Parent, any Payment Processor, the Servicer, the Sponsor, the U.S. Collection Account Bank or the U.S. Seller, in connection with this Agreement or pursuant to Section 5.01(c) to create, perfect or otherwise evidence the Administrative Agent's security interest in the Collateral.

"*FATCA*" means Code Sections 1471 through 1474, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) of the Code and any fiscal or regulatory

legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"*Federal Funds Rate*" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it; *provided* that, if at any time a Lender is borrowing overnight funds from a Federal Reserve Bank that day, the Federal Funds Rate for such Lender for such day shall be the average rate per annum at which such overnight borrowings are made on that day as promptly reported by such Lender to the Borrower and the Administrative Agent in writing. Each determination of the Federal Funds Rate by a Lender pursuant to the foregoing proviso shall be conclusive and binding except in the case of manifest error.

"*Final Maturity Date*" means the earliest of (a) the date that is 36 months from the Closing Date (or such later date as may be agreed by the Borrower and each of the Lenders and notified in writing to the Administrative Agent), (b) the date of the acceleration of the Advances pursuant to Section 6.02, or (c) the date on which all Obligations shall have been paid in full (other than contingent indemnity obligations not yet due and owing).

"*Floor*" means 2.00%.

"*Fundamental Amendment*" means any amendment, modification, waiver or supplement of or to this Agreement that would (a) extend or increase the term of the commitments (other than an increase in the commitment of a particular Lender or addition of a new Lender hereunder agreed to by the relevant Lender(s) and the Administrative Agent pursuant to the terms of this Agreement) or change the Final Maturity Date, (b) extend the date fixed for the payment of principal of or interest on any Advance or any fee hereunder, (c) reduce the amount of any such payment of principal, (d) reduce the rate at which interest or premium is payable thereon or any fee is payable hereunder, (e) release any material portion of the Collateral, except in connection with dispositions permitted hereunder, (f) alter, amend or waive the terms of Section 12.01(b), (g) modify the definition of the term "Required Lenders," or modify in any other manner the number or percentage of the Lenders required to make any determinations or waive any rights hereunder or to modify any provision hereof, (h) extend the Reinvestment Period, (i) change the currency required for payments of Obligations under this Agreement or (j) alter the pro rata sharing of payments required hereunder.

"*Funded Facility Amount*" means, on any day, the aggregate principal amount of Advances made on or prior to such day, reduced from time to time by payments and distributions in respect of principal of such Advances.

"*Funding Account*" means a deposit account directed by the Borrower to the Administrative Agent in writing (email is acceptable).

"*GAAP*" means generally accepted accounting principles in effect from time to time in the United States of America.

"*Governmental Authority*" means any nation or government, any state, province or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, quasi-regulatory authority, administrative tribunal, central bank, public office, court, arbitration or mediation panel, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of government, including the SEC, the stock exchanges, any federal, state, provincial, territorial, county, municipal or other government or governmental agency, arbitrator, board, body, branch, bureau, commission, court, department, instrumentality, master, mediator, panel, referee, system or other political unit or subdivision or other entity of any of the foregoing, whether domestic or foreign.

"*Governmental Authorizations*" means all franchises, permits, licenses, approvals, consents and other authorizations of all Governmental Authorities.

"*Governmental Filings*" means all filings, including franchise and similar tax filings, and the payment of all fees, assessments, interests and penalties associated with such filings with all Governmental Authorities. For the avoidance of doubt, "Governmental Filings" do not include filings of financing statements under the UCC, the PPSA or comparable laws.

"*Indemnified Party*" has the meaning specified in Section 12.04(b).

"*Indemnified Taxes*" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Facility Document and (b) to the extent not otherwise described in (a), Other Taxes.

"*Independent Manager*" means an individual who is natural person and who: (i) for the five-year period prior to such person's appointment as Independent Manager has not been, and during the continuation of such person's service as Independent Manager is not: (A) an employee, director, stockholder, member, manager, partner or officer of the Sponsor or any of its Affiliates (other than such person's service as an Independent Manager of or Special Member to the Parent or the Borrower); (B) a customer or supplier of the Sponsor or any of its Affiliates (other than such person's service as an Independent Manager of or Special Member to the Parent or the Borrower); or (C) any member of the immediate family of a person described in the foregoing clause (A) or (B); and (ii) has (A) prior experience as an Independent Manager for a corporation or limited liability company whose charter or organizational documents required the unanimous consent of all Independent Managers thereof before such corporation or limited liability company could consent to the institution of bankruptcy or insolvency proceedings against it or could file a petition seeking relief under any applicable federal or state law relating to bankruptcy; and (B) at least three years of employment experience with one or more entities that provide, in the ordinary course of their respective businesses, advisory, management or placement services (including providing independent managers or Managers) to issuers of securitization or structured finance instruments, agreements or securities.

"*Ineligible Collateral Receivable*" means, as of any date of determination, a Receivable that is not a Collateral Receivable.

"*Information*" has the meaning specified in Section 13.03(b).

"*Insolvency Event*" means with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under the Bankruptcy Code or any other applicable insolvency law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) consecutive days; or (b) the commencement by such Person of a voluntary case under the Bankruptcy Code or any other applicable insolvency law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing.

"*Interest Rate*" means, for each Advance outstanding by a Lender; (a) so long as no Accelerated Amortization Event or Event of Default (which has not otherwise been waived by the Required Lenders pursuant to the terms hereof) has occurred and is continuing, and so long as no Benchmark Disruption Event has occurred and is continuing, a rate equal to the Benchmark *plus* the Margin, and, in the event that a Benchmark Disruption Event has occurred and is continuing, a rate equal to the Base Rate *plus* the Margin; or (b) upon the occurrence and during the continuance of an Accelerated Amortization Event or an Event of Default (which has not otherwise been waived by the Required Lenders pursuant to the terms hereof), the Interest Rate shall be the sum of the Benchmark or, if a Benchmark Disruption Event has occurred, the Base Rate *plus* the Post-Default Rate *plus* the Margin.

"*Investment Company Act*" means the Investment Company Act of 1940, and the rules and regulations promulgated thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

"*Law*" means any action, code, consent decree, constitution, decree, directive, enactment, finding, guideline, law, injunction, interpretation, judgment, order, ordinance, policy statement, proclamation, promulgation, regulation, requirement, rule, rule of law, rule of public policy, settlement agreement, statute, or writ, of any Governmental Authority, or any particular section, part or provision thereof.

"*Lender*" means, each lender a party hereto from time to time and "Lenders" means, collectively, all of the foregoing lenders.

"*Lien*" means any mortgage, pledge, hypothecation, assignment, encumbrance, lien or security interest (statutory or other), or preference, priority or other security agreement, charge or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing authorized by the Borrower of any financing statement under the UCC or comparable law of any jurisdiction).

"*Margin*" means 6.75%.

"*Margin Stock*" has the meaning specified in Regulation U.

"*Material Adverse Effect*" means, with respect to any Person, an action or an event that could have a material adverse effect on (a) the business, assets, financial condition, operations, performance or properties of such Person, (b) the validity, enforceability or collectability of this Agreement or any other Facility Document against such Person or the validity, enforceability or collectability of the Collateral Receivables generally or any material portion of the Collateral Receivables, (c) the rights and remedies of the Administrative Agent, the Lenders and the Secured Parties with respect to matters arising under this Agreement or any other Facility Document, (d) the ability of such Person to perform its obligations under any Facility Document to which it is a party, or (e) the validity, perfection, priority or enforceability of the Administrative Agent's Lien on the Collateral.

"*Material Modification*" means, with respect to any Receivable, any amendment, waiver, consent or modification of a Related Document with respect thereto executed or effected after the date on which such Receivable was advanced or otherwise came into existence, that:

(a) waives, extends or postpones any date fixed for any payment or mandatory prepayment on such Receivable; or

(b) reduces or forgives any amount of such Receivable.

"*Maximum Advance Rate Test*" means a test that will be satisfied at any time if (a) the aggregate outstanding principal balance of Advances is less than or equal to (b) the Maximum Available Amount at such time.

For the avoidance of any doubt, on any Borrowing Date the amount of any Borrowings hereunder against the Maximum Available Amount shall be subject to the satisfaction of the conditions precedent set forth in Section 3.02(b).

"*Maximum Advance Rate Test Calculation Statement*" means a statement in substantially the form attached to the form of Notice of Borrowing, form of Notice of Withdrawal and form of Notice of Prepayment attached hereto, as such form of Maximum Advance Rate Test Calculation Statement may be modified by the Administrative Agent from time to time to the extent modifications to such form would, in the good faith opinion of the Administrative Agent, improve the accuracy of the calculation of any Maximum Advance Rate Test, and any other calculations necessary to satisfy the conditions precedent to each Borrowing required hereunder.

"*Maximum Available Amount*" means, at any time, the lesser of:

(a) the Committed Facility Amount; and

(b) the Borrowing Base at such time.

For the avoidance of any doubt, on any Borrowing Date the amount of any Borrowings hereunder against the Maximum Available Amount shall be subject to the satisfaction of the condition precedent set forth in Section 3.02(b).

"*Measurement Date*" means (a) the Closing Date, (b) each Borrowing Date and (c) each Determination Date.

"*Merchant*" means the provider, approved by the Sponsor in accordance with the Credit Guidelines, of goods and services to an Obligor that gives rise to a Receivable.

"*Merchant Discount Rate*" means, with respect to each Receivable, the rate a Merchant has agreed to pay for Sezzle services.

"*Minimum Utilization Amount*" means an amount of outstanding Advances equal to $60,000,000.

"*MLA*" means the Military Lending Act, 10 U.S.C. § 987.

"*Money*" has the meaning specified in Section 1-201(b)(24) of the UCC.

"*Monthly Master File*" means a detailed master file containing the information necessary for the Backup Servicer to verify the information with respect to the Receivables set forth in the Backup Servicing Agreement in computer readable format reasonably acceptable to the Backup Servicer and the Administrative Agent.

"*Monthly Report*" has the meaning specified in Section 5.01(g).

"*Moody's*" means Moody's Investors Service, Inc., together with its successors.

"*Multiemployer Plan*" means an employee pension benefit plan within the meaning of Section 4001(a)(3) of ERISA that is sponsored by the Borrower or a member of its ERISA Group or to which the Borrower or a member of its ERISA Group is obligated to make contributions or has any liability.

"*Net Funded Amount*" means with respect to any Collateral Receivable, the aggregate cost of the goods or services financed with such Collateral Receivable (the "Total Merchandise Price") minus (x) 5% of the Total Merchandise Price minus (y) all principal payments made by the Obligor on the Original Principal Amount of such Collateral Receivable (including the initial scheduled Obligor payment).

"*Notice of Borrowing*" has the meaning specified in Section 2.02.

"*Notice of Prepayment*" has the meaning specified in Section 2.05.

"*Notice of Withdrawal*" has the meaning specified in Section 9.02.

"*Obligations*" means all indebtedness, liabilities and obligations whether absolute, fixed or contingent, at any time or from time to time owing by the Borrower to any Secured Party or any Affected Person under or in connection with this Agreement or any other Facility Document, including, but not limited to, all amounts payable by the Borrower in respect of the Advances,

with interest thereon, Termination Payment, Unused Fees and all other amounts payable hereunder.

"*Obligor*" means, with respect to any Receivable, the individual primarily obligated to pay Collections in respect of such Receivable.

"*OFAC*" has the meaning specified in Section 4.01(f).

"*Original Receivable Balance*" means, with respect to any Receivable, as of the date of disbursement, the outstanding amount of such Receivable.

"*Other Connection Taxes*" means, with respect to any Secured Party, Taxes imposed as a result of a present or former connection between such Secured Party and the jurisdiction imposing such Tax (other than a connection arising from such Secured Party having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced this Agreement or any other Facility Document, or sold or assigned an interest in the rights under any Facility Document).

"*Other Taxes*" has the meaning specified in Section 12.03(b).

"*Outstanding Base Amount*" means with respect to any Vintage, the Adjusted Total Payment Amount of all Collateral Receivables in such Vintage minus the down payment amount for all such Collateral Receivables minus the Total Merchant Discount for all such Collateral Receivables minus any subsequent principal payments made on such Collateral Receivables.

"*Parent*" means Sezzle Funding SPE II Parent, LLC, a Delaware limited liability company.

"*Parent LLC Agreement*" means that certain Second Amended and Restated Limited Liability Company Agreement of the Parent, dated as of the Closing Date, by and between the Sponsor, as the sole equity member, and Ricardo Orozco, as Independent Manager.

"*Parent Pledge and Guaranty Agreement*" means that certain Pledge and Guaranty Agreement made by the Parent for the benefit of the Administrative Agent, dated as of the Closing Date, and acknowledged by the Borrower.

"*Participant*" has the meaning specified in Section 13.02(h).

"*Participant Register*" has the meaning specified in Section 13.02(i).

"*Past Due Collateral Receivable*" means any Collateral Receivable other than a Defaulted Collateral Receivable as to which all or any portion of any scheduled installment payments are past due more than fifteen (15) days, but less than thirty (30) days with respect to such Collateral Receivable.

"*PATRIOT Act*" has the meaning specified in Section 12.16.

"*Payment Date*" means, with respect to any Collection Period, the Thursday following the end of such Collection Period; *provided* that, if any such day is not a Business Day, then such date shall be the next succeeding Business Day.

"*Payment Processor*" means one or more Persons processing automated clearinghouse (ACH) payments between an Obligor and the Servicer.

"*Payment Recipient*" has the meaning specified in Section 11.08(a).

"*PBGC*" means the Pension Benefit Guaranty Corporation, or any successor agency or entity performing substantially the same functions.

"*Peak Retail Season*" means the period from American Thanksgiving until the next succeeding January 1.

"*Percentage*" means, (a) with respect to any Lender party hereto on the date hereof, the percentage set forth opposite such Lender's name on Schedule 1 hereto, as such amount is reduced by any Assignment and Acceptance entered into by such Lender with an assignee or increased by any Assignment and Acceptance entered into by such Lender with an assignor or as such amount is either reduced or increased pursuant to Section 12.01(b)(iii) or based on any Incremental Advance provided or not provided by such Lender, or (b) with respect to a Lender that has become a party hereto pursuant to an Assignment and Acceptance, the percentage set forth therein as such Lender's Percentage, as such amount is reduced by an Assignment and Acceptance entered into between such Lender and an assignee or increased by any Assignment and Acceptance entered into by such Lender with an assignor or as such amount is either reduced or increased pursuant to Section 12.01(b)(iii) or based on any Incremental Advance provided or not provided by such Lender.

"*Permitted Holder*" means Charles Ghassan Youakim and Continental Investment Partners.

"*Permitted Liens*" means: (a) Liens created in favor of the Administrative Agent hereunder or under the other Facility Documents for the benefit of the Secured Parties; (b) Liens in favor of the Borrower pursuant to any Receivable Purchase Agreement, (c) Liens imposed by any Governmental Authority for taxes, assessments or charges not yet delinquent or which are being contested in good faith and by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Borrower in accordance with GAAP; and (d) in connection with maintaining deposit accounts established in accordance with this Agreement, bankers' liens, rights of setoff and similar Liens granted to financial institutions maintaining such accounts.

"*Permitted Sale*" means, subject to compliance with Section 8.02, any sale by Borrower of (a) Receivables in connection with the repurchase by a Seller of a Receivable if required pursuant to the applicable Receivable Purchase Agreement, (b) Ineligible Collateral Receivables; provided that such sales are made without representation, warranty or recourse of any kind by the Borrower (other than customary representations regarding title and absence of liens on such Ineligible Collateral Receivables, and the status of the Borrower, due authorization, enforceability, no conflict and no required consents in respect of such sale) or (c) Collateral Receivables with the prior written consent of the Administrative Agent and the Required Lenders; *provided*, *however*, that no sale of any Receivables shall be a Permitted Sale if,

immediately following such sale, the Maximum Advance Rate Test is no longer satisfied; *provided further* that no sale of Receivables shall be a Permitted Sale if the Administrative Agent has provided notice within two (2) Business Days of receipt of notice pursuant to Section 8.02(a) of this Agreement, that such sale will, as reasonably determined by Administrative Agent, result in a materially adverse selection of Receivables to remain in the Borrowing Base following such sale.

"*Person*" means an individual or a corporation (including a business trust), partnership, trust, incorporated or unincorporated association, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind.

"*Plan*" means an employee pension benefit plan (other than a Multiemployer Plan) which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that is sponsored by the Borrower or a member of its ERISA Group or to which the Borrower or a member of its ERISA Group is obligated to make contributions or has any liability.

"*Post-Default Rate*" means 3.00% per annum.

"*PPSA*" means for any province or territory of Canada, the *Personal Property Security Act* in force in such province and territory.

"*Priority of Payments*" has the meaning specified in Section 9.01.

"*Private Authorizations*" means all franchises, permits, licenses, approvals, consents and other authorizations of all Persons (other than Governmental Authorities).

"*Proceeds*" has, with reference to any asset or property, the meaning assigned to it under the UCC or the PPSA, as applicable, in any event, shall include, but not be limited to, any and all amounts from time to time paid or payable under or in connection with such asset or property.

"*Prohibited Transaction*" means a transaction described in Section 406(a) of ERISA, that is not exempted by a statutory or administrative or individual exemption pursuant to Section 408 of ERISA.

"*Projections*" has the meaning specified in Section 13.03(b).

"*PTE*" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"*Purchase Date*" means, with respect to any Receivable, the date on which such Receivable was sold by a Seller to the Borrower under a Receivable Purchase Agreement.

"*QFC*" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"*QFC Credit Support*" has the meaning specified in Section 12.22.

"*Qualified Institution*" means a depository institution or trust company organized under the laws of the United States of America or any one of the States thereof or the District of Columbia (or any domestic branch of a foreign bank), (i)(A) that has either (1) a long-term unsecured debt rating of "A" or better by S&P and "A2" or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of "A-1" or better by S&P or "P-1" or better by Moody's, (B) the parent corporation of which has either (1) a long-term unsecured debt rating of "A" or better by S&P and "A2" or better by Moody's or (2) a short-term unsecured debt rating or certificate of deposit rating of "A-1" or better by S&P and "P-1" or better by Moody's or (C) is otherwise acceptable to the Administrative Agent and (ii) the deposits of which are insured by the Federal Deposit Insurance Corporation.

"*Receivable*" means any amounts owed by an Obligor under a Contract.

"*Receivable Assignment*" means an assignment delivered by the applicable Seller to the Borrower and the Administrative Agent, in the form attached to each Receivable Purchase Agreement or such other form reasonably acceptable to the Administrative Agent.

"*Receivable Balance*" means, as of any date of determination, (a) with respect to a U.S. Receivable, the outstanding amount of such Receivable (in U.S. Dollars) and (b) with respect to a Canadian Receivable, the outstanding amount of such Receivable (in Canadian Dollars) *multiplied by* the CAD FX Rate.

"*Receivable Schedule*" means a listing (which shall be in the form of an electronic data tape or other medium in each case reasonably acceptable to the Administrative Agent) of all Receivables which are proposed to be sold to the Borrower on a Purchase Date (or in the case of a Quebec Purchased Receivable (as defined in the Canadian Receivable Purchase Agreement) after the initial Purchase Date, each such Receivable originated after delivery of the prior Receivable Schedule under the Canadian Receivable Purchase Agreement), together with the information listed on Schedule 7 to this Agreement and such other information that is reasonably requested by the Administrative Agent from time to time, as such listing may be amended, restated, supplemented or otherwise modified from time to time in accordance with this Agreement and the Receivable Purchase Agreements.

"*Receivable Purchase Agreements*" means the Canadian Receivable Purchase Agreement and the U.S. Receivable Purchase Agreement.

"*Reference Time*" with respect to any determination of the Benchmark means the time determined by the Administrative Agent in accordance with the Benchmark Replacement Conforming Changes.

"*Register*" has the meaning specified in Section 13.02(g).

"*Regulation T,*" "*Regulation U*" and "*Regulation X*" mean Regulation T, U and X, respectively, of the Board of Governors of the Federal Reserve System, as in effect from time to time.

"*Regulatory Change*" has the meaning specified in Section 2.09(a).

"*Regulatory Event*" means any one of the following events: a rule, order, decree, enactment, proclamation or publication of any guidance, guideline, interpretation, injunction, directive, proclamation, promulgation, requirement, order, judgment, policy statement, law, regulation, rule, statute, writ or finding by a Governmental Authority, in the context of an action, suit, proceeding, investigation, claim, allegation or otherwise that would either (a) have a material adverse effect on the validity, enforceability or collectability (including by the assignee of such Collateral Receivable) of any Collateral Receivable as reasonably determined by the Administrative Agent or (b) have a Material Adverse Effect on the Borrower, the Parent, the Servicer, any Seller, the Sponsor or the Backup Servicer.

"*Reinvestment Period*" means the period from and including the Closing Date to and including the earliest of (a) the Scheduled Reinvestment Period Termination Date, (b) the occurrence of an Accelerated Amortization Event, and (c) the Final Maturity Date.

"*Related Documents*" means, with respect to any Receivable, the Contract, each document evidencing the payment of the relevant purchase price or other amounts due to the Merchant by a Seller or the amounts due the Bank Partner or a Seller by the applicable Obligor, each written invoice or other contract and all agreements or documents evidencing, governing, giving rise or relating to such Receivable under which a sale of goods or services is made by the Merchant to an Obligor, any bill of sale or assignment agreement delivered pursuant to a Receivable Purchase Agreement, as more fully described in each Receivable Purchase Agreement, and which shall include, without limitation all amendments with respect to each such document and, within two (2) Business Days following the request of the Administrative Agent, any endorsements or assignments thereof to the Administrative Agent or its transferees.

"*Relevant Governmental Body*" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"*Reporting Date*" means the date that is three (3) Business Days prior to each Payment Date.

"*Requested Amount*" has the meaning specified in Section 2.02.

"*Required Lenders*" means, as of any date of determination,

(a) *first*, if any Advances are then outstanding, one or more Lenders having Advances in an amount greater than 50% of the aggregate outstanding principal amount of all Advances; and

(b) *second*, if no Advances are then outstanding, and the availability of the Advances has not been terminated hereunder, one or more Lenders holding in the aggregate more than 50% of the aggregate Percentages of all Lenders.

"*Rescheduled Receivable*" means a Collateral Receivable under which the Obligor has initiated his or her first rescheduling of the remaining installment payments due under such Receivable in accordance with the terms of the related Contract.

"*Rescheduling Fee*" means a fee imposed by the Servicer to enable the Obligor to defer an installment payment.

"*Resolution Authority*" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"*Responsible Officer*" means (a) in the case of a corporation, partnership or limited liability company that, pursuant to its Constituent Documents, has officers, any chief executive officer, chief financial officer, chief administrative officer, president, senior vice president, vice president, treasurer, director or manager, and, in any case where two Responsible Officers are acting on behalf of such entity, the second such Responsible Officer may be a secretary or assistant secretary, (b) in the case of a limited partnership, the Responsible Officer of the general partner, acting on behalf of such general partner in its capacity as general partner, (c) in the case of a limited liability company, any Responsible Officer of the sole member or managing member, acting on behalf of the sole member or managing member in its capacity as sole member or managing member, (d) in the case of a trust, the Responsible Officer of the trustee or the administrator of the trust, acting on behalf of such trust in its capacity as trustee, and (e) in the case of the Administrative Agent, an officer of the Administrative Agent responsible for the administration of this Agreement.

"*Restricted Payments*" means the declaration of any distribution or dividends or the payment of any other amount (including in respect of redemptions permitted by the Constituent Documents of the Borrower) to any beneficiary or other equity investor in the Borrower on account of any Equity Interest in respect of the Borrower, or the payment on account of, or the setting apart of assets for a sinking or other analogous fund for, or the purchase or other acquisition of any Equity Interest in the Borrower or of any warrants, options or other rights to acquire the same (or to make any "phantom stock" or other similar payments in the nature of distributions or dividends in respect of equity to any Person), whether now or hereafter outstanding, either directly or indirectly, whether in cash, property (including marketable securities), or any payment or setting apart of assets for the redemption, withdrawal, retirement, acquisition, cancellation or termination of any Equity Interest in respect of the Borrower.

"*S&P*" means S&P Global Ratings.

"*Sanctioned Country*" means, at any time, a country or territory that is, or whose government is, the subject or target of any Sanctions, including a country subject to a sanctions program identified on the list maintained by OFAC and available at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx, or as otherwise published from time to time.

"*Sanctioned Person*" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, including the "Specially Designated Nationals and Blocked Persons" maintained by OFAC available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx, or as otherwise published from time to time (b) (i) an agency of the government of a Sanctioned Country, (ii) an organization controlled by a Sanctioned Country or (iii) any Person located, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"*Sanctions*" means economic or financial sanctions or trade embargoes administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"*Sanctions Laws*" means, collectively, (a) the rules and regulations regarding the blocking of assets and the prohibition of transactions involving Persons or countries designated by OFAC or the U.S. Department of State; and (b) any other Applicable Laws relating to economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time.

"*Scheduled Reinvestment Period Termination Date*" means the date that is 30 months from the Closing Date or such later date as may be agreed by the Borrower and each of the Lenders in writing and notified in writing to the Administrative Agent.

"*Subordination Agreement*" a subordination agreement in form and substance acceptable to the Administrative Agent.

"*SCRA*" means the Servicemembers Civil Relief Act, 50 U.S.C. §§ 3901-4043.

"*SEC*" means the Securities and Exchange Commission or any other Governmental Authority of the United States of America at the time administrating the Securities Act, the Investment Company Act or the Exchange Act.

"*Seasoned Vintage*" means on any date any Vintage that is comprised of Collateral Receivables that have all been originated not less than 90 days prior to such date.

"*Secured Parties*" means the Administrative Agent, the Lenders, any Affected Person and each Indemnified Party and their respective permitted successors and assigns.

"*Securities Act*" means the Securities Act of 1933, and the rules and regulations promulgated thereunder, all as from time to time in effect, or any successor law, rules or regulations, and any reference to any statutory or regulatory provision shall be deemed to be a reference to any successor statutory or regulatory provision.

"*Sellers*" means the Canadian Seller and the U.S. Seller.

"*Servicer*" means Sezzle, in its capacity as servicer under the Servicing Agreement, or any Backup Servicer under the Backup Servicing Agreement.

"*Servicer Event of Default*" means (a) a "Servicer Event of Default" as such term is defined in the Servicing Agreement or (b) a Regulatory Event that causes a Material Adverse Effect on the Servicer.

"*Servicer Fee*" means, for each Collection Period, a fee payable to the Servicer in arrears on each Payment Date (in accordance with the Priority of Payments) in an amount equal to the amount provided for in the Servicing Agreement.

"*Servicing Agreement*" means (a) the Servicing Agreement, dated as of the Closing Date, by and among the Borrower, the Servicer and the Administrative Agent or (b) any servicing agreement among the Borrower, the Administrative Agent and the Backup Servicer, as successor servicer, or a successor servicer that is approved in writing by the Administrative Agent.

"*Servicing Commencement Notice*" has the meaning set forth in the Backup Servicing Agreement.

"*Servicing Guide*" means the servicing guide or program requirements of the Servicer attached as Schedule 6, which may be amended, modified or supplemented by the Servicer from time to time in accordance with the Section 5.02(j).

"*Sezzle*" means Sezzle Inc., a Delaware public benefit corporation.

"*SOFR*" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"*SOFR Administrator*" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"*Solvent*" means, with respect to any Person, that as of the date of determination, both (a) (i) the sum of such Person's debt (including contingent liabilities) does not exceed the present fair saleable value of such Person's present assets; (ii) such Person's capital is not unreasonably small in relation to its business as contemplated on the Closing Date and reflected in any of its financial projections; and (iii) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such Person is "solvent" within the meaning given that term and similar terms under the Bankruptcy Code, Section 271 of the Debtor and Creditor Law of the State of New York or other Applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standards No. 5).

"*Sponsor*" means Sezzle.

"*Sponsor Indemnity Agreement*" means the Limited Guaranty and Indemnity Agreement by the Sponsor, as limited guarantor, for the benefit of the Administrative Agent, dated as of the Closing Date.

"*Sponsor Indemnity Event of Default*" has the meaning assigned to "Limited Guaranty Event of Default" in the Sponsor Indemnity Agreement.

"*Subject Laws*" has the meaning specified in Section 4.01(f).

"*Supported QFC*" has the meaning specified in Section 12.22.

"*Syndication*" has the meaning specified in Section 13.02(a).

"*Taxes*" means all present or future taxes, levies, imposts, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, and all liabilities (including penalties, additions, interest and expenses) with respect thereto.

"*Term SOFR Administrator*" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Required Lenders).

"*Term SOFR Reference Rate*" means the forward-looking term rate based on 3-month term SOFR as published by the Term SOFR Administrator; provided that, if the Term SOFR Reference Rate would be less than the Floor, then the Term SOFR Reference Rate will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents. The Term SOFR Reference Rate shall initially be the Term SOFR Reference rate in effect on the date hereof and shall thereafter be reset to the Term SOFR Reference rate in existence on the first Business Day of the next succeeding month.

"*Termination Date*" means the last day of the Reinvestment Period or, if the Reinvestment Period has been reinstated, the last day of such reinstated Reinvestment Period; *provided* that, if the Termination Date would otherwise not be a Business Day, then the Termination Date shall be the immediately succeeding Business Day.

"*Termination Payment*" has the meaning specified in Section 2.06.

"*Total Merchandise Price*" has the meaning set forth in the definition of "Net Funded Amount"

"*Total Original Base Amount*" means, with respect to any Vintage, the Adjusted Total Payment Amount of all Collateral Receivables in such Vintage minus the down payment amount and Total Merchant Discount with respect to all such Collateral Receivables.

"*UCC*" means the Uniform Commercial Code, as from time to time in effect in the State of New York; *provided* that if, by reason of any mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of the security interests granted to the Administrative Agent pursuant to this Agreement are governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States of America other than the State of New York, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of such perfection, effect of perfection or non-perfection or priority.

"*UK Financial Institution*" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"*UK Resolution Authority*" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"*Unadjusted Benchmark Replacement*" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"*Unmatured Event of Default*" means any event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default.

"*Unused Fee*" means, for any period during the Reinvestment Period, the product of (a) 0.50%, and (b) the greater of (i) zero and (ii) the excess of (A) the average of the Committed Facility Amount during such period over (B) the average outstanding principal amount of all Advances during such period, and (c) a fraction, the numerator of which is the number of days in such period and the denominator of which is 360.

"*U.S.*" means the United States of America.

"*U.S. Collection Account*" means the account established at the U.S. Collection Account Bank in the name of the Borrower, which account has been designated as the U.S. Collection Account and which shall at all times be the subject of a U.S. Account Control Agreement.

"*U.S. Collection Account Bank*" means (a) Synovus Bank or (b) another Qualified Institution reasonably acceptable to the Administrative Agent.

"*U.S. Collection Account Control Agreement*" means each agreement in form reasonably acceptable to the Administrative Agent among the Borrower, the Administrative Agent and the U.S. Collection Account Bank establishing "control" within the meaning of the UCC over the U.S. Collection Account or such other account as may be applicable from time to time.

"*U.S. Collection Account Required Amount*" means, as of any date of determination, the greater of (a) an amount sufficient to cover accrued interest and fees due at the next Payment Date and (b) $20,000.

"*U.S. Dollars*" and "*$*" mean lawful money of the United States of America.

"*U.S. Receivable*" means each Receivable sold to the Borrower by the U.S. Seller pursuant to the terms and subject to the conditions set forth in the U.S. Receivable Purchase Agreement.

"*U.S. Receivable Purchase Agreement*" means (a) the U.S. Receivable Purchase Agreement**,** dated as of the Closing Date, by and among the U.S. Seller and the Borrower, in form and substance acceptable to the Administrative Agent or (b) such other receivable purchase agreement among the U.S. Seller and the Borrower, that is in form and substance satisfactory to the Administrative Agent.

"*U.S. Seller*" means Sezzle.

"*U.S. Special Resolution Regimes*" has the meaning specified in Section 12.22.

"*U.S. Tax Compliance Certificate*" has the meaning specified in Section 12.03(g).

"*Vintage*" means each full calendar month during which Receivables have been originated by a Seller.

"*Vintage Collections*" means all Collections in respect of any Vintage Receivable.

"*Vintage Receivable*" means each Receivable originated by a Seller in the ordinary course of business in accordance with the Credit Guidelines during each Vintage.

"*Vintage Receivables Balance*" means, with respect to each Vintage, the sum of the Vintage Total Transaction Values of all the Vintage Receivables originated by a Seller during such Vintage.

"*Vintage Total Transaction Value*" means, with respect to each Vintage Receivable, as of the applicable origination date of such Vintage Receivable, the aggregate amount of all installments owed by the relevant Obligor, including any initial payment made by the Obligor on such origination date and any Receivable Balance owed by such Obligor thereafter with respect to such Collateral Receivable.

"*Weighted Average Loss Rate*" means, with respect to any Vintage, the ratio of (x) the Outstanding Base Amount of all Collateral Receivables in such Vintage that became greater than 30 days past due at any time following the origination of such Collateral Receivables, *divided by* (y) the Total Original Base Amount of all Collateral Receivables in such Vintage as of the origination date of such Collateral Receivables, calculated on a weighted average basis.

"*Withdrawal Date*" has the meaning specified in Section 9.02.

"*Withdrawal Liability*" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"*Write-Down and Conversion Powers*" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2. Rules of Construction. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires (a) singular words shall connote the plural as well as the singular, and vice versa (except as indicated), as may be appropriate, and "or" is not exclusive, (b) the words "herein," "hereof" and "hereunder" and other words of similar import used in this Agreement refer to this Agreement as a whole and not to any particular article, schedule, section, paragraph, clause, exhibit or other subdivision, (c) the

headings, subheadings and table of contents set forth in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect the meaning, construction or effect of any provision hereof, (d) references in this Agreement to "include" or "including" shall mean include or including, as applicable, without limiting the generality of any description preceding such term, and for purposes hereof the rule of ejusdem generis shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned, (e) each of the parties to this Agreement and its counsel have reviewed and revised, or requested revisions to, this Agreement, and the rule of construction that any ambiguities are to be resolved against the drafting party shall be inapplicable in the construction and interpretation of this Agreement, (f) any definition of or reference to any Facility Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (g) any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to any restrictions set forth herein or in any other applicable agreement), (h) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time and (i) each reference to time without further specification shall mean New York City Time.

Section 1.3. Computation of Time Periods. Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" both mean "to but excluding." Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed.

Section 1.4. Collateral Value Calculation Procedures. In connection with all calculations required to be made pursuant to this Agreement with respect to any payments on any other assets included in the Collateral, with respect to the sale of and reinvestment in Collateral Receivables, and with respect to the income that can be earned on any other amounts that may be received for deposit in the Canadian Collection Account or the U.S. Collection Account, as applicable, the provisions set forth in this Section 1.04 shall be applied. The provisions of this Section 1.04 shall be applicable to any determination or calculation that is covered by this Agreement, whether or not reference is specifically made to Section 1.04, unless some other method of calculation or determination is expressly specified in the particular provision.

(a) References in the Priority of Payments to calculations made on a "pro forma basis" shall mean such calculations after giving effect to all payments, in accordance with the Priority of Payments, that precede (in priority of payment) or include the clause in which such calculation is made.

(b) For purposes of calculating all Concentration Limitations, in both the numerator and the denominator of any component of the Concentration Limitations, Delinquent Collateral Receivables, Defaulted Collateral Receivables and Ineligible Collateral Receivables shall be deemed to have a Receivable Balance equal to zero.

(c) For purposes of calculating compliance with any Concentration Limitation based on the "weighted average", "weighted average" shall mean, as of any date of determination with respect to all Collateral Receivables, the ratio (expressed as a number) obtained by summing the products (a) the original term to maturity of such Receivable, as applicable, *times* (b) the Receivable Balance of such Collateral Receivable, and (c) dividing such sum by the Aggregate Receivable Balance of all Collateral Receivables as of such date of determination.

(d) Determinations of the Collateral Receivables, or portions thereof, that constitute Excess Concentration Amounts will be determined in the way that produces the lowest Borrowing Base at the time of determination, it being understood that a Collateral Receivable (or portion thereof) that falls into more than one such category of Collateral Receivables will be deemed, solely for purposes of such determinations, to fall only into the category that produces the lowest such Borrowing Base at such time (without duplication).

(e) For the purposes of calculating compliance with each of the Concentration Limitations, all calculations will be rounded to the nearest 0.01%, with 0.005% rounded upwards.

(f) Notwithstanding any other provision of this Agreement to the contrary, all monetary calculations under this Agreement shall be in U.S. Dollars (giving effect to the CAD FX Rate, if applicable). For purposes of this Agreement, calculations with respect to all amounts received or required to be paid in a currency other than U.S. Dollars or Canadian Dollars shall be valued at zero.

(g) References in this Agreement to the Borrower's "purchase" or "acquisition" of a Collateral Receivable include references to the Borrower's acquisition of such Collateral Receivable by way of a sale from a Seller under a Receivable Purchase Agreement.

Section 1.5. Divisions. For all purposes under the Facility Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

ARTICLE II

Advances

Section 2.1. Revolving Credit Facility. (a) On the terms and subject to the conditions herein set forth, including Article III, each Lender severally agrees to make loans to Borrower (each, an "*Advance*") from time to time on any Business Day during the period from the Closing Date until but excluding the Termination Date, on a *pro rata* basis in each case based on and limited to the Percentage applicable to such Lender and, as to all Lenders, in an amount that would not cause the aggregate principal balance of the Advances to exceed the Maximum Available Amount as then in effect. No Lender shall make any Advance or portion thereof if it would cause the aggregate outstanding principal amount of the Advances to exceed the Maximum Available Amount as then in effect.

(a) Each such borrowing under this Section 2.01 of an Advance on any single day is referred to herein as a "*Borrowing*." Within such limits and subject to the other terms and conditions of this Agreement, the Borrower may borrow (and re-borrow) Advances under this Section 2.01 and prepay Advances under Section 2.05.

Section 2.2. Making of the Advances. (a) Subject to the terms and conditions of Section 2.01, if the Borrower desires to request a Borrowing under this Agreement, the Borrower shall give the Administrative Agent a written notice (each, a "*Notice of Borrowing*") for such Borrowing (which notice shall be irrevocable and effective upon receipt) not later than 12:00 p.m. (New York City time) at least three (3) Business Days prior to the day of the requested Borrowing. A Notice of Borrowing received after 12:00 p.m. (New York City time) shall be deemed received on the following Business Day.

Promptly following receipt of a Notice of Borrowing in accordance with this Section 2.02, the Administrative Agent shall advise each applicable Lender of the details thereof and of the amounts of such Lender's Advance requested to be made as part of the requested Borrowing. Each Notice of Borrowing shall be substantially in the form of Exhibit A-1 hereto, dated the date the request for the related Borrowing is being made, signed by a Responsible Officer of the Borrower, shall attach a Maximum Advance Rate Test Calculation Statement and shall otherwise be appropriately completed. The proposed Borrowing Date specified in each Notice of Borrowing shall be a Business Day falling prior to the Termination Date, and the amount of the Borrowing requested in such Notice of Borrowing (the "*Requested Amount*") shall be equal to at least $2,500,000 (or, less, if agreed to by the Administrative Agent and the Lenders in their sole and absolute discretion).

Unless otherwise permitted by the Administrative Agent and each of the Lenders in their sole and absolute discretion, there shall be no more than one (1) Borrowing Date per two calendar weeks.

(b) *Funding by Lenders.* Subject to the terms and conditions herein, each Lender providing an Advance shall make its Percentage (as such Percentage may be reduced or increased from time to time in accordance with the terms hereof) of the applicable Requested Amount on each Borrowing Date (x) by wire transfer of immediately available funds by 11:00 a.m. on such Borrowing Date to the Administrative Agent pursuant to wiring instructions provided by the Administrative Agent and the Administrative Agent will hold and pay such funds to the Borrower by wire transfer of immediately available funds by 2:00 p.m. on such Borrowing Date to the Funding Account, on behalf of the Lenders or (y) if requested in writing (email is acceptable) by the Administrative Agent, by wire transfer of immediately available funds by 2:00 p.m. on such Borrowing Date directly to the Funding Account pursuant to wiring instructions provided by the Administrative Agent.

(c) *Presumption by the Administrative Agent*. The Administrative Agent may not assume that a Lender has made or will make its Percentage of any applicable Requested Amount and shall not be obligated to make available to the Borrower a corresponding amount unless the Administrative Agent has received from all Lenders the funds corresponding to their relevant Percentages with respect to the applicable Requested Amount.

(d) *Minimum Advances*. The initial Advance shall not be less than $60,000,000. The amount of each Advance requested by the Borrower thereafter shall not be less than the difference of the Minimum Utilization Amount less the aggregate principal amount of all outstanding Advances at such time. The Borrower hereby irrevocably instructs each Lender to make Advances to the U.S. Collection Account or the Canadian Collection Account, as directed by the Borrower, after the date hereof, in an amount equal to such Lender's Percentage of the amount necessary to ensure that the outstanding principal balance of Advances, at any time prior to the Termination Date, are not less than $60,000,000.

Section 2.3. Evidence of Indebtedness.

(a) *Maintenance of Records by Lenders.* Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to it and resulting from the Advances made by such Lender to the Borrower, from time to time, including the amounts of principal and interest thereon and paid to it, from time to time hereunder; *provided*, *however*, that in case of a conflict between the records of the Administrative Agent and those of such Lender, the records of the Administrative Agent shall prevail absent manifest error.

(b) *Maintenance of Records by Administrative Agent.* The Administrative Agent shall maintain records in which it shall record (i) the amount of each Advance made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof. Notwithstanding anything to the contrary herein, the Administrative Agent shall be responsible for calculating and confirming any and all amounts due, interest, compliance with financial covenants, eligibility criteria and each other trigger or rate hereunder and under the other Facility Documents and each such calculation and confirmation shall be conclusive and binding for all purposes, absent manifest error.

(c) *Effect of Entries.* The entries made in the records maintained pursuant to paragraph (a) or (b) of this Section shall be prima facie evidence, absent obvious error, of the existence and amounts of the obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such records or any error therein shall not in any manner affect the obligation of the Borrower to repay the Advances and other Obligations hereunder in accordance with the terms of this Agreement.

Section 2.4. Payment of Principal, Interest and Certain Fees. The Borrower shall pay principal and interest on the Advances as follows:

(a) 100% of the outstanding principal amount of each Advance, together with all accrued and unpaid interest thereon, shall be due and payable on the Final Maturity Date.

(b) Interest shall accrue on the greater of (x) the unpaid principal amount of each Advance from the date of such Advance or (y) the Minimum Utilization Amount until such principal amount is paid in full at an annual rate equal to the Interest Rate.

(c) Interest accrued during any calendar month on the outstanding principal balance of the Advances shall be due and payable on the first Payment Date in the next succeeding calendar month commencing in May 2024. Principal shall be paid to the extent provided in Section 9.01 on each Payment Date.

(d) Subject to clause (e) below, the obligation of the Borrower to pay the Obligations, including, but not limited to, the obligation of the Borrower to pay the Lenders the outstanding principal amount of the Advances, accrued interest thereon, to pay the Lenders the Termination Payment, and Unused Fees, and to pay any other fees as set forth hereunder, shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms hereof (including Section 2.14 and Article IX) and thereof, under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower or any other Person may have or have had against any Secured Party or any other Person (other than a defense that payment was made).

(e) As a condition to the payment of interest on any Advance, and principal of any Advance, any Termination Payment, any Unused Fees and any other amounts due pursuant to the Facility Documents without the imposition of withholding tax, the Borrower or the Administrative Agent may require certification acceptable to it to enable the Borrower and the Administrative Agent to determine their duties and liabilities with respect to any taxes or other charges that they may be required to deduct or withhold from payments in respect of such Advance under any present or future law or regulation of the United States of America and any other applicable jurisdiction, or any present or future law or regulation of any political subdivision thereof or taxing authority therein or to comply with any reporting or other requirements under any such law or regulation.

(f) Unused Fees shall accrue from the Closing Date until the Termination Date and shall be payable by the Borrower to the Lenders in arrears on each Payment Date for the immediately preceding Collection Period in accordance with the Priority of Payments.

Section 2.5. Prepayment of Advances.

(a) *Optional Prepayments.* On any date on or after the Closing Date, Borrower may, from time to time on any Business Day, subject to payment of any Termination Payment required pursuant to Section 2.06 and maintaining the required minimum outstanding Advances pursuant to Section 2.02(d), voluntarily prepay any outstanding Advances in whole or in part, together with all amounts due pursuant to Sections 2.04(c) and 2.10; *provided* that the Borrower shall have delivered to the Administrative Agent written notice of such prepayment (such notice, a "*Notice of Prepayment*") in the form of Exhibit B hereto by no later than 1:00 p.m. at least two (2) Business Days prior to the day of such prepayment. Any Notice of Prepayment received by the Administrative Agent after 1:00 p.m. shall be deemed received on the next Business Day. Upon receipt of such Notice of Prepayment, the Administrative Agent shall promptly, but in any event, no later than 1:00 p.m. at least one (1) Business Day prior to the date of such prepayment, notify each Lender. Each such Notice of Prepayment shall be irrevocable and effective upon the date received and shall be dated the date such notice is given, signed by a Responsible Officer of the Borrower and otherwise appropriately completed. Each

prepayment of any Advance by the Borrower pursuant to this Section 2.05(a) shall in each case be in a principal amount of at least $2,500,000 or, if less, the entire outstanding principal amount of the Advances of the Borrower. If a Notice of Prepayment is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein (including, but not limited to, any Termination Payment). The Borrower shall make the payment amount specified in such notice by wire transfer of immediately available funds by 11:00 a.m. on the date of prepayment to the account of the Administrative Agent, which will hold the funds on behalf of the Lenders. To the extent payment was made to the Administrative Agent, the Administrative Agent promptly will make such payment amount specified in such notice available to each Lender in the amount of each Lender's Percentage of the payment amount by wire transfer to such Lender's account. Any funds for purposes of a voluntary prepayment received by the Administrative Agent after 11:00 a.m. shall be deemed received on the next Business Day. For the avoidance of any doubt, the Borrower may only provide a Notice of Prepayment to prepay Advances that are outstanding on the date such Notice of Prepayment is delivered and may not provide a Notice of Prepayment to prepay any future Advances.

(b) *Additional Prepayment Provisions*. Each prepayment pursuant to this Section 2.05 shall be subject to Sections 2.04(c) and 2.10 and applied to the Advances in accordance with the relevant Lenders' respective Percentages.

(c) *Interest on Prepaid Advances.* The Borrower shall pay all accrued and unpaid interest on the Advances that are prepaid on the date of such prepayment.

Section 2.6. Termination Payment.

(a) If the Borrower terminates this Agreement, the Borrower shall pay to the Administrative Agent, for the pro rata benefit and account of each Lender, additional interest as a make whole to Lenders equal to the product of: (1) the then existing Interest Rate *divided by* **TWELVE** (**12**); (2) the outstanding principal amount of the Advances being prepaid as of the date of such termination; and (3) the number of full months from the date of such termination until the eighteen month anniversary of the Closing Date (the "*Termination Payment*"). The Termination Payment shall be due and payable on the date of such termination. For the avoidance of doubt, no such Termination Payment shall be due and payable by the Borrower if the Borrower terminates this Agreement on or after the eighteen month anniversary of the Closing Date.

(b) In view of the impracticability and extreme difficulty of ascertaining the actual amount of damages to the Lenders or profits lost by the Lenders as a result of termination of this Agreement, and by mutual agreement of the parties as to a reasonable estimation and calculation of the lost profits or damages of the Lenders, the Termination Payment constitutes liquidated damages which shall be due and payable upon such date. The Borrower hereby waives any defense to payment other than payment on performance, whether such defense may be based in public policy, ambiguity, or otherwise. The Borrower and the Lenders acknowledge and agree that any Termination Payment due and payable hereunder shall not constitute unmatured interest, whether under Section 502(b)(3) of the Bankruptcy Code or otherwise. The Borrower further acknowledges and agrees, and waives any argument to the contrary, that payment of such amount does not constitute a penalty or an otherwise unenforceable or invalid obligation.

(c) Any amount payable under this Section 2.06 that is not paid when due shall bear interest at the rate set forth under clause (b) of "Interest Rate" from the date such amount is due until the date paid, in accordance with this Section 2.06.

Section 2.7. Maximum Lawful Rate. It is the intention of the parties hereto that the interest on the Advances shall not exceed the maximum rate permissible under Applicable Law. Accordingly, anything herein to the contrary notwithstanding, in the event any interest is charged to, collected from or received from or on behalf of the Borrower by the Lenders pursuant hereto or thereto in excess of such maximum lawful rate, then the excess of such payment over that maximum shall be applied first to the payment of amounts then due and owing by the Borrower to the Secured Parties under this Agreement (other than in respect of principal of and interest on the Advances) and then to the reduction of the outstanding principal amount of the Advances of the Borrower.

Section 2.8. Several Obligations. The failure of any Lender to make any Advance to be made by it on the date specified therefor or make payments pursuant to Section 11.04 shall not relieve any other Lender of its obligation to make its Advance on such date or make such payments, the Administrative Agent shall not be responsible for the failure of any Lender to make any Advance or make such payments, and no Lender shall be responsible for the failure of any other Lender to make an Advance to be made by such other Lender or to make such payments under Section 11.04.

Section 2.9. Increased Costs. (a) If (i) the introduction of or any change in or in the interpretation, application or implementation of any Applicable Law or GAAP or other applicable accounting policy after the date hereof, or (ii) the compliance with any guideline or change in the interpretation, application or implementation of any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law) after the date hereof (a "*Regulatory Change*"):

(A) shall impose, modify or deem applicable any reserve (including any reserve imposed by the Board of Governors of the Federal Reserve System, but excluding any reserve included in the determination of interest on the Advances), special deposit or similar requirement against assets of any Affected Person, deposits or obligations with or for the account of any Affected Person or with or for the account of any Affiliate (or entity deemed by the Federal Reserve Board to be an Affiliate) of any Affected Person, or credit extended by any Affected Person;

(B) shall change the amount of capital maintained or required or requested or directed to be maintained by any Affected Person;

(C) shall subject any Affected Person to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(D) shall impose any other condition (other than Taxes) affecting any Advance owned or funded in whole or in part by any Affected Person, or its obligations or rights, if any, to make Advances or to provide funding therefor;

(E) shall change the rate for, or the manner in which the Federal Deposit Insurance Corporation (or a successor thereto) assesses, deposit insurance premiums or similar charges; or

(F) shall cause an internal capital or liquidity charge or other imputed cost to be assessed upon any Affected Person which, in the sole discretion of such Affected Person, is allocable to the Borrower or to the transactions contemplated by this Agreement;

and the result of any of the foregoing is or would be

(x) to increase the cost to or to impose a cost on an Affected Person funding or making or maintaining any Advance, or

(y) to reduce the amount of any sum received or receivable by an Affected Person under this Agreement, or

(z) in the sole determination of such Affected Person, to reduce the rate of return on the capital of an Affected Person as a consequence of its obligations hereunder,

then within thirty (30) days after demand by such Affected Person (which demand shall be accompanied by a statement setting forth in reasonable detail the basis of such demand), the Borrower shall pay directly to such Affected Person such additional amount or amounts as will compensate such Affected Person for such additional or increased cost or such reduction. For the avoidance of doubt, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act ("*Dodd Frank Act*"); (ii) the revised Basel Accord prepared by the Basel Committee on Banking Supervision as set out in the publication entitled "Basel II: International Convergence of Capital Measurements and Capital Standards: A Revised Framework," as updated from time to time ("*Basel II*"); (iii) the publication entitled "Basel III: A global regulatory framework for more resilient banks and banking systems," as updated from time to time ("*Basel III*"), including any publications addressing the liquidity coverage ratio ("*LCR*") or the supplementary leverage ratio ("*SLR*"); or (iv) any implementing laws, rules, regulations, guidance, interpretations or directives from any Governmental Authority relating to the Dodd Frank Act, Basel II or Basel III (whether or not having the force of law), and in each case all rules and regulations promulgated thereunder or issued in connection therewith shall be deemed to have been introduced after the Closing Date, thereby constituting a Regulatory Change hereunder with respect to the Affected Persons as of the Closing Date, regardless of the date enacted, adopted or issued, and such additional amounts which are sufficient to compensate such Affected Person for such increase in capital or liquidity or reduced return in accordance with the Priority of Payments. The Borrower acknowledges that this Section 2.09 permits the Affected Person to institute measures in anticipation of a Regulatory Change (including the imposition of internal charges on the Affected Person's interests or obligations under this Agreement), and allows the Affected Person to commence allocating charges to or seeking compensation from the Borrower under this Section 2.09 in connection with such measures (such amounts being referred to as "*Early Adoption Increased Costs*"), in advance of the effective date of such Regulatory Change, and the Borrower agrees to pay such Early Adoption Increased Costs to the Affected Person following

demand therefor without regard to whether such effective date has occurred. If any Affected Person becomes entitled to claim any additional amounts pursuant to this Section 2.09, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled. A certificate setting forth in reasonable detail such amounts submitted to the Borrower by an Affected Person shall be conclusive and binding for all purposes, absent manifest error.

(b) Upon the occurrence of any event giving rise to the Borrower's obligation to pay additional amounts to a Lender pursuant to clause (a) of this Section 2.09, such Lender will (i) use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office if such designation would reduce or obviate the obligations of the Borrower to make future payments of such additional amounts; *provided* that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or material legal or regulatory disadvantage (as reasonably determined by such Lender), with the object of avoiding future consequence of the event giving rise to the operation of any such provision or (ii) take such other measures as such Lender may deem reasonable, if as a result thereof the circumstances which would cause such Lender to be an Affected Person would cease to exist or the additional amounts which would otherwise be required to be paid to such Lender pursuant to this Section 2.09 would be materially reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Advances through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Advances or the interests of such Lender.

(c) Failure or delay on the part of an Affected Person to demand compensation pursuant to this Section shall not constitute a waiver of such Affected Person's right to demand such compensation.

Section 2.10. Compensation; Breakage Payments. The Borrower agrees to compensate each Affected Person from time to time, on the Payment Dates, following such Affected Person's written request (which request shall set forth the basis for requesting such amounts), in accordance with the Priority of Payments for all reasonable losses, expenses and liabilities (including any interest paid by such Affected Person to lenders of funds borrowed to make or carry an Advance and any loss sustained by such Affected Person in connection with the re-employment of such funds but excluding loss of anticipated profits), which such Affected Person may sustain: (i) if for any reason (including any failure of a condition precedent set forth in Article III but excluding a default by the applicable Lender) a Borrowing of any Advance by the Borrower does not occur on the Borrowing Date specified therefor in the applicable Notice of Borrowing delivered by the Borrower, (ii) if any payment, prepayment or conversion of any of the Borrower's Advances occurs on a date that is not the last day of the relevant interest accrual period, or (iii) as a consequence of any other default by the Borrower to repay its Advances when required by the terms of this Agreement. A certificate as to any amounts payable pursuant to this Section 2.10 submitted to the Borrower by any Lender (with a copy to the Administrative Agent and accompanied by a reasonably detailed calculation of such amounts and a description of the basis for requesting such amounts) shall be conclusive in the absence of manifest error.

Section 2.11. Illegality; Inability to Determine Rates. (a) Notwithstanding any other provision in this Agreement, in the event of a Benchmark Disruption Event, then the affected Lender shall promptly notify the Administrative Agent and the Borrower thereof, and such Lender's obligation to make or maintain Advances hereunder based on the Adjusted Benchmark Rate shall be suspended until such time as such Lender may again make and maintain Advances based on the Adjusted Benchmark Rate and the Advances of each interest accrual period in which such Person owns an interest shall either (1) if such Lender may lawfully continue to maintain such Advances at the Adjusted Benchmark Rate until the last day of the applicable interest accrual period, be reallocated on the last day of such interest accrual period to another interest accrual period in respect of which the Advances allocated thereto accrues interest determined other than with respect to the Adjusted Benchmark Rate or (2) if such Lender shall determine that it may not lawfully continue to maintain such Advances at the Adjusted Benchmark Rate until the end of the applicable interest accrual period, such Lender's share of the Advances allocated to such interest accrual period shall be deemed to accrue interest at the Base Rate from the effective date of such notice until the end of such interest accrual period.

(b) Upon the occurrence of any event giving rise to a Lender's suspending its obligation to make or maintain Advances based on the Adjusted Benchmark Rate pursuant to Section 2.11(a), such Lender will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office if such designation would enable such Lender to again make and maintain Advances based on the Adjusted Benchmark Rate; *provided* that such designation is made on such terms that such Lender and its lending office suffer no unreimbursed cost or material legal or regulatory disadvantage (as reasonably determined by such Lender), with the object of avoiding future consequence of the event giving rise to the operation of any such provision.

(c) If, prior to the first day of any interest accrual period or prior to the date of any Advance, as applicable, either (i) the Administrative Agent determines that for any reason adequate and reasonable means do not exist for determining the Benchmark for the applicable Advances, or (ii) the Required Lenders determine and notify the Administrative Agent that the Adjusted Benchmark Rate with respect to such Advances does not adequately and fairly reflect the cost to such Lenders of funding such Advances, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Advances based on the Adjusted Benchmark Rate shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders) revokes such notice.

Section 2.12. Benchmark Replacement Setting.

(a) *Benchmark Replacement*. Notwithstanding anything to the contrary herein or in any other Facility Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent, Required Lenders and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from any Lender.

(b) *Benchmark Replacement Conforming Changes*. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Required Lenders will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Facility Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Facility Document.

(c) *Notices; Standards for Decisions and Determinations*. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.12(d). Any determination, decision or election that may be made by the Administrative Agent, or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.12 including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their reasonable discretion and without consent from another party to this Agreement or any other Facility Document, except, in each case, as expressly required pursuant to this Section 2.12.

(d) *Unavailability of Tenor of Benchmark*. Notwithstanding anything to the contrary herein or in any other Facility Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Required Lenders may modify the terms of this Agreement for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Required Lenders may modify the terms of this Agreement for all Benchmark settings at or after such time to reinstate such previously removed tenor.

Section 2.13. Rescission or Return of Payment. The Borrower agrees that, if at any time (including after the occurrence of the Final Maturity Date) all or any part of any payment theretofore made by it to any Secured Party or any designee of a Secured Party is or must be rescinded or returned for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower or any of its Affiliates), the obligation of the Borrower to make such payment to such Secured Party shall, for the purposes of this Agreement, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence and this Agreement shall continue to be effective or be reinstated, as the case maybe, as to such obligations, all as though such payment had not been made.

Section 2.14. Post-Default Interest or Post-Reinvestment Period Interest. The Borrower shall pay interest on all Obligations that are not paid when due for the period from the due date thereof until the date the same is paid in full at the rate set forth under clause (b) of "Interest Rate". Interest payable at the Post-Default Rate shall be payable on each Payment Date in accordance with the Priority of Payments.

Section 2.15. Payments Generally. (a) All amounts owing and payable to any Secured Party, any Affected Person or any Indemnified Party, in respect of the Advances and other Obligations, including the principal thereof, interest, fees, indemnities, expenses or other amounts payable under this Agreement or any other Facility Document, shall be paid by the Borrower to the Administrative Agent for the account of the applicable recipient in U.S. Dollars, in immediately available funds, in accordance with the Priority of Payments, and all without counterclaim, setoff, deduction, defense, abatement, suspension or deferment. The Administrative Agent and each Lender shall provide wire instructions to the Borrower and the Administrative Agent. Payments must be received by the Administrative Agent for the account of the Lenders on or prior to 3:00 p.m. on a Business Day; *provided* that, payments received by the Administrative Agent after 3:00 p.m. on a Business Day will be deemed to have been paid on the next following Business Day. To the extent payment was made to the Administrative Agent, the Administrative Agent promptly will make such payment amount available to each Lender on a *pro rata basis* based on the amount due and owed to each Lender at such time by wire transfer to such Lender's account.

(b) Except as otherwise expressly provided herein, all computations of interest, fees and other Obligations shall be made on the basis of a year of 360 days for the actual number of days elapsed. In computing interest on any Advance, the date of the making of the Advance shall be included and the date of payment shall be excluded; *provided* that, if an Advance is repaid on the same day on which it is made, one day's interest shall be paid on such Advance. All computations made by the Administrative Agent under this Agreement shall be conclusive absent manifest error.

Section 2.16. Additional Funding. Upon request of the Borrower, Lenders, on a pro rata basis based on their existing Percentage as of any date of determination, shall have the exclusive right but no obligation to increase the Committed Amount by an aggregate amount of **SEVENTY-FIVE MILLION AND NO/100 DOLLARS** (**$75,000,000.00**) on the terms and conditions set forth in the Facility Documents. Nothing in this Section shall require the Lenders to increase the Committed Amount. Any such increase shall be in increments of **FIVE MILLION DOLLARS** (**$5,000,000**).

ARTICLE III

Conditions Precedent

Section 3.1. Conditions Precedent to this Agreement. This Agreement shall become effective once the Administrative Agent shall have received, prior to or concurrently with the making of the initial Advance hereunder, the following, each in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders:

(a) each of the Facility Documents duly executed and delivered by the parties thereto, which shall each be in full force and effect;

(b) true and complete copies of the Constituent Documents of the Borrower, the Parent, the Servicer, each Seller and the Sponsor as in effect on the Closing Date;

(c) true and complete copies certified by a Responsible Officer of the Borrower of all Governmental Authorizations, Private Authorizations and Governmental Filings, if any, required in connection with the transactions contemplated by this Agreement;

(d) a certificate of a Responsible Officer of the Borrower certifying (i) as to its Constituent Documents, (ii) as to its resolutions or other action required under its Constituent Documents to approve the entering into by the Borrower of this Agreement and the other Facility Documents to which it is a party and the transactions contemplated thereby, (iii) that its representations and warranties set forth in the Facility Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) (except for representations and warranties already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects), (iv) that no Unmatured Event of Default, Event of Default or Accelerated Amortization Event has occurred and is continuing, and (v) as to the incumbency and specimen signature of each of its Responsible Officers authorized to execute the Facility Documents to which it is a party;

(e) a certificate of a Responsible Officer of the Parent certifying (i) as to its Constituent Documents, (ii) as to its resolutions or other action required under its Constituent Documents to approve the Facility Documents to which it is a party and the transactions contemplated thereby, (iii) that its representations and warranties set forth in the Facility Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) (except for representations and warranties already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects), (iv) that no default under the Parent Pledge and Guaranty Agreement has occurred and is continuing and (v) as to the incumbency and specimen signature of each of its Responsible Officers authorized to execute the Facility Documents to which it is a party;

(f) a certificate of a Responsible Officer of the Sponsor certifying (i) as to its Constituent Documents, (ii) as to its resolutions or other action required under its Constituent Documents to approve the Facility Documents to which it is a party and the transactions contemplated thereby, (iii) that its representations and warranties set forth in the Facility Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) (except for representations and warranties already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects), (iv) that no Sponsor Indemnity Event of Default or Servicer Event of Default has occurred and is continuing and (v) as to the incumbency and specimen signature of each of its Responsible Officers authorized to execute the Facility Documents to which it is a party;

(g) a certificate of a Responsible Officer of the Canadian Seller certifying (i) as to its Constituent Documents, (ii) as to its resolutions or other action required under its Constituent Documents to approve the Facility Documents to which it is a party and the transactions contemplated thereby, (iii) that its representations and warranties set forth in the Facility Documents to which it is a party are true and correct in all material respects as of the Closing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) (except for representations and warranties already qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects), and (iv) as to the incumbency and specimen signature of each of its Responsible Officers authorized to execute the Facility Documents to which it is a party;

(h) proper financing statements, duly filed under the UCC or the PPSA, as applicable, in all jurisdictions that the Administrative Agent deems necessary or desirable in order to perfect the Liens on the Collateral contemplated by this Agreement and each Receivable Purchase Agreement;

(i) copies of proper financing statements, financing change statements or discharges, if any, necessary to release all security interests and other rights of any Person in the Collateral previously granted by the Borrower or any Seller;

(j) legal opinions (addressed to each of the Secured Parties) of Taft Stettinius & Hollister LLP and Carter Ledyard & Milburn LLP, counsel to the Borrower, the Parent, the Servicer, the Sponsor and the U.S. Seller, and Blake, Cassels & Graydon LLP, counsel to the Canadian Seller, covering such matters as the Administrative Agent and its counsel shall reasonably request, including but not limited to enforceability, authority, no conflicts, Investment Company Act, substantive consolidation, true sale matters, UCC and PPSA matters and an opinion to the effect that the Borrower is not a "covered fund" for purposes of the Volcker Rule;

(k) evidence reasonably satisfactory to it that the Canadian Collection Account and the U.S. Collection Account shall have been established;

(l) evidence that (x) all fees to be received by the Administrative Agent and each Lender on or prior to the Closing Date (including an origination fee in the amount equal to $750,000) have been received; and (y) the accrued reasonable and documented fees and expenses of Winston & Strawn LLP and McCarthy Tétrault LLP, each as counsel to the Administrative Agent, in connection with the transactions contemplated hereby, shall have been paid by the Borrower;

(m) good standing certificates (or the federal or local law equivalent) with respect to each of the jurisdictions where the Borrower, the Parent, the Sponsor, the Servicer and each Seller are organized or chartered;

(n) evidence reasonably satisfactory to the Administrative Agent and each Lender that all due diligence and credit approval processes required to be completed prior to the Closing Date have been completed (including a duly executed Beneficial Ownership Certification);

(o) such other opinions, instruments, certificates and documents as the Administrative Agent or any Lender shall have reasonably requested; and

(p) Subordination Agreement from each creditor of the Sponsor.

Section 3.2. Conditions Precedent to Each Borrowing. Each Advance to be made hereunder (including the initial Advance), if any, on each Borrowing Date shall be subject to the fulfillment of the following conditions:

(a) the Administrative Agent shall have received a Notice of Borrowing with respect to such Advance (including the Maximum Advance Rate Test Calculation Statement attached thereto, all duly completed) delivered in accordance with Section 2.02;

(b) immediately after the making of such Advance on the applicable Borrowing Date, the aggregate outstanding principal balance of the Advances, shall be less than or equal to the Maximum Available Amount, at such time;

(c) each of the representations and warranties of the Borrower contained in this Agreement shall be true and correct in all material respects (except for representations and warranties already qualified by materiality or Material Adverse Effect, which shall be true and correct) as of such Borrowing Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date as if made on such date);

(d) no Unmatured Event of Default or Event of Default or Accelerated Amortization Event shall have occurred and be continuing at the time of the making of such Advance or shall result upon the making of such Advance;

(e) the Borrower shall have delivered, or caused to have been delivered, in accordance with the time and manner specified in the Backup Servicing Agreement, to the Backup Servicer and the Administrative Agent, the Receivable Schedule and each document or item (whether or not electronic) comprising a Related Document with respect to the Receivables being pledged hereunder;

(f) all terms and conditions of the applicable Receivable Purchase Agreement required to be satisfied in connection with the assignment of each Receivable being pledged hereunder on such Borrowing Date (and the Receivable and Related Documents related thereto), including the perfection of the Borrower's interests therein, shall have been satisfied in full, and all filings (including UCC and PPSA filings) required to be made by any Person and all actions required to be taken or performed by any Person in any jurisdiction to give the Administrative Agent, for the benefit of the Secured Parties, a first priority perfected security interest in all of the Borrower's right, title and interest in the related Receivables all payments from related Obligors, the Related Documents and all rights of the Borrower under the applicable Receivable Purchase Agreement, excluding any Collateral in which a security interest cannot be perfected under the UCC or the PPSA, as applicable, shall have been made, taken or performed;

(g) the Borrower shall have taken all steps necessary under all Applicable Law in order to cause to exist in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid, subsisting and enforceable first priority perfected security interest in the Borrower's right, title and interest in the Collateral related to each Receivable being pledged hereunder on such Borrowing Date, including receipt by the Administrative Agent of evidence reasonably satisfactory to the Administrative Agent that all Liens (except for Permitted Liens) have been released on such Collateral;

(h) the Borrower shall have delivered to the Administrative Agent a fully executed copy of the Receivable Assignment relating to the Collateral Receivables in connection with such Borrowing; and

(i) the Administrative Agent shall have received satisfactory evidence that the Seller has received such amounts of the purchase price in excess of the requested Advance in respect of the Receivables to be acquired by the Borrower on such Borrowing Date.

ARTICLE IV

Representations and Warranties

Section 4.1. Representations and Warranties of the Borrower. The Borrower represents and warrants to each of the Secured Parties on and as of each Measurement Date (and, in respect of clause (i) below, each date such information is provided by or on behalf of it) as follows; provided that the representations and warranties in clause (s) shall only be made on and as of each Measurement Date on and after the Collateral Effective Time:

(a) *Due Organization*. The Borrower is a limited liability company duly organized and validly existing under the laws of the State of Delaware, with full power and authority to own and operate its assets and properties, conduct the business in which it is now engaged and to execute and deliver and perform its obligations under this Agreement and the other Facility Documents to which it is a party.

(b) *Due Qualification and Good Standing*. The Borrower is in good standing in the State of Delaware. The Borrower is duly qualified to do business and, to the extent applicable, is in good standing in each other jurisdiction in which the nature of its business, assets and properties, including the performance of its obligations under this Agreement, the other Facility Documents to which it is a party and its Constituent Documents, requires such qualification.

(c) *Due Authorization*; *Execution and Delivery; Legal, Valid and Binding; Enforceability*. The execution and delivery by the Borrower of, and the performance of its obligations under the Facility Documents to which it is a party and the other instruments, certificates and agreements contemplated thereby are within its powers and have been duly authorized by all requisite action by it and have been duly executed and delivered by it and constitute its legal, valid and binding obligations enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity (to the extent not related to inequitable conduct of the Borrower), regardless of whether considered in a proceeding in equity or at law.

(d) *Non-Contravention*. None of the execution and delivery by the Borrower of this Agreement or the other Facility Documents to which it is a party, the Borrowings or the pledge of the Collateral hereunder, the consummation of the transactions herein or therein contemplated, or compliance by it with the terms, conditions and provisions hereof or thereof, will (i) conflict with, or result in a breach or violation of, or constitute (with or without notice of lapse of time or both) a default under its Constituent Documents, (ii) conflict with or contravene (A) any Applicable Law in any material respect, (B) any indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Documents, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (iii) result in a breach or violation of, or constitute a default under, or permit the acceleration of any obligation or liability in, or but for any requirement of the giving of notice or the passage of time (or both) would constitute such a conflict with, breach or violation of, or default under, or permit any such acceleration in, any contractual obligation or any agreement or document to which it is a party or by which it or any of its assets are bound (or to which any such obligation, agreement or document relates). Without limiting any restrictions or other covenants hereunder, the Borrower is not in default under any such indenture, agreement or other contractual restriction binding on or affecting it or any of its assets, including any Related Document, with respect to which such default, either individually or in the aggregate with other defaults, would reasonably be expected to have a Material Adverse Effect on the Borrower. The Borrower is not subject to any proceeding, action, litigation or investigation pending, or to the knowledge of such Person, overtly threatened in writing against or affecting it or its assets, before any Governmental Authority (y) seeking to prevent the consummation or performance of any of the transactions contemplated by this Agreement and the other Facility Documents or (z) that could result in a Material Adverse Effect on the Borrower.

(e) *Governmental Authorizations; Private Authorizations; Governmental Filings*. The Borrower has obtained or applied for, maintained and kept in full force and effect all Governmental Authorizations and Private Authorizations which are necessary for it to properly carry out its business and made all material Governmental Filings necessary for the execution and delivery by it of the Facility Documents to which it is a party, the Borrowings by the Borrower under this Agreement, the pledge of the Collateral by the Borrower under this Agreement and the performance by the Borrower of its obligations under this Agreement, the other Facility Documents, and no material Governmental Authorization, Private Authorization or Governmental Filing which has not been obtained, applied for or made, is required to be obtained or made by it in connection with the execution and delivery by it of any Facility Document to which it is a party, the Borrowings by the Borrower under this Agreement, the pledge of the Collateral by the Borrower under this Agreement or the performance of its obligations under this Agreement and the other Facility Documents to which it is a party.

(f) *Compliance with Agreements, Laws, Etc*. The Borrower has duly observed and complied (i) with all Applicable Laws relating to the conduct of its business and its assets, including, without limitation, all lending, servicing and debt collection laws applicable to the Collateral Receivables and its activities contemplated by the Facility Documents, (ii) in all material respects with its Constituent Document, (iii) with any judgment, decree, writ, injunction, order, award or other action of any Governmental Authority having or asserting jurisdiction over it or any of its properties, unless a failure to do so could not result in a Material Adverse Effect on the Borrower and (iv) with the terms and provisions of this Agreement and each other Facility Document to which it is a party. The Borrower has preserved and kept in full force and effect its legal existence, rights, privileges, qualifications and franchises. Without limiting the foregoing, (x) to the extent applicable, the Borrower is in compliance in all material respects with the

regulations and rules promulgated by the U.S. Department of Treasury or administered by the U.S. Office of Foreign Asset Controls ("*OFAC*"), including U.S. Executive Order No. 13224, and other related statutes, laws and regulations (collectively, the "*Subject Laws*"), (y) the Borrower has adopted internal controls and procedures designed to ensure its continued compliance with the applicable provisions of the Subject Laws and to the extent applicable, will adopt procedures consistent with the PATRIOT Act and implementing regulations, and (z) to the knowledge of the Borrower (based on the implementation of its internal procedures and controls), no direct investor in the Borrower is a Person whose name appears on the "List of Specially Designated Nationals" and "Blocked Persons" maintained by the OFAC. Without limiting the foregoing, the Sponsor (i) has implemented reasonable policies and procedures for (A) obtaining a consumer's preauthorization for recurring payments and (B) is otherwise complying with EFTA, in each case, whenever a consumer uses a debit card, (ii) has developed a written compliance management system and supporting documentation, including: (A) a written compliance training program; (B) a written compliance monitoring policy and a compliance audit function; (C) a written consumer complaint resolution policy and associated implementation documentation such as complaint log templates; and (D) specific compliance policies regarding those federal consumer financial and federal financial regulatory requirements applicable to the Sponsor's activities, including, without limitation tracking of consumer bankruptcies; and (iii) has implemented a change management policy for key documents to ensure consistency among practices, policies and disclosures.

(g) *Location and Legal Name*. The Borrower's chief executive office and principal place of business is located in the State of Minnesota, Hennepin County and the Borrower maintains its books and records in the State of Minnesota, Hennepin County. The Borrower's registered office and the jurisdiction of organization of the Borrower is the jurisdiction referred to in Section 4.01(a). The Borrower's tax identification number is 85-4339159. The Borrower has not changed its name, changed its corporate structure, changed its jurisdiction of organization, changed its chief place of business/chief executive office or used any name other than its exact legal name at any time during the past five years.

(h) *Investment Company Act; Volcker Rule*. The Borrower is not required to register as an "investment company" or a company controlled by an "investment company" within the meaning of the Investment Company Act. The Borrower is not a "covered fund" under Section 619 of the Dodd Frank Wall Street Reform and Consumer Protection Act (the "*Volcker Rule*"). In determining that the Borrower is not a covered fund, the Borrower is entitled to the benefit of the exemption provided under Section 3(c)(5) of the Investment Company Act, though other exemptions may be available.

(i) *Information and Reports*. Each Notice of Borrowing, each Monthly Report and all other written information, reports, certificates and statements (other than projections and forward-looking statements) furnished by the Borrower or the Servicer to any Secured Party for purposes of or in connection with this Agreement, the other Facility Documents or the transactions contemplated hereby or thereby are true, complete and correct in all material respects as of the date such information is stated or certified and the Borrower and the Servicer do not omit any material fact necessary in order to make the statements contained herein and therein not misleading. All projections and forward-looking statements furnished by or on behalf of the Borrower were prepared reasonably and in good faith as the date stated herein or as of which they were provided.

(i) *ERISA*. Neither the Borrower nor any member of the ERISA Group has, or during the past six years has had, any liability or obligation with respect to any Plan or Multiemployer Plan (including any actual liability on account of a member of the ERISA Group).

(j) *Taxes*. The Borrower has filed all income tax returns and all other material tax returns which are required to be filed by it, if any, and has paid all taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except for any taxes which are being contested in good faith by appropriate proceedings and with respect thereto adequate reserves have been established in accordance with GAAP.

(k) *Tax Status*. For U.S. federal income tax purposes (i) the Borrower is classified as a "disregarded entity" for U.S. federal income tax purposes, (ii) neither the Borrower nor any record or beneficial owner of the Borrower has made an election under U.S. Treasury Regulation Section 301.7701-3 for the Borrower to be classified as an association taxable as a corporation and the Borrower is not otherwise treated as an association taxable as a corporation and (iii) the Borrower is owned by a single "United States person" as defined by Section 7701(a)(30) of the Code.

(l) *Collections*. The conditions and requirements set forth in Section 5.01(k) have been satisfied from and after the Closing Date. The Borrower has caused, or has directed the Servicer and each Payment Processor to cause, the Obligor of each Canadian Receivable to pay all Collections thereon directly to the Canadian Collection Account and the Obligor of each U.S. Receivable to pay all Collections thereon directly to the U.S. Collection Account. The correct name and address of the Canadian Collection Account Bank and the U.S. Collection Account Bank, together with the account number of the Canadian Collection Account and the U.S. Collection Account are listed on Schedule 4 hereto. The Borrower has no other deposit or securities accounts other than the ones listed on Schedule 4 and subject to Liens in favor of the Secured Parties (other than the Funding Account). The Borrower has not assigned or granted an interest in any rights it may have in the Canadian Collection Account or the U.S. Collection Account to any Person other than the Administrative Agent pursuant to the terms hereof. No Person, other than as contemplated by and subject to this Agreement, has been granted dominion and control of the Canadian Collection Account or the U.S. Collection Account, or the right to take dominion and control of the Canadian Collection Account or the U.S. Collection Account at a future time or upon the occurrence of a future event.

(m) *Plan Assets*. The assets of the Borrower are not, and shall not be, treated as "plan assets" for purposes of Section 3(42) of ERISA and the Collateral is not deemed to be "plan assets" for purposes of Section 3(42) of ERISA. The Borrower has not taken, or omitted to take, and shall not take or omit to take, any action which would reasonably be expected to result in any of the Collateral being treated as "plan assets" for purposes of Section 3(42) of ERISA or the occurrence of any Prohibited Transaction in connection with the transactions contemplated hereunder.

(n) *Solvency*. After giving effect to each Advance hereunder, and the disbursement of the proceeds of such Advance, the Borrower, the Parent and the Sponsor on a consolidated basis are Solvent.

(o) *Prior Business Activity and Indebtedness*. The Borrower has no business activity except as contemplated in this Agreement and the other Facility Documents and upon the date hereof is not party to any other debt, financing or other transaction or agreement other than the Facility Documents and its Constituent Documents. The Borrower has not incurred, created or assumed any indebtedness except for that arising under or expressly permitted by this Agreement or the other Facility Documents.

(p) *Subsidiaries; Investments*. The Borrower has no subsidiaries. The Borrower does not own or hold directly or indirectly, any capital stock or equity security of, or any equity interest in, any Person.

(q) *Ordinary Course of Business*. Each payment of interest and principal on the Advances will have been (i) in payment of a debt incurred in the ordinary course of business or financial affairs on the part of the Borrower and (ii) made in the ordinary course of business or financial affairs of the Borrower.

(r) *Material Adverse Effect*. No Material Adverse Effect on the Borrower, the Parent or the Sponsor has occurred since the date of their respective formations, and since such date, no event or circumstance has occurred which is reasonably likely to have a Material Adverse Effect on the Borrower, the Parent or the Sponsor.

(s) *Representations Relating to the Collateral*.

(i) The Borrower owns and has legal and beneficial title to all Collateral Receivables and other Collateral free and clear of any Lien, claim or encumbrance of any person, other than Permitted Liens.

(ii) This Agreement creates a valid and continuing security interest (as defined in the applicable UCC) in favor of the Administrative Agent, on behalf of the Secured Parties, in the Collateral, which is enforceable in accordance with its terms under the Applicable Law, is prior to all other Liens and is enforceable as such against creditors of and purchasers from the Borrower subject to Permitted Liens. All filings (including such UCC and PPSA filings) as are necessary in any jurisdiction to perfect the interest of the Administrative Agent on behalf of the Secured Parties, in the Collateral have been made and are effective.

(iii) This Agreement constitutes a security agreement within the meaning of Section 9-102(a)(73) of the UCC as in effect from time to time in the State of New York.

(iv) Other than Permitted Liens, the Borrower has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral. The Borrower has not authorized the filing of and is not aware of any financing statements against the Borrower that include a description of collateral covering the Collateral other than any financing statement relating to the security interest granted to the Administrative Agent hereunder or that has been terminated; and the Borrower is not aware of any judgment liens, PBGC liens or tax lien filings against the Borrower.

(v) The Collateral constitutes Money, cash, accounts, instruments, general intangibles, uncertificated securities, certificated securities or security entitlements to financial assets resulting from the crediting of financial assets to a securities account, or in each case, the proceeds thereof or supporting obligations related thereto, in each case, as such assets are defined in the UCC, as applicable.

(vi) The U.S. Collection Account constitutes a "deposit account" under Section 9-102(a)(29) of the UCC and the Borrower has taken all steps necessary to enable the Administrative Agent to obtain "control" (within the meaning of the UCC) with respect to the Canadian Collection Account and the U.S. Collection Account.

(vii) This Agreement creates a valid, continuing and, upon the filing of the financing statements referred to in clause (ix), and execution of the Canadian Collection Account Control Agreement and the U.S. Collection Account Control Agreement, perfected security interest (as defined in Section 1-201(b)(35) of the UCC) in the Collateral in favor of the Administrative Agent, for the benefit and security of the Secured Parties, which security interest is prior to all other Liens (other than Permitted Liens), claims and encumbrances and is enforceable as such against creditors of and purchasers from the Borrower and no further action (other than the filing of the financing statements referred to in clause (ix) and execution of the Canadian Collection Account Control Agreement and the U.S. Collection Account Control Agreement), including any filing or recording of any document, is necessary in order to establish and perfect the first priority security interest of the Administrative Agent, for the benefit of the Secured Parties, in the Collateral as against any third party in any applicable jurisdiction, including any purchaser from, or creditor of, the Borrower.

(viii) The Borrower has received all consents and approvals required by the terms of the Related Documents in respect of such Collateral to the pledge hereunder to the Administrative Agent of its interest and rights in such Collateral and such documents do not require either notice or consent to any Person for the enforcement or exercise of the rights and remedies of the Secured Parties following an Event of Default.

(ix) With respect to Collateral referred to in clause (v) above over which a security interest may be perfected by the filing of a financing statement, the Borrower has authorized, caused or will have caused, on or prior to the Closing Date, the filing of all appropriate financing statements in the proper filing office in the appropriate jurisdictions under Applicable Law in order to perfect the security interest in the Collateral granted to the Administrative Agent, for the benefit and security of the Secured Parties, hereunder (which the Borrower hereby agrees may be an "all assets" filing).

(x) The sale of each Receivable by a Seller to the Borrower was, as of the related Purchase Date, permitted under all applicable documents governing the creation, sale or possession of such Receivable in effect at such time; and

(xi) As of the related Purchase Date, each Receivable sold to the Borrower satisfied each of the criteria set forth in the definition of Collateral Receivable.

(xii) Each Receivable listed as an "Collateral Receivable" or eligible Collateral on any Monthly Report, Notice of Borrowing, or other certificates delivered from time to time to the Administrative Agent or the other Secured Parties satisfies each of the criteria set forth in the definition of Collateral Receivable.

(xiii) Upon the crediting of all Collateral that constitutes financial assets to the Canadian Collection Account or the U.S. Collection Account, as applicable, and the filing of the financing statements in the jurisdiction in which the Borrower is located, such security interest shall be a valid and first priority perfected security interest in all of the Collateral in that portion of the Collateral in which a security interest may be created and perfected in such manner under the PPSA or Article 9 of the UCC, as the case may be.

(xiv) All original tangible executed copies of each Contract (if any) that constitute or evidence each Collateral Receivable included in the Borrowing Base has been or, subject to the delivery requirements contained herein and in the Backup Servicing Agreement, will be delivered to the Backup Servicer.

(xv) Each Collateral Receivable was originated by a Seller or the Bank Partner pursuant to the Credit Guidelines and was sold to the Borrower by such Seller for a price at least equal to fair market value.

(xvi) Borrower has furnished to the Agent true, correct and complete copies of the Bank Program Purchase and Sale Agreement and the Bank Program Agreement as of the First Amendment Closing Date. Each purchase under the Bank Program Purchase and Sale Agreement constitutes a sale enforceable against creditors of Bank Partner. The Bank Program Purchase and Sale Agreement constitutes the legal, valid and binding obligation of the parties thereto, enforceable against such parties in accordance with their respective terms, subject to the effect of any applicable bankruptcy, moratorium, insolvency, reorganization or other similar law the enforceability of creditors' rights generally and to the effect of general principles of equity (whether in a proceeding at law or in equity.

(t) *USA PATRIOT Act*. None of the Borrower, the Parent, the Sponsor nor any of their respective Affiliates is (1) a Sanctioned Person; (2) a Person that resides or has a place of business in a country or territory named on such lists or which is designated as a "non-cooperative jurisdiction" by the Financial Action Task Force on Money Laundering, or whose subscription funds are transferred from or through such a jurisdiction; (3) a "Foreign Shell Bank" within the meaning of the PATRIOT Act, *i.e.,* a foreign bank that does not have a physical presence in any country and that is not affiliated with a bank that has a physical presence and an acceptable level of regulation and supervision; or (4) a person or entity that resides in or is organized under the laws of a jurisdiction designated by the United States Secretary of the

Treasury under Section 311 or 312 of the PATRIOT Act as warranting special measures due to money laundering concerns.

Section 4.2. Representations and Warranties Relating to the Collateral in Connection with a Borrowing or Withdrawal. The Borrower acknowledges and agrees that, by delivering a Notice of Borrowing or a Notice of Withdrawal to the Administrative Agent, the Borrower will be deemed to have represented, warranted and certified for all purposes hereunder that in the case of each item of Collateral pledged to the Administrative Agent, on the date thereof and on the relevant Borrowing Date or Withdrawal Date, as applicable:

(a) the Borrower is the owner of such Collateral free and clear of any Liens, claims or encumbrances of any nature whatsoever except for (i) those which are being released on the related Borrowing Date or Withdrawal Date, as applicable, and (ii) Permitted Liens;

(b) the Borrower has acquired its ownership in such Collateral in good faith without notice of any adverse claim, except as described in clause (a) above;

(c) the Borrower has not assigned, pledged or otherwise encumbered any interest in such Collateral (or, if any such interest has been assigned, pledged or otherwise encumbered, it has been released) other than interests granted or permitted pursuant to this Agreement;

(d) the Borrower has full right to grant a security interest in and assign and pledge such Collateral to the Administrative Agent for the benefit of the Secured Parties; and

(e) the Administrative Agent has a first priority perfected security interest in the Collateral, except as otherwise permitted by this Agreement.

ARTICLE V

Covenants

Section 5.1. Affirmative Covenants of the Borrower. The Borrower covenants and agrees that until the date that all Obligations have been paid in full (other than contingent indemnity obligations not yet due and owing):

(a) *Compliance with Agreements, Laws, Etc*. It shall (i) duly observe and comply in all material respects with all Applicable Laws relative to the conduct of its business or to its assets, including all lending, servicing and debt collection laws applicable to the Receivables and its activities and obligations as contemplated by the Facility Documents, (ii) preserve and keep in full force and effect its legal existence, (iii) preserve and keep in full force and effect its rights, privileges, qualifications and franchises (including all lending, servicing and debt collection licenses or qualifications applicable to the Receivables and its activities contemplated by the Facility Documents), except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect on the Borrower, (iv) comply with the terms and conditions of each Facility Document and in all material respects with its Constituent Documents to which it is a party and (v) obtain, maintain and keep in full force and effect all Governmental Authorizations, Private Authorizations and Governmental Filings which are necessary or appropriate to properly carry out its business and the transactions contemplated to be performed by it under the Facility Documents and Related Documents to which it is a party

and its Constituent Documents, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect on the Borrower.

(b) *Enforcement*. (i) It shall not take any action, and will use commercially reasonable efforts not to permit any action to be taken, that would release any Obligor from any of such Obligor's covenants or obligations under any Related Document, except in the case of (A) repayment of Collateral Receivables, (B) subject to the terms of this Agreement, (1) amendments to the Related Documents Defaulted Collateral Receivables or Ineligible Collateral Receivables that are otherwise reasonably deemed by the Servicer to be necessary, immaterial, or beneficial, taken as a whole, to the Borrower and not detrimental to the Administrative Agent and the Lenders and (2) enforcement actions taken or work-outs with respect to any Defaulted Collateral Receivable by the Servicer in accordance with the provisions hereof, (C) actions by the Servicer in conformity with this Agreement or any other Facility Document or as otherwise required hereby or thereby, as the case may be, or (D) as required pursuant to Applicable Law or, unless in violation of this Agreement, any other Facility Documents or the Related Documents.

(i) The Borrower shall punctually perform, and shall use its reasonable commercial efforts to cause the Parent, each Seller, the Servicer and the Backup Servicer to perform, all of its obligations and agreements contained in this Agreement or any other Facility Document.

(c) *Further Assurances*. The Borrower shall take such reasonable action from time to time as shall be necessary to ensure that all assets (including the Canadian Collection Account and the U.S. Collection Account) of the Borrower constitute "Collateral" hereunder. The Borrower will, and promptly upon the reasonable request of the Administrative Agent or the Required Lenders (through the Administrative Agent) shall, at the Borrower's expense, execute and deliver such further instruments and take such further action in order to maintain and protect the Administrative Agent's first-priority perfected security interest in the Collateral pledged by the Borrower for the benefit of the Secured Parties free and clear of any Liens (other than Permitted Liens), including all further actions which are necessary to (x) enable the Secured Parties to enforce their rights and remedies under this Agreement and the other Facility Documents, and (y) effectuate the intent and purpose of, and to carry out the terms of, the Facility Documents. Subject to Section 7.02, and without limiting its obligation to maintain and protect the Administrative Agent's first priority security interest in the Collateral, the Borrower authorizes the Administrative Agent to file or record financing statements (including financing statements describing the Collateral as "all assets" or the equivalent) and other filing or recording documents or instruments with respect to the Collateral in such form and in such offices as are necessary to perfect the security interests of the Administrative Agent under this Agreement under each method of perfection required herein with respect to the Collateral, *provided*, that the Administrative Agent does not hereby assume any obligation of the Borrower to maintain and protect its security interest under this Section 5.01 or Section 7.07. The Borrower will, in connection therewith, deliver such proof of corporate action, incumbency of officers or other documents as are reasonably requested by the Administrative Agent to evidence appropriate authority of the officers signing or authorizing any such documents, instruments or filings.

(d) *Other Information*. It shall provide to the Administrative Agent and each Lender or cause to be provided to the Administrative Agent and each Lender, as applicable:

(i) as soon as available and in any event within ninety (90) days after the end of each calendar year, an audited balance sheet of the Sponsor and an audited consolidated balance sheet of the Sponsor and its consolidated subsidiaries (including the Borrower and the Parent) as at the end of such calendar year and the related consolidated statements of income and cash flows for such year, setting forth in each case in comparative form the figures for the previous calendar year, all reported on in conformity with GAAP, with the opinion thereon of an independent public accountant reasonably acceptable to the Administrative Agent;

(ii) as soon as available and in any event within thirty (30) days after the end of each calendar quarter, an unaudited balance sheet of the Sponsor and an unaudited consolidated balance sheet of the Sponsor and its consolidated subsidiaries (including the Borrower and the Parent) as at the end of each such calendar quarter and the related consolidated statements of income and cash flows for such calendar quarter and for the period from the beginning of the then current calendar year to the end of such calendar quarter, setting forth in each case in comparative form the figures for the corresponding calendar quarter in the previous year, all certified as to fairness of presentation and conformity with GAAP (other than with respect to lack of footnotes and being subject to normal year-end adjustments) by a Responsible Officer of such Person;

(iii) all such financial statements shall be prepared in reasonable detail and in accordance with GAAP in all material respects applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein);

(iv) simultaneously with the delivery of each set of financial statements and financial information referred to in clauses (i) and (ii) above, a certificate of a Responsible Officer of the Borrower certifying (A) that the Borrower, the Parent and the Sponsor have complied with all covenants and agreements in the Facility Documents, (B) that no Accelerated Amortization Event, Unmatured Event of Default or Event of Default then exists and, otherwise, setting forth the details thereof and the action which the Borrower, the Parent or the Sponsor is taking or proposes to take with respect thereto and (C) attaching a Maximum Advance Rate Test Calculation Statement;

(v) as soon as possible and no later than one (1) Business Day after a Responsible Officer of the Borrower obtains actual knowledge of the occurrence and continuance of any (x) Unmatured Event of Default or (y) Event of Default, a certificate of a Responsible Officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(vi) from time to time such additional information or documents regarding the Borrower's financial position or business and the Collateral (including reasonably detailed calculations of the Maximum Advance Rate Test as the Administrative Agent or the Required Lenders (through the Administrative Agent) may reasonably request);

(vii) promptly after the occurrence of any ERISA Event, notice of such ERISA Event and copies of any communications with all Governmental Authorities or any Multiemployer Plan with respect to such ERISA Event;

(viii) promptly, and in any event within one (1) Business Day of receipt thereof, deliver to the Administrative Agent and each Lender each written notice of (A) without limiting the provisions of Section 5.02(j), any amendment, modification, supplement or waiver of any Credit Guidelines delivered by a Seller to the Borrower and any related information provided by a Seller to the Borrower pursuant to a Receivable Purchase Agreement, (B) without limiting the provisions of Section 5.02(j), any amendment, modification, supplement or waiver of the Servicing Guide delivered by the Servicer to the Borrower and any related information provided by the Servicer to the Borrower pursuant to the Servicing Agreement and (C) without limiting the provisions of Section 5.02(j), any amendment, modification, supplement or waiver of the Bank Program Agreement and/or Bank Program Purchase and Sale Agreement;

(ix) (A) upon the earlier of (x) the date a Maximum Advance Rate Test Calculation Statement is due and (y) within five (5) Business Days following knowledge thereof by the Borrower, a written notice to the Administrative Agent and each Lender if any Obligor became subject to an Insolvency Event, is deceased or fraud is discovered in connection with the origination of the relevant Receivable, and (B) at any time upon the reasonable request by the Administrative Agent or the Required Lenders, the Borrower shall provide, or cause to be provided, to the Administrative Agent any information or document relating to the Collateral;

(x) if any information provided to the Administrative Agent or the Lenders pursuant to Section 4.01(i) hereof for any reason is not true, complete and correct in any material respect, the Borrower shall provide the true, complete and correct information to the Administrative Agent within five (5) Business Days following the earlier of (x) written notice to the Borrower by the Administrative Agent or (y) actual knowledge of a Responsible Officer of the Borrower;

(xi) promptly following any request therefor, the Borrower shall provide, to the extent commercially reasonable, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws, including but not limited to a beneficial ownership certification in form reasonably acceptable to the Administrative Agent or the relevant Lender, as applicable;

(xii) promptly upon a Responsible Officer of the Borrower obtaining knowledge thereof, notice of any development that results in, or could reasonably be expected to result in, a Material Adverse Effect with respect to the Borrower, the Parent, the Sponsor, any Seller or the Servicer, including, without limitation, the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates or any Receivable or any portion of the Collateral that could reasonably be expected to result in a Material Adverse Effect with respect to the Borrower, the Parent, the Sponsor, any Seller or the Servicer;

(e) *Access to Records and Documents*.

(i) Upon reasonable advance notice and during normal business hours, the Borrower shall permit the Administrative Agent, jointly with, at the invitation of the Administrative Agent, any Participant, Lender (or any Person designated by the Administrative Agent or such Lender or Participant) to visit and inspect and make copies thereof at reasonable intervals and conduct evaluations audits, and appraisals of the Borrower's and the Servicer's, as applicable, computation of the Borrowing Base and the assets sold by the Seller included in the Borrowing Base and the components of the Monthly Report (including cash receipt and application and calculation of ratios), but in any event no more than twice during any fiscal year of the Borrower (or as often and at any time in the sole discretion of the Administrative Agent following the occurrence and continuation of an Unmatured Event of Default or an Event of Default), of (x) the Servicer's, the Parent's and the Borrower's books, records and accounts relating to its business, financial condition, operations, assets, the Collateral and its performance under the Facility Documents and the Related Documents and to discuss the foregoing with its and such Person's officers, partners, employees and accountants, (y) all of the Related Documents, including access to each electronic portal maintained by the Servicer, the Borrower or any third-party service provider and (z) a list of all Receivables then owned by the Borrower, together with the Servicer's reconciliation of such list to that set forth in the Monthly Report, indicating the cumulative addition, subtraction and repurchase of Receivables under each Receivable Purchase Agreement.

(ii) The Borrower shall be responsible for the reasonable costs and expenses for one visit per calendar quarter requested by the Administrative Agent or the Lenders, unless an Unmatured Event of Default or an Event of Default has occurred and is continuing, in which case the Borrower shall be responsible for all reasonable costs and expenses for each visit.

(iii) The Borrower shall (A) obtain and maintain similar inspection and audit rights under the Facility Documents with each Seller, the Servicer and the Backup Servicer, (B) consult with the Administrative Agent (or any Person designated by the Administrative Agent) in connection with, and allow Administrative Agent (or any Person designated by the Administrative Agent) to join the Borrower in, any exercise of any similar inspection or audit rights granted to it with respect to each Seller, the Servicer or the Backup Servicer, and (C) use commercially reasonable efforts to have the findings of any such inspection provided directly to the Administrative Agent and the Lenders, or promptly provide any such findings provided to it in connection with the exercise of such inspection rights to the Administrative Agent and the Lenders. In the event the Borrower has not exercised any such inspection rights granted to it, the Administrative Agent may request the Borrower to exercise such rights, and the Borrower shall comply with any such reasonable request to exercise inspection and audit rights.

(f) *Use of Proceeds*. (i) It shall use the proceeds of the initial Advance made hereunder solely to repay in full all Existing Obligations and all costs and expenses in connection with the transactions pursuant to Section 12.04(a) hereof; and

(i) it shall use the proceeds of each subsequent Advance made hereunder solely:

(A) (i) to fund or pay the purchase price of Collateral Receivables acquired by the Borrower from a Seller pursuant to a Receivable Purchase Agreement, (ii) to fund any distributions or dividends made by the Company, subject to compliance with Section 5.02(g) hereof and the terms of the Sponsor Indemnity Agreement, and (iii) for general working capital and corporate purposes permitted under the Facility Documents; and

(B) for such other legal and proper purposes as are consistent with all Applicable Laws to the extent the Borrower has received the prior written consent of the Administrative Agent and the Required Lenders.

Without limiting the foregoing, it shall use the proceeds of each Advance in a manner that does not, directly or indirectly, violate any provision of its Constituent Documents or any Applicable Law, including Regulation T, Regulation U and Regulation X.

(g) *Reports and Accountings*.

(i) [reserved]

(ii) A week after each Reporting Date, no later than 1:00 p.m., the Borrower shall provide (or cause to be compiled and provided) to the Administrative Agent and the Backup Servicer on a settlement basis (each, a "*Monthly Report*") an updated report in form and substance reasonably acceptable to the Administrative Agent for the period covering the prior Collection Period. The Monthly Report shall contain an updated Data Tape, with current information on Delinquent Collateral Receivables and Defaulted Collateral Receivables.

(iii) Each delivery of a Monthly Report shall be deemed a representation and warranty by the Borrower that each of the Collateral Receivables included in the Borrowing Base set forth therein satisfies each of the criteria set forth in the definition of Collateral Receivable.

(iv) Concurrently with the delivery to the Administrative Agent and Backup Servicer of the Monthly Report, the Borrower shall deliver (or caused to be delivered) to the Backup Servicer the Monthly Master File. Within five (5) Business Days following the delivery to the Backup Servicer of the Monthly Master File, the Borrower shall cause the Backup Servicer to deliver to the Administrative Agent the Backup Servicer Certificate.

(h) *Notice of Proceedings*. It shall provide written notice to the Administrative Agent and each Lender of the occurrence of any proceeding, action, litigation or investigation pending before any Governmental Authority, or, to the actual knowledge of the Borrower, any non-frivolous threat thereof against the Borrower or any such proceeding, action, litigation or investigation against the Bank Partner, which, if adversely determined, could reasonably be expected to have a Material Adverse Effect on the Borrower, within two (2) Business Days of the occurrence of any such pending proceeding, action, litigation or investigation or within two (2) Business Days upon becoming aware of any such non-frivolous threat of such proceeding, action, litigation or investigation.

(i) *No Other Business*. The Borrower shall not engage in any business or activity other than borrowing Advances pursuant to this Agreement, funding, acquiring, owning, holding, administering, selling, enforcing, exchanging, redeeming, pledging, contracting for the management of and otherwise dealing with Receivables and the other Collateral in connection therewith and entering into the Facility Documents, any applicable Related Documents and any other agreements contemplated by this Agreement, and shall not engage in any other activity or take any other action that would cause the Borrower to be subject to U.S. federal, state or local income tax on a net income basis.

(j) *Tax Matters.* The Borrower shall (and each Lender hereby agrees to) treat the Advances as debt for U.S. federal income tax purposes and will take no contrary position except to the extent that a Governmental Authority makes a determination that the Advances may not be treated as debt for such purposes. The Borrower shall at all times maintain its status as a "disregarded entity" for U.S. federal income tax purposes. The Borrower shall at all times ensure that it is owned by a single "United States person" as defined by Section 7701(a)(30) of the Code. In the event that the Borrower is classified as a partnership for federal income tax purposes, (i) the partnership representative (or comparable person under state or local law, as applicable) shall, to the extent eligible, make the election under Section 6221(b) of the Code (or any similar comparable provision of state or local tax law) with respect to the Borrower and take any other action such as filings, disclosures and notifications necessary to effectuate such election, and (ii) if the election described in the preceding clause (i) is not available, the partnership representative (or comparable person under state or local law, as applicable) shall, to the extent eligible, make the election under Section 6226(a) of the Code (or any similar comparable provision of state or local tax law) with respect to the Borrower and take any other action such as filings, disclosures and notifications necessary to effectuate such election.

(k) *Collections*. The Borrower shall cause, or shall direct the Servicer and each Payment Processor to cause, the Obligor of each Canadian Receivable to pay all Collections thereon directly to the Canadian Collection Account and the Obligor of each U.S. Receivable to pay all Collections thereon directly to the U.S. Collection Account. Upon the occurrence and during the continuation of any Canadian Cash Transfer Event, the Borrower shall cause all amounts on deposit in the Canadian Collection Account to be transferred to the U.S. Collection Account on each Business Day during such Canadian Cash Transfer Event. If for any reason the Borrower or the Servicer or any of the Servicer's Affiliates receives any Collections, the Borrower or the Servicer or such Servicer's Affiliate, as applicable, shall deposit such Collections directly into the Canadian Collection Account or U.S. Collection Account, as applicable, within two (2) Business Days following the receipt thereof. Any such Collections received by the Borrower, the Servicer or such Servicer's Affiliate while in the possession of the Borrower, the Servicer or such Servicer's Affiliate shall be held in trust for the benefit of the Secured Parties and shall not be deposited in any bank or other securities account other than the

Canadian Collection Account or the U.S. Collection Account. The Borrower shall at all times maintain an aggregate amount in the U.S. Collection Account equal to the U.S. Collection Account Required Amount. The Borrower shall ensure that no Person, other than as contemplated by and subject to this Agreement, has been granted dominion and control of the Canadian Collection Account or the U.S. Collection Account, or the right to take dominion and control of the Canadian Collection Account or the U.S. Collection Account at a future time or upon the occurrence of a future event.

(l) *Priority of Payments.* The Borrower shall ensure all Collections are applied solely in accordance with Section 9.01 and the other provisions of this Agreement.

(m) *Borrower May Own Ineligible Collateral Receivables*. For the avoidance of doubt, nothing in this Agreement shall prevent Borrower from purchasing Ineligible Collateral Receivables under a Receivable Purchase Agreement; *provided* that (i) proceeds of Advances shall not be utilized to pay the purchase price for Receivables which are Ineligible Collateral Receivables as of the related Purchase Date; (ii) such purchase will not result in the occurrence of an Unmatured Event of Default, Event of Default or Accelerated Amortization Event, and (iii) no Unmatured Event of Default, Event of Default or Accelerated Amortization Event has occurred and remains continuing at the time of such purchase.

(n) *Solvency*. After giving effect to each Advance hereunder, and the disbursement of the proceeds of such Advance, the Borrower, the Parent and the Sponsor on a consolidated basis shall remain Solvent.

(o) *Insolvency Events*. The Borrower shall timely object to all proceedings of the type described in clause (a) of the definition of "Insolvency Event" instituted against it.

(p) *Insurance.* The Borrower shall maintain, or cause to be maintained (which for the avoidance of doubt may be maintained by way of the Borrower having been named as a "named insured" under an insurance policy maintained by the Sponsor), insurance with financially sound and reputable insurers reasonably acceptable to the Administrative Agent providing coverages for (i) comprehensive "all risk" or special causes of loss form insurance, (ii) commercial general liability insurance, (iii) if applicable, worker's compensation and employer's liability subject to the worker's compensation and employer liability laws of the applicable state, (iv) umbrella and excess liability insurance in an amount not less than $5,000,000 per occurrence and (v) upon sixty (60) days' written notice, such other reasonable insurance, and in such reasonable amounts as the Administrative Agent from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for property similar to the Collateral located in or around the region in which the Collateral is located.

(q) *Financial Covenants.* The Borrower shall comply with each of the financial covenants set forth on Exhibit F attached hereto.

Section 5.2. Negative Covenants of the Borrower. The Borrower covenants and agrees that, until the Final Maturity Date (and thereafter until the date that all Obligations have been paid in full (other than contingent indemnity obligations not yet due and owing)):

(a) *Restrictive Agreements*. It shall not enter into or suffer to exist or become effective any agreement that prohibits, limits or imposes any condition upon its ability to create, incur, assume or suffer to exist any Lien (other than Permitted Liens) upon any of its property or revenues constituting Collateral, whether now owned or hereafter acquired, to secure its obligations under the Facility Documents other than this Agreement and the other Facility Documents.

(b) *Liquidation; Merger; Sale of Collateral*. It shall not consummate any plan of liquidation, dissolution, partial liquidation, merger or consolidation (or suffer any liquidation, dissolution or partial liquidation) nor sell, transfer, exchange or otherwise dispose of any of its assets, or enter into an agreement or commitment to do so or enter into or engage in any business with respect to any part of its assets, nor undertake any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws) except as expressly permitted by this Agreement and the other Facility Documents (including in connection with the repayment in full of the Obligations or a Permitted Sale).

(c) *Amendments to Constituent Documents and Facility Documents*. Without the written consent of the Administrative Agent and the Required Lenders, (i) it shall not amend, modify or take any action inconsistent with its Constituent Documents other than as permitted under Section 5.02(h) or any other amendment or modification of its Constituent Documents (other than of the Borrower LLC Agreement) that could not reasonably be expected to adversely affect the rights of the Administrative Agent or any Lender hereunder or under any other Facility Document (*provided*, *however*, that any amendments or modifications relating to the Independent Manager shall be subject to the Administrative Agent's prior written consent), and (ii) it shall not amend, modify or waive any term or provision in any Facility Document, or cause or permit any term or provision in any Facility Document to be amended, modified or waived.

(d) *ERISA*. Neither it nor any member of the ERISA Group shall establish any Plan or Multiemployer Plan or incur any liability with regard to a Plan or Multiemployer Plan (including any actual liability on account of a member of the ERISA Group).

(e) *Liens*. It shall not create, assume or suffer to exist any Lien on any of its assets now owned or hereafter acquired by it at any time, except for Permitted Liens or as otherwise expressly permitted by this Agreement and the other Facility Documents.

(f) *Margin Requirements*. It shall not (i) extend credit to others for the purpose of buying or carrying any Margin Stock in such a manner as to violate Regulation T or Regulation U or (ii) use all or any part of the proceeds of any Advance, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that violates the provisions of the Regulations of the Board of Governors, including, to the extent applicable, Regulation U and Regulation X.

(g) *Restricted Payments*. It shall not make, directly or indirectly, any Restricted Payment (whether in the form of cash or other assets) or incur any obligation (contingent or otherwise) to do so; *provided*, *however*, that the Borrower shall be permitted to make Restricted Payments from funds distributed to it pursuant to the Priority of Payments.

(h) *Changes to Corporate Information*. Without not less than thirty (30) days' prior written notice to the Administrative Agent and each Lender (or such shorter period as the Administrative Agent may agree in writing), the Borrower shall not change (a) its corporate name, (b) the location of its chief executive office, its principal place of business, or the location of any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (c) its identity, jurisdiction of organization or organizational structure or (d) its tax identification number, as applicable, and, in any event, no such change shall be effected or permitted unless all filings have been made (or will be made on a timely basis) under Applicable Laws or otherwise and all other actions have been taken (or will be taken on a timely basis) that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral, in each case, at the sole cost and expense of the Borrower.

(i) *Transactions with Affiliates*. It shall not sell, lease or otherwise transfer any property or assets to (other than in accordance with clause (g) above), or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates (including sales of Defaulted Collateral Receivables and other Collateral Receivables) except as expressly contemplated by this Agreement and the other Facility Documents, unless such transaction is upon terms no less favorable to the Borrower than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate (it being agreed that any purchase or sale at par shall be deemed to comply with this provision).

(j) *Amendments to Credit Guidelines, Servicing Guide and Bank Program Documents*. The Borrower shall not make and shall not permit or cause any Seller or the Servicer, as applicable, to make any material amendment, modification or supplement to the Credit Guidelines, Servicing Guide, Bank Program Agreement and/or Bank Program Purchase and Sale Agreement without the prior consent of the Administrative Agent and the Required Lenders.

(k) *Investment Company Restriction*. It shall not become required to register as an "investment company" under the Investment Company Act.

(l) *Subject Laws*. It shall not utilize directly or indirectly the proceeds of any Advance for the benefit of any Person whose name appears on the List of Specially Designated Nationals and Blocked Persons maintained by OFAC, and shall maintain and require that the Servicer maintain, internal controls and procedures designed to ensure its continued compliance with the applicable provisions of the Subject Laws.

(m) *No Claims Against Advances*. Subject to Applicable Law, it shall not claim any credit on, make any deduction from, or dispute the enforceability of payment of the principal or interest payable (or any other amount) in respect of the Advances, or assert any claim against any present or future Lender, by reason of the payment of any taxes levied or assessed upon any part of the Collateral.

(n) *Indebtedness; Guarantees; Securities; Other Assets*. It shall not incur or assume or guarantee any indebtedness, obligations (including contingent obligations) or other liabilities, or issue any additional securities, whether debt or equity, in each case other than (i) pursuant to or as expressly permitted by this Agreement and the other Facility Documents, (ii) obligations under its Constituent Documents or (iii) pursuant to customary indemnification and expense reimbursement and similar provisions under the Related Documents. The Borrower shall not acquire any Receivables or other property other than as expressly permitted hereunder and pursuant to the Receivable Purchase Agreements.

(o) *Validity of this Agreement*. It shall not (i) except as permitted by this Agreement, take any action that would permit the validity or effectiveness of this Agreement or any grant of Collateral hereunder to be impaired, or permit the lien of this Agreement to be amended, hypothecated, subordinated, terminated or discharged or permit any Person to be released from any covenants or obligations with respect to this Agreement and (ii) except as permitted by this Agreement, take any action that would permit the Lien of this Agreement not to constitute a valid first priority security interest in the Collateral (subject to Permitted Liens).

(p) *Subsidiaries*. It shall not have or permit the formation of any subsidiaries.

(q) *Name*. It shall not conduct business under any name other than its own.

(r) *Employees*. It shall not have any employees (other than officers and directors to the extent they are employees).

(s) *Non-Petition*. The Borrower shall not be party to any agreements other than the Facility Documents under which it has any material obligations or liability (direct or contingent) without including customary "non-petition" and "limited recourse" provisions therein (and shall not amend or eliminate such provisions in any agreement to which it is party).

(t) *Certificated Securities*. The Borrower shall not acquire or hold any certificated securities in bearer form (other than securities not required to be in registered form under Section 163(f)(2)(A) of the Code) in a manner that does not satisfy the requirements of United States Treasury Regulations section 1.165-12(c) (as determined by the Borrower).

(u) *Accounts.* Other than as set forth in the Facility Documents, the Borrower shall not assign or grant an interest in any rights it may have in the Canadian Collection Account or the U.S. Collection Account. The Borrower shall not at any time invest, or permit any investment of, the funds deposited in the Canadian Collection Account or the U.S. Collection Account. The Borrower shall not close or agree to close the Canadian Collection Account or the U.S. Collection Account without the prior written consent of the Administrative Agent and the Required Lenders.

Section 5.3. Certain Undertakings Relating to Separateness. (a) Without limiting any, and subject to all, other covenants of the Borrower contained in this Agreement, the Borrower shall conduct its business and operations separate and apart from that of any other Person (including the holders of the Equity Interests of the Borrower and their respective Affiliates) and in furtherance of the foregoing, the Borrower shall:

(1) not become involved in the day-to-day management of any other Person;

(2) not permit the Parent or any of the Parent's Affiliates to become involved in the day-to-day management of the Borrower, except as permitted hereunder or to the extent provided in the Facility Documents and the Borrower LLC Agreement;

(3) not engage in transactions with any other Person other than entering into the Facility Documents and those activities permitted by the Borrower LLC Agreement, the Facility Documents and matters necessarily incident or ancillary thereto;

(4) observe all formalities required of a limited liability company under the laws of the State of Delaware;

(5) (i) maintain separate company records and books of account from any other Person and (ii) clearly identify its offices, if any, as its offices and, to the extent that the Borrower and its Affiliates have offices in the same location, allocate fairly and reasonably any overhead expenses that are shared with an Affiliate, including and for services performed by an employee of an Affiliate;

(6) except to the extent otherwise permitted by the Facility Documents, maintain its assets separately from the assets of any other Person (including through the maintenance of a separate bank account) in a manner that is not costly or difficult to segregate, identify or ascertain such assets;

(7) maintain separate financial statements (or if part of a consolidated group, then it will show as a separate member of such group), books and records from any other Person;

(8) allocate and charge fairly and reasonably any overhead shared with Affiliates;

(9) transact all business with Affiliates on an arm's length basis and pursuant to written, enforceable agreements, except to the extent otherwise provided in the Facility Documents;

(10) not assume, pay or guarantee any other Person's obligations or advance funds to any other Person for the payment of expenses or otherwise, except pursuant to the Facility Documents;

(11) conduct all business correspondence of the Borrower and other communications in the Borrower's own name, and use separate stationery, invoices, and checks;

(12) not act as an agent of any other Person in any capacity except pursuant to contractual documents indicating such capacity and only in respect of transactions permitted by the Borrower LLC Agreement, the Facility Documents and matters necessarily incident thereto;

(13) not act as an agent of the Parent or any of the Parent's Affiliates, and not permit the Parent or any of the Parent's Affiliates or agents of the Parent or any of the Parent's Affiliates to act as its agent, except for any agent to the extent permitted under the Borrower LLC Agreement and the Facility Documents;

(14) correct any known misunderstanding regarding the Borrower's separate identity from the Parent or any of the Parent's Affiliates;

(15) not permit any Affiliate of the Borrower to guarantee, provide indemnification for, or pay its obligations, except for any indemnities and guarantees in connection with any Facility Documents or any consolidated tax liabilities, or except as permitted by the Borrower LLC Agreement;

(16) compensate its consultants or agents, if any, from its own funds;

(17) except for invoicing for Collections and servicing of the Collateral Receivables, share any common logo with or hold itself out as or be considered as a department of the Parent or any of the Parent's Affiliates, (b) any Affiliate of a general partner, shareholder, principal or member of the Parent or any of the Parent's Affiliates, or (c) any other Person;

(18) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

(19) fail at any time to have at least one (1) Independent Manager on its board of managers; *provided*, *however*, if such Independent Manager is deceased, withdraws or resigns, the Borrower shall have ten (10) Business Days to replace such Independent Manager with another Independent Manager acceptable to the Administrative Agent; *provided*, *further*, *however*, that during such period, no matter which requires the vote of the Independent Manager under the Borrower LLC Agreement shall be voted;

(20) appoint any Person as an Independent Manager of the Borrower (A) who does not satisfy the definition of an Independent Manager or (B), with respect to any Independent Manager appointed after the Closing Date, without giving ten (10) Business Days' prior written notice to the Administrative Agent and the Lenders;

(21) not amend, restate, supplement or otherwise modify its Constituent Documents in violation of this Agreement or in any respect that would impair its ability to comply with the Facility Documents;

(22) conduct its business and activities in all respects in compliance with the assumptions contained in the legal opinions of Carter Ledyard & Milburn LLP and Blake, Cassels & Graydon LLP dated on or about the Closing Date relating to true sale and substantive consolidation issues (the "*Bankruptcy Opinions*"), unless within

ten (10) Business Days of obtaining knowledge or receiving notice of any non-compliance with such assumptions, it has caused to be delivered to the Lenders a legal opinion of Carter Ledyard & Milburn LLP or Blake, Cassels & Graydon LLP (or other counsel acceptable to the Administrative Agent) that such non-compliance will not adversely affect the conclusions set forth in the Bankruptcy Opinions; and

(23) require any representatives of the Borrower to act at all times with respect to the Borrower consistently and in furtherance of the foregoing.

(b) The Borrower hereby acknowledges that the Administrative Agent and each Lender is entering into the transactions contemplated by this Agreement in reliance upon the Borrower's identity as a legal entity that is separate from its Affiliates.

Section 5.4. Asset Management Fee. The Borrower shall pay to the Administrative Agent an asset management fee equal to SEVEN THOUSAND AND FIVE HUNDRED DOLLARS ($7,500.00) per calendar quarter commencing on the FIRST (1st) Payment Date of the calendar quarter immediately following the Closing Date.

ARTICLE VI

Events of Default

Section 6.1. Events of Default. "*Event of Default*," wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) (i) a default in the payment, within one (1) Business Day from the due date thereof, of any interest on any Advance, or any other payment or deposit required to be made hereunder, or under any other Facility Documents or (ii) the failure to reduce the outstanding Advances to $0 on the Final Maturity Date; or

(b) failure to satisfy the Maximum Advance Rate Test for one (1) or more Business Days; or

(c) the Administrative Agent shall fail to have a first priority perfected security interest in the Collateral (other than with respect to a *de minimis* portion thereof and subject to Permitted Liens); or

(d) the failure of any representation or warranty of the Borrower, the Parent, the Servicer, any Seller or the Sponsor made in this Agreement, in any other Facility Document or in any certificate or other writing delivered pursuant hereto or thereto or in connection herewith or therewith to be correct in each case in all material respects when the same shall have been made (except to the extent any such representation or warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct in all respects) and such failure shall remain uncured for a period in excess of fifteen (15) days after the earlier of (x) written notice to the Borrower (which may be by email) by the Administrative Agent, and (y) actual knowledge of a Responsible Officer of the Borrower, the Parent or the Sponsor; or

(e) a default in the performance or breach of the covenants set forth in Section 5.01(a)(ii), 5.01(b), 5.01(j), 5.01(q), 5.01(r), 5.02 or 5.03; or

(f) except as otherwise provided in this Section 6.01, a default in any material respect in the performance, or breach in any material respect, of any other covenant or other agreement of the Borrower, the Parent, the Sponsor, any Seller or the Servicer under this Agreement or the other Facility Documents and the continuation of such default or breach for a period of fifteen (15) days following the earlier of (x) written notice to the Borrower (which may be by email) by the Administrative Agent, and (y) actual knowledge of a Responsible Officer of the Borrower, the Parent or the Sponsor; or

(g) one or more non-appealable judgments or orders for the payment of an amount or adverse rulings (not fully paid or covered by insurance) shall be rendered against the Borrower, the Parent or the Sponsor (which, in the case of the Sponsor, exceeds $1,000,000) and with respect to which the Borrower, the Parent or the Sponsor has knowledge (or should have knowledge) and such judgment or ruling shall remain unsatisfied, unvacated, unbonded or unstayed for a period in excess of thirty (30) days; or

(h) an Insolvency Event relating to the Borrower, the Parent, the Servicer, any Seller or the Sponsor shall have occurred; or

(i) (i) either (A) any event that constitutes a Backup Servicer Event of Default shall have occurred and be continuing and shall not have been waived by the Borrower with the written consent of the Administrative Agent and the Required Lenders or (B) any Backup Servicing Agreement fails to be in place or is otherwise terminated and (ii) a successor Backup Servicer reasonably acceptable to the Administrative Agent is not appointed within two (2) Business Days following the date of such default, occurrence, failure or termination; or

(j) (i) either (A) any event that constitutes a Servicer Event of Default or an event relating to any Servicer that would have a Material Adverse Effect shall have occurred and be continuing, and with respect to a Servicer Event of Default, shall not have been waived by the Borrower with the written consent of the Administrative Agent and the Required Lenders or (B) the Servicing Agreement fails to be in place or is otherwise terminated and (ii) the Borrower fails to appoint a replacement servicer acceptable to the Administrative Agent within two (2) Business Days following the date of such default, occurrence, failure or termination (and the Administrative Agent acknowledges that the appointment of Carmel Solutions as a replacement servicer pursuant to the Backup Servicing Agreement is acceptable to the Administrative Agent); or

(k) a Change of Control shall have occurred; or

(i) the occurrence of a Material Adverse Effect with respect to the Borrower, the Parent or the Sponsor; or

(ii) the Borrower or the Parent becomes an investment company required to be registered under the Investment Company Act; or

(l) the Borrower or the Servicer shall have failed to cause all Collections in respect of the Collateral to be deposited into the Canadian Collection Account or the U.S. Collection Account, as applicable, pursuant to the terms of Section 5.01(k) or in any event within two (2) Business Days of receipt of such Collections; or

(m) (i) any Facility Document shall (except in accordance with its terms) terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of the Borrower, the Parent, the Sponsor, any Seller, the Backup Servicer, the Servicer, the Canadian Collection Account Bank or the U.S. Collection Account Bank, as applicable, or (ii) the Borrower, the Sponsor, any Seller, the Backup Servicer, the Servicer, the Canadian Collection Account Bank or the U.S. Collection Account Bank shall, directly or indirectly, contest in any manner the effectiveness, validity, binding nature or enforceability of any Facility Document or any Lien purported to be created thereunder; or

(n) the Sponsor shall have defaulted or failed to perform under any (A) note, indenture, loan agreement, guaranty, swap agreement, loan and security agreement or similar credit facility or agreement for borrowed funds in an aggregate amount in excess of $1,000,000 or (B) any other contract, agreement or transaction (including, without limitation, any repurchase agreement) to which it is a party in connection with payment obligations in an aggregate amount in excess of $1,000,000, in each case after the earlier of (x) written notice to the Sponsor by the Administrative Agent (which may be by email), and (y) actual knowledge of a Responsible Officer of the Sponsor; or

(o) a Sponsor Indemnity Event of Default shall have occurred and be continuing.

Section 6.2. Remedies upon an Event of Default.

(a) Upon the occurrence and during the continuance of any Event of Default, in addition to all rights and remedies specified in this Agreement and the other Facility Documents, including Article VII, and the rights and remedies of a Secured Party under Applicable Law, including the UCC, the Administrative Agent, following the direction of, or consent by, the Required Lenders, by notice to the Borrower, shall declare the principal of and the accrued interest on the Advances and all other amounts whatsoever payable by the Borrower hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby waived by the Borrower; *provided* that, upon the occurrence of any Event of Default described in clause (h) of Section 6.01, the Advances and all such other amounts shall automatically become due and payable, without any further action by any party.

(b) Upon the occurrence and during the continuation of an Event of Default, following written notice by the Administrative Agent (provided at the direction of the Required Lenders) of the exercise of control rights with respect to the Collateral pursuant to and in accordance with the UCC, the Borrower will sell or otherwise dispose of any Collateral Receivable to repay the Obligations as directed by the Administrative Agent (at the direction of the Required Lenders), provided that any such sale or other disposition directed by the

Administrative Agent shall be on commercially reasonable terms. The proceeds of any such sale or disposition shall be applied in accordance with the Priority of Payments.

ARTICLE VII

Pledge of Collateral; Rights of the Administrative Agent

Section 7.1. Grant of Security. (a) The Borrower hereby grants, pledges, transfers and collaterally assigns to the Administrative Agent, effective upon the making of the initial Advance to the Borrower (the "*Collateral Effective Time*") for the benefit of the Secured Parties, as collateral security for all Obligations, a continuing first priority security interest in, and a Lien upon, all of the Borrower's right, title and interest in, to and under, the following property, in each case whether tangible or intangible, wheresoever located, and whether now owned by the Borrower or hereafter acquired and whether now existing or hereafter coming into existence (all of the property described in this Section 7.01(a) being collectively referred to herein as the "*Collateral*"):

(i) all Receivables and the Related Documents (and all rights, remedies, powers, privileges and claims thereunder or in respect thereto, whether arising pursuant to the terms thereof or otherwise available to the Borrower at law or equity, including the right to enforce each such Related Document, both now and hereafter owned), including all Collections, insurance policies, insurance rights and other proceeds thereon or with respect thereto and all interest, dividends, distributions and other money or property of any kind distributed in respect of thereto;

(ii) the Canadian Collection Account and the U.S. Collection Account and, in each case, all cash on deposit therein;

(iii) each Facility Document (other than this Agreement) and all rights, remedies, powers, privileges and claims thereunder or in respect thereto (whether arising pursuant to the terms thereof or otherwise available to the Borrower at law or equity), including the right to enforce each such Facility Document and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under or with respect thereto, to the same extent as the Borrower could but for the collateral assignment and security interest granted to the Administrative Agent under this Agreement;

(iv) all rights to payment under all servicer contracts and other contracts and agreements associated with the Receivables and all recourse rights against any Seller;

(v) all accounts, chattel paper, deposit accounts, financial assets, general intangibles, instruments, investment property, letter-of-credit rights and other supporting obligations relating or credited to the foregoing (in each case as defined in the UCC), commercial tort claims and all other property of any type or nature in which the Borrower has an interest, whether tangible or intangible, and all other property of the Borrower which is delivered to the Administrative Agent or the Backup Servicer by or on behalf of the Borrower (whether or not constituting Collateral Receivables);

(vi) all other general intangibles and payment intangibles of the Borrower, including all general intangibles of the Borrower which are delivered to the Administrative Agent (or any custodian on its behalf) by or on behalf of the Borrower or held by any Person by or on behalf of the Borrower;

(vii) all security interests, Liens, collateral, property, equipment, guaranties, supporting obligations, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of the assets, investments and properties described above; and

(viii) all Proceeds of any and all of the foregoing.

(b) All terms used in this Section 7.01 that are defined in the UCC but are not defined in Section 1.01 shall have the respective meanings assigned to such terms in the UCC. The Borrower hereby designates the Administrative Agent as its agent and attorney in fact to prepare and file any UCC financing statement, continuation statement and all other instruments, and take all other actions, required pursuant to Section 7.07. Such designation shall not impose upon the Administrative Agent, or release or diminish, the Borrower's obligations under this Section 7.01 or Section 7.07. The Borrower further hereby authorizes the Administrative Agent's or the Borrower's counsel to file, without the Borrower's signature, a UCC financing statement that names the Borrower as debtor and the Administrative Agent as secured party and that describes the Collateral in which the Administrative Agent has a grant of security hereunder and any amendments or continuation statements that may be necessary or desirable. The Borrower authorizes the UCC financing statement naming the Borrower as debtor to describe the Collateral therein as "all assets" or words of similar import.

(c) If the Borrower acquires any commercial tort claim after the date hereof, the Borrower shall promptly (but in any event within ten (10) Business Days after such acquisition) deliver to the Administrative Agent a written description of such commercial tort claim and shall deliver a written agreement, in form and substance satisfactory to the Administrative Agent, granting to the Administrative Agent, as security for the payment of the Obligations, a perfected security interest in all of Borrower's right, title and interest in and to such commercial tort claim.

Section 7.2. Release of Security Interest. If all Obligations have been paid in full, the Administrative Agent (for itself and on behalf of the other Secured Parties) shall, at the expense of the Borrower, promptly execute, deliver and file or authorize for filing such instruments as the Borrower shall reasonably request in order to reassign, release or terminate the Secured Parties' security interest in the Collateral. The Secured Parties acknowledge and agree that following the execution of a Consent and Release and upon the sale or disposition of any Collateral by the Borrower in compliance with the terms and conditions of this Agreement, the security interest of the Secured Parties in such Collateral shall immediately terminate and the Administrative Agent (for itself and on behalf of the other Secured Parties) shall, at the expense of the Borrower, execute, deliver and file or authorize for filing such instrument as the Borrower shall reasonably request to reflect or evidence such termination. Any and all actions under this Article VII in respect of the Collateral shall be without any recourse to, or representation or warranty by any Secured Party and shall be at the sole cost and expense of the Borrower. The Borrower shall not file, or consent to any third-party filing, any UCC financing statement or amendment thereof without the Administrative Agent's prior written consent.

Section 7.3. Rights and Remedies. The Administrative Agent (for itself and on behalf of the other Secured Parties) shall have all of the rights and remedies of a secured party under the UCC and other Applicable Law. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent shall (subject to direction by the Required Lenders), among other remedies: (i) instruct the Borrower to deliver any or all of the Collateral, the Related Documents and any other documents relating to the Collateral to the Administrative Agent or its designees and otherwise give all instructions for the Borrower regarding the Collateral; (ii) sell or otherwise dispose of the Collateral in a commercially reasonable manner, all without judicial process or proceedings; (iii) take control of the Proceeds of any such Collateral; (iv) subject to the provisions of the applicable Related Documents, exercise any consensual or voting rights in respect of the Collateral; (v) release, make extensions, discharges, exchanges or substitutions for, or surrender all or any part of the Collateral; (vi) enforce the Borrower's rights and remedies with respect to the Collateral; (vii) institute or prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (viii) require that the Borrower immediately take all actions necessary to cause the liquidation of the Collateral in order to pay all amounts due and payable in respect of the Obligations, in accordance with the terms of the Related Documents; (ix) redeem or withdraw or cause the Borrower to redeem or withdraw any asset of the Borrower to pay amounts due and payable in respect of the Obligations; (x) make copies of or, if necessary, remove from the Borrower's, the Backup Servicer's, the Servicer's and their respective agents' place of business all books, records and documents relating to the Collateral; and (xi) endorse the name of the Borrower upon any items of payment relating to the Collateral or upon any proof of claim in bankruptcy against an Obligor. The proceeds of any sale or disposition of the Collateral shall be applied in accordance with the Priority of Payments.

The Borrower hereby agrees that, upon the occurrence and during the continuance of an Event of Default, at the request of the Administrative Agent or the Required Lenders (acting through the Administrative Agent), it shall execute all documents and agreements which are reasonably necessary or appropriate to have the Collateral to be assigned to the Administrative Agent or its designee. For purposes of taking the actions described in clauses (i) through (xi) of this Section 7.03, the Borrower hereby irrevocably appoints the Administrative Agent as its attorney-in-fact (which appointment being coupled with an interest and is irrevocable while any of the Obligations remain unpaid, with power of substitution), in the name of the Administrative Agent or in the name of the Borrower or otherwise, for the use and benefit of the Administrative Agent (for the benefit of the Secured Parties), but at the cost and expense of the Borrower and, except as prohibited by Applicable Law, without notice to the Borrower.

Section 7.4. Remedies Cumulative. Each right, power, and remedy of the Administrative Agent and the other Secured Parties, or any of them, as provided for in this Agreement or in the other Facility Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Facility Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Administrative Agent or any other Secured Party of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by such Persons of any or all such other rights, powers, or remedies; *provided*, *however*, that no Secured Party may exercise any rights or remedies hereunder other than through the Administrative Agent or as consented to by the Administrative Agent; *provided*, *further*, *however*, that the Required Lenders may exercise any rights and remedies hereunder if, after directing the Administrative Agent in writing, the Administrative Agent does not comply with such instructions for any reason.

Section 7.5. Related Documents. (a) The Borrower hereby agrees that, to the extent not expressly prohibited by the terms of the Related Documents, after the occurrence and during the continuance of an Event of Default, it shall (i) upon the written request of the Administrative Agent, promptly forward to the Administrative Agent, the Servicer and the Backup Servicer (or other successor servicer) all material information and notices which it receives under or in connection with the Related Documents relating to the Collateral, and (ii) upon the written request of the Administrative Agent (as directed by the Required Lenders), act and refrain from acting in respect of any request, act, decision or vote under or in connection with the Related Documents relating to the Collateral only in accordance with the direction of the Administrative Agent (as directed by the Required Lenders).

(b) The Borrower agrees that, to the extent the same shall be in the Borrower's possession, it will hold all Related Documents and other documents relating to the Collateral in trust for the Administrative Agent on behalf of the Secured Parties, and upon request of the Administrative Agent or following the occurrence and during the continuance of an Event of Default or as otherwise provided herein, promptly deliver the same to the Administrative Agent or its designee (including the Backup Servicer). In addition, in accordance with the Backup Servicing Agreement, on each Reporting Date, the Borrower shall, or shall cause the Servicer to, deliver to the Backup Servicer an electronic file containing all documents and information necessary to permit the Backup Servicer to service the Receivables and any other information relating to each such Receivable required by the Backup Servicing Agreement.

Section 7.6. Borrower Remains Liable. (a) Notwithstanding anything herein to the contrary, (i) the Borrower shall remain liable under the contracts and agreements included in and relating to the Collateral (including the Related Documents) to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Agreement had not been executed, and (ii) the exercise by any Secured Party of any of its rights hereunder shall not release the Borrower from any of its duties or obligations under any such contracts or agreements included in the Collateral.

(b) No obligation or liability of the Borrower is intended to be assumed by the Administrative Agent or any other Secured Party under or as a result of this Agreement or the other Facility Documents, and the transactions contemplated hereby and thereby, including under any Related Document or any other agreement or document that relates to Collateral and, to the maximum extent permitted under provisions of law, the Administrative Agent and the other Secured Parties expressly disclaim any such assumption.

Section 7.7. Protection of Collateral. The Borrower shall from time to time execute and deliver, or caused to be executed and delivered, all such supplements and amendments hereto and file or authorize the filing of all such UCC financing statements, continuation statements, instruments of further assurance and other instruments, and shall take such other action as may be necessary, advisable or desirable to secure the rights and remedies of the Secured Parties hereunder and to:

(i) grant security more effectively on all or any portion of the Collateral;

(ii) maintain, preserve and perfect any grant of security made or to be made by this Agreement or any other Facility Document including the first priority nature of the lien or carry out more effectively the purposes hereof;

(iii) perfect, publish notice of or protect the validity of any grant made or to be made by this Agreement (including any and all actions necessary or desirable as a result of changes in law or regulations);

(iv) enforce any of the Collateral or other instruments or property included in the Collateral;

(v) preserve and defend title to the Collateral and the rights therein of the Administrative Agent and the Secured Parties in the Collateral against the claims of all third parties; and

(vi) pay or cause to be paid any and all taxes levied or assessed upon all or any part of the Collateral.

The Borrower hereby designates the Administrative Agent as its agent and attorney in fact to prepare and file any UCC financing statement, continuation statement and all other instruments, and take all other actions, required pursuant to this Section 7.07. Such designation shall not impose upon the Administrative Agent, or release or diminish, the Borrower's obligations under this Section 7.07 or, in the case of the Borrower only, Section 5.01(c).

ARTICLE VIII

Accountings and Releases

Section 8.1. Collection of Money. Except as otherwise expressly provided herein, the Administrative Agent may demand payment or delivery of, and shall receive and collect, directly and without intervention or assistance of any fiscal agent or other intermediary, all Money and other property payable to or receivable by the Administrative Agent pursuant to this Agreement, including all payments due on the Collateral, in accordance with the terms and conditions of such Collateral. The Administrative Agent shall segregate and hold all such Money and property received by it in trust for the Secured Parties and shall apply it as provided in this Agreement. The Canadian Collection Account shall be established and maintained under a Canadian Collection Account Control Agreement with the Canadian Collection Account Bank. The U.S. Collection Account shall be established and maintained under an U.S. Collection Account Control Agreement with the U.S. Collection Account Bank. The Canadian Collection Account and the U.S. Collection Account may contain any number of subaccounts for the convenience of the Administrative Agent or for convenience in administering the Canadian Collection Account, the U.S. Collection Account or other Collateral. All monies deposited from time to time in the Canadian Collection Account shall be held by the Canadian Collection Account Bank as part of the Collateral and released to the Borrower only in accordance with Section 9.02. Upon the occurrence and during the continuation of a Canadian Cash Transfer Event, all monies on deposit in the Canadian Collection Account shall be transferred to the U.S. Collection Account on each Business Day during such Canadian Cash Transfer Event. All monies deposited from time to

time in the U.S. Collection Account shall be held by the U.S. Collection Account Bank as part of the Collateral and shall be applied to the purposes herein provided and released to the Borrower only (i) on Payment Dates to the extent of funds available under Section 9.01(viii) and (ii) in accordance with Section 9.02.

Section 8.2. Release of Security. (a) In connection with any Permitted Sale of any Receivable, the Borrower shall deliver a Consent and Release to the Administrative Agent at least ten (10) Business Days prior to the settlement date for any sale of such Receivable certifying that such sale is a Permitted Sale and requesting that the Administrative Agent release or cause to be released such Receivable from the Lien of this Agreement, which notice shall be revocable up and until such settlement date.

(b) (i) The proceeds of any sale of a Receivable to a Seller pursuant to the terms of the applicable Receivable Purchase Agreement or to any other Person as permitted herein shall be deposited directly into the Canadian Collection Account or the U.S. Collection Account, as applicable and (ii) the proceeds of any sale of a Defaulted Collateral Receivable or Ineligible Collateral Receivable shall be deposited directly into the Canadian Collection Account or the U.S. Collection Account, as applicable, following release from any applicable escrow arrangement.

(c) Subject to Borrower's compliance with this Section 8.02 and the Administrative Agent's execution of a Consent and Release, any Receivable that is sold pursuant to Section 8.02(a) shall automatically be released from the Lien of this Agreement.

(d) The Administrative Agent shall, upon receipt of a certificate of a Responsible Officer of the Borrower, at such time as all Obligations of the Borrower hereunder and under the other Facility Documents have been satisfied in full (other than contingent indemnity obligations not yet due and owing), release any remaining Collateral from the Lien of this Agreement.

(e) In connection with any release pursuant to this Section 8.02, the Administrative Agent is hereby irrevocably authorized by the Lenders to execute such documents as shall be reasonably requested by the Borrower to evidence the release of the Lien of this Agreement and the other Facility Documents.

ARTICLE IX

Application of Monies

Section 9.1. Disbursements of Monies from Collection Account. On each Payment Date, the Borrower shall direct the U.S. Collection Account Bank to disburse amounts on deposit in the U.S. Collection Account (other than the U.S. Collection Account Required Amount) with respect to the Collection Period ending immediately prior to such Payment Date in accordance with the following priorities (the "*Priority of Payments*"):

(i) *first*, to the Servicer, any accrued and unpaid Servicer Fees and collection expense reimbursements (excluding indemnities) that are reimbursable to the Servicer pursuant to the Servicing Agreement, *plus* any Servicer Fees and collection expense reimbursements (excluding indemnities) that are reimbursable to the Servicer pursuant to the Servicing Agreement which were not paid when due on any prior Payment Date;

(ii) *second*, on a pari passu and pro rata basis, to the Backup Servicer, the Canadian Collection Account Bank and the U.S. Collection Account Bank, any accrued and unpaid fees and reimbursable expenses (excluding indemnities) due and payable pursuant to the Facility Documents to which such Persons are a party, *plus* any fees and reimbursable expenses (excluding indemnities) due and payable to any such Person pursuant to such Facility Documents which were not paid when due on any prior Payment Date; *provided*, *however*, that the aggregate amount of expenses and other amounts payable under this clause (ii) shall not exceed $100,000 in aggregate in any calendar year;

(iii) *third*, to the Administrative Agent for distribution to each Lender to pay (1) accrued and unpaid interest on the Advances for the immediately preceding calendar month, (2) amounts payable to each such Lender or the Administrative Agent under Section 2.09(a), 2.10, 12.03(d) and 12.04, and (3) accrued and unpaid Termination Payment and Unused Fees due to each Lender (in the case of each of subclauses (1), (2) and (3) above, *pro rata*, based on the respective amounts owed to each Lender);

(iv) *fourth*,

(1) prior to the end of the Reinvestment Period and if the Maximum Advance Rate Test is not satisfied as of the related Determination Date to pay the outstanding principal of the Advances of each Lender (*pro rata*, based on each Lender's Percentage) until the Maximum Advance Rate Test is satisfied (on a pro forma basis as at such Determination Date); and

(2) if the Reinvestment Period has expired or an Accelerated Amortization Event or Event of Default has occurred and is continuing, to pay the outstanding principal amount of all Advances of each Lender (*pro rata*, based on each Lender's Percentage) until paid in full;

(v) *fifth*, an amount equal to any other amounts due and owing to the Servicer, the Backup Servicer, the Canadian Collection Account Bank, the U.S. Collection Account Bank or any Secured Party pursuant to the Facility Documents shall be set aside in the U.S. Collection Account and paid to such Person, as the case may be, when due in accordance with the Facility Documents on a pro rata basis based on the amounts due and owing to each such Person as of the immediately preceding calendar month; and

(vi) *sixth*, the remainder to the Borrower or as directed by the Borrower.

Section 9.2. Recycling. Funds may only be withdrawn from time to time from the Canadian Collection Account or the U.S. Collection Account in an aggregate amount of no more

than three times per week (or during Peak Retail Season, at least three times per week) (and, to the extent a new Advance is being requested on such Withdrawal Date, solely simultaneously with such new Advance as part of the Notice of Borrowing) at the request of the Borrower to the Administrative Agent, in the form attached hereto as Exhibit A-2 (each, a "*Notice of Withdrawal*"), on any Business Day other than a Payment Date during the Reinvestment Period (each such date, a "*Withdrawal Date*"), and applied by the Borrower solely to purchase additional Collateral Receivables from a Seller under (and in accordance with) a Receivable Purchase Agreement; *provided*, that the withdrawal and transfer of such funds is subject to the satisfaction or waiver of the following conditions precedent as of the Withdrawal Date:

(a) after giving effect to such withdrawal, the amount on deposit in the U.S. Collection Account is not less than the U.S. Collection Account Required Amount;

(b) the Administrative Agent shall have received a Notice of Withdrawal with respect to such withdrawal before noon New York time on the Withdrawal Date (including the Maximum Advance Rate Test Calculation Statement attached thereto, all duly completed);

(c) together with delivery of the Notice of Withdrawal, the Administrative Agent shall have received a Maximum Advance Rate Test Calculation Statement, demonstrating that immediately after giving effect to such withdrawal and the acquisition of any Collateral Receivables on such Withdrawal Date, the Maximum Advance Rate Test shall be satisfied;

(d) each of the representations and warranties of the Borrower contained in this Agreement shall be true and correct in all material respects (except for representations and warranties already qualified by materiality or Material Adverse Effect, which shall be true and correct) as of such Withdrawal Date (except to the extent such representations and warranties expressly relate to any earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date as if made on such date);

(e) no Unmatured Event of Default, Event of Default, Accelerated Amortization Event, and in the case of a withdrawal from the Canadian Collection Account, no Canadian Cash Transfer Event, shall have occurred and be continuing at the time of such withdrawal or shall result upon such withdrawal;

(f) the Borrower shall have delivered, or caused to have been delivered, in accordance with the time and manner specified in the Backup Servicing Agreement, to the Backup Servicer and the Administrative Agent, the Receivable Schedule and each document or item (whether or not electronic) comprising a Related Document with respect to the Receivables being pledged hereunder;

(g) all terms and conditions of the applicable Receivable Purchase Agreement required to be satisfied in connection with the assignment of each Receivable being pledged hereunder on such Withdrawal Date (and the Receivable and Related Documents related thereto), including the perfection of the Borrower's interests therein, shall have been satisfied in full, and all filings (including UCC and PPSA filings) required to be made by any Person and all actions required to be taken or performed by any Person in any jurisdiction to give the Administrative Agent, for the benefit of the Secured Parties, a first priority perfected security interest in all of the Borrower's right, title and interest in the related Receivables all payments from related Obligors, the Related Documents and all rights of the Borrower under the applicable Receivable

Purchase Agreement, excluding any Collateral in which a security interest cannot be perfected under the UCC or the PPSA, shall have been made, taken or performed;

(h) the Borrower shall have taken all steps necessary under all Applicable Law in order to cause to exist in favor of the Administrative Agent, for the benefit of the Secured Parties, a valid, subsisting and enforceable first priority perfected security interest in the Borrower's right, title and interest in the Collateral related to each Receivable being pledged hereunder on such Withdrawal Date, including receipt by the Administrative Agent of evidence reasonably satisfactory to the Administrative Agent that all Liens (except for Permitted Liens) have been released on such Collateral; and

(i) the Borrower shall have delivered to the Administrative Agent a fully executed copy of the Receivable Assignment relating to the Collateral Receivables in connection with such withdrawal.

The Borrower hereby acknowledges and agrees that, by delivering a Notice of Withdrawal, the Borrower will be deemed to have represented and warranted that on such date and immediately after giving effect to the proposed withdrawal on the relevant Withdrawal Date each of the conditions precedent set forth in Section 9.02 is satisfied.

ARTICLE X

Administration and Servicing of Collateral

Section 10.1 Designation of the Servicer. The servicing, administering and collection of the Collateral shall be conducted by the Person designated as a servicer in accordance with this Agreement, the Servicing Agreement or the Backup Servicing Agreement, as applicable. Borrower hereby acknowledges that each of the Secured Parties is a third-party beneficiary of the obligations taken by the Servicer and the Backup Servicer under the Servicing Agreement and the Backup Servicing Agreement, respectively.

Section 10.2 Authorization of the Servicer. Borrower shall furnish the Servicer (and any successors thereto) with any powers of attorney and other documents reasonably necessary to enable such Servicer to carry out its Collateral management duties under the Servicing Agreement, and shall cooperate with the Servicer to the fullest extent in order to ensure the collectability of the Collateral. Following the occurrence and continuance of an Event of Default (unless otherwise waived by the Required Lenders in accordance with Section 12.01), the Administrative Agent (acting at the direction of the Required Lenders) may provide notice to the Servicer (and any successors thereto) (with a copy to the Backup Servicer) that the Secured Parties are exercising their control rights with respect to the Collateral in accordance with Section 6.02.

Section 10.3 Payment of Certain Expenses by Servicer. The Borrower acknowledges and agrees that the Servicer (so long as such Servicer is an Affiliate of the Borrower) will be required to pay all expenses incurred by it in connection with its activities under the Servicing Agreement, including fees and disbursements of its independent accountants, taxes imposed on the Servicer, expenses incurred by the Servicer in connection with the production of reports pursuant to this Agreement, and all other fees and expenses not expressly stated under this Agreement and the Servicing Agreement to be for the account of the Borrower or except as otherwise expressly provided under this Agreement or the Servicing Agreement. The Borrower

acknowledges and agrees that the Servicer will be required to pay such expenses for its own account and shall not be entitled to any payment therefor other than as provided under Section 9.01.

Section 10.4 Appointment of Backup Servicer. Upon the resignation of the Servicer under the Servicing Agreement or the occurrence and continuance of an Accelerated Amortization Event (other than an Unmatured Event of Default), an Event of Default or a Servicer Event of Default, the Administrative Agent may (with the consent of the Required Lenders) deliver a Servicing Commencement Notice to the Backup Servicer. The Borrower shall, and shall cause the Servicer to, cooperate with the Backup Servicer to effectuate such transition in servicing as further set forth in the Backup Servicing Agreement.

ARTICLE XI

The Administrative Agent

Section 11.1 Authorization and Action. Each Lender hereby irrevocably appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and, to the extent applicable, the other Facility Documents as are delegated to the Administrative Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, subject to the terms hereof. The Administrative Agent shall distribute a copy of all material modifications, amendments, extensions, consolidations, restatements, alterations, changes or revisions to any one or more of the Facility Documents (including, without limitation, waiver or consents entered into, executed or delivered by the Administrative Agent), to each of the Lenders. The Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Facility Documents, or any fiduciary relationship with any Secured Party, and no implied covenants, functions, responsibilities, duties or obligations or liabilities on the part of the Administrative Agent shall be read into this Agreement or any other Facility Document to which the Administrative Agent is a party (if any) as duties on its part to be performed or observed. The Administrative Agent shall not have or be construed to have any other duties or responsibilities in respect of this Agreement and the transactions contemplated hereby. As to any matters not expressly provided for by this Agreement or the other Facility Documents, the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders; *provided* that the Administrative Agent shall not be required to take any action which exposes the Administrative Agent, in its judgment, to personal liability, cost or expense or which is contrary to this Agreement, the other Facility Documents or Applicable Law, or would be, in its judgment, contrary to its duties hereunder, under any other Facility Document or under Applicable Law. Each Lender agrees that in any instance in which the Facility Documents provide that the Administrative Agent's consent may not be unreasonably withheld, provide for the exercise of the Administrative Agent's reasonable discretion, or provide to a similar effect, it shall not in its instructions (or, by refusing to provide instruction) to the Administrative Agent withhold its consent or exercise its discretion in an unreasonable manner. Notwithstanding any other provision of this Agreement to the contrary, the Administrative Agent will request direction of the Required Lenders and take the direction of the Required Lenders prior to any action or inaction in all matters concerning the Facility Documents.

Section 11.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and each other Facility Document by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

Section 11.3 Agent's Reliance, Etc. (a) Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any of the other Facility Documents, except for its or their own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. Without limiting the generality of the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower or any Servicer or any of their Affiliates) and independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Secured Party or any other Person and shall not be responsible to any Secured Party or any Person for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or the other Facility Documents; (iii) shall not have any duty to monitor, ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement, the other Facility Documents or any Related Documents on the part of the Borrower or any Servicer or any other Person or to inspect the property (including the books and records) of the Borrower or such Servicer; (iv) shall not be responsible to any Secured Party or any other Person for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of any Collateral, this Agreement, the other Facility Documents, any Related Document or any other instrument or document furnished pursuant hereto or thereto or for the validity, perfection, priority or enforceability of the Liens on the Collateral; and (v) shall incur no liability under or in respect of this Agreement or any other Facility Document by relying on, acting upon (or by refraining from action in reliance on) any notice, consent, certificate, instruction or waiver, report, statement, opinion, direction or other instrument or writing (which may be delivered by email) believed by it to be genuine and believe by it to be signed or sent by the proper party or parties. The Administrative Agent shall not have any liability to the Borrower or any Lender or any other Person for the Borrower's, any Servicer's or any Lender's, as the case may be, performance of, or failure to perform, any of their respective obligations and duties under this Agreement or any other Facility Document.

(b) The Administrative Agent shall not be liable for the actions or omissions of any other agent (including concerning the application of funds), or under any duty to monitor or investigate compliance on the part of any other agent with the terms or requirements of this Agreement, any Facility Documents or any Related Documents, or their duties thereunder. The Administrative Agent shall be entitled to assume the due authority of any signatory and genuineness of any signature appearing on any instrument or document it may receive (including each Notice of Borrowing received hereunder). The Administrative Agent shall not be liable for any action taken in good faith and reasonably believed by it to be within the powers conferred upon it, or taken by it pursuant to any direction or instruction by which it is governed, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action (including for refusing to exercise discretion or for withholding its consent in the absence of its receipt of, or resulting from a failure, delay or refusal on the part of the Required Lenders to provide, written instruction to exercise such discretion or grant such consent from the Required Lenders) except as determined by a court of competent jurisdiction by final and non-appealable

judgment that it was the result of the Administrative Agent's willful misconduct or gross negligence. The Administrative Agent shall not be liable for any error of judgment made in good faith unless it shall be determined by a court of competent jurisdiction by final and non-appealable judgment that the Administrative Agent was grossly negligent in ascertaining the relevant facts. Nothing herein or in any Facility Documents or Related Documents shall obligate the Administrative Agent to advance, expend or risk its own funds, or to take any action which in its reasonable judgment may cause it to incur any expense or financial or other liability for which it is not adequately indemnified. The Administrative Agent shall not be liable for any indirect, special, punitive or consequential damages (included but not limited to lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action. The Administrative Agent shall not be charged with knowledge or notice of any matter unless actually known to a Responsible Officer of the Administrative Agent, or unless and to the extent written notice of such matter is received by the Administrative Agent at its address in accordance with Section 12.02. Any permissive grant of power to the Administrative Agent hereunder shall not be construed to be a duty to act. The Administrative Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document. The Administrative Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it, in good faith, or for any mistakes of fact or law, or for anything that it may do or refrain from doing in connection herewith except as shall be determined by a court of competent jurisdiction by final and non-appealable judgment that it was the result of its willful misconduct or grossly negligent performance or omission of its duties.

(c) The Administrative Agent shall not be responsible or liable for delays or failures in performance resulting from acts beyond its control. Such acts shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, computer viruses, power failures, earthquakes or other disasters.

Section 11.4 Indemnification. To the extent the Borrower for any reason fails to indefeasibly pay any amount required under Section 12.04 (and without limiting the obligation of the Borrower to do so), each of the Lenders severally agrees to pay to the Administrative Agent such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent; *provided*, *further*, that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The obligations of the Lenders under this Section 11.04 are subject to the provisions of Section 2.08. Any amounts paid by any Lender pursuant to this Section 11.04 shall constitute Obligations.

Section 11.5 Successor Administrative Agent. Subject to the terms of this Section 11.05, the Administrative Agent may resign as Administrative Agent in the Administrative Agent's sole discretion at any time upon thirty (30) days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign then the Required Lenders shall appoint a successor agent. If for any reason a successor agent is not so appointed and does not

accept such appointment within thirty (30) days of notice of resignation the Administrative Agent may appoint a successor agent. The appointment of any successor Administrative Agent shall be subject to the prior written consent of the Borrower (which consent shall not be unreasonably withheld, conditioned or delayed); *provided* that the consent of the Borrower to any such appointment shall not be required if (i) an Event of Default shall have occurred and is continuing, (ii) if such successor Administrative Agent is a Lender or an Affiliate of such Administrative Agent or any Lender or (iii) such successor Administrative Agent is a Participant that has been disclosed to the Borrower on or prior to the Closing Date (a "*Participant Appointed Administrative Agent*"). No prior notice for the resignation of the existing Administrative Agent or the appointment of a Participant Appointed Administrative Agent shall be required in connection with the appointment of a Participant Appointed Administrative Agent. Any resignation of the Administrative Agent shall be effective upon the appointment of a successor agent pursuant to this Section 11.05. After the effectiveness of the retiring Administrative Agent's resignation hereunder as the Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Facility Documents and the provisions of this Article XI shall continue in effect for its benefit with respect to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement and under the other Facility Documents. Any Person (i) into which the Administrative Agent may be merged or consolidated, (ii) that may result from any merger or consolidation to which the Administrative Agent shall be a party, or (iii) that may succeed to the properties and assets of the Administrative Agent substantially as a whole, shall be the successor to the Administrative Agent under this Agreement without further act of any of the parties to this Agreement.

Section 11.6 Administrative Agent's Capacity as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such Person and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Affiliate thereof as if it were not the Administrative Agent hereunder.

Section 11.7 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Advances or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Advances and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Advances and this Agreement, (C) the entrance into, participation in, administration of and performance of the Advances and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Advances and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Advances and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Facility Document or any documents related hereto or thereto).

Section 11.8 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender or another, Secured Party, or any Person who has received funds on behalf of a Lender or another a Secured Party (any such Lender, Secured Party or other recipient, a "*Payment Recipient*") that the Administrative Agent has determined in its sole discretion that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise

erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "*Erroneous Payment*") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting the immediately preceding clause (a), each Payment Recipient hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part):

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 11.08(b).

(c) Each Lender and other Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, or Secured Party under any Facility Document, or otherwise payable or distributable by the Administrative Agent to such Lender or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clauses (a) and (b) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason from any Payment Recipient that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "*Erroneous Payment Return Deficiency*"), upon the Administrative Agent's notice to such Payment Recipient at any time, (i) such Payment Recipient, if a Lender, shall be deemed to have assigned its Advances (but not its commitments) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of such Advances (but not commitments), the "*Erroneous Payment Deficiency Assignment*") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Acceptance (and such Lender shall deliver any notes evidencing such Advances to the Administrative Agent), (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable commitments which shall survive as to such assigning Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Advances (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the commitments, if any, of any Lender and such commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Advances (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or other Secured Party under the Facility Documents with respect to each Erroneous Payment Return Deficiency.

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any Affiliate thereof.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 11.08 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Facility Document.

ARTICLE XII

Miscellaneous

Section 12.1 No Waiver; Modifications in Writing. (a) No failure or delay on the part of any Secured Party exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver of any provision of this Agreement, and any consent to any departure by any party to this Agreement from the terms of any provision of this Agreement, shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) No amendment, modification, supplement or waiver of this Agreement shall be effective unless signed by the Borrower, the Administrative Agent and the Required Lenders, *provided* that:

(i) any Fundamental Amendment shall require the written consent of each affected Lender; and

(ii) no such amendment, modification, supplement or waiver shall amend, modify or otherwise affect the rights, duties, immunities or liabilities of the Administrative Agent without the prior written consent of the Administrative Agent.

Section 12.2 Notices, Etc. Except as otherwise provided herein, all notices and other communications hereunder to any party shall be in writing and sent by certified or registered mail, return receipt requested, by overnight delivery service, with all charges prepaid, by hand delivery, or by e-mail, to such party's address or e-mail address set forth in Schedule 3 hereto, or at such other address or e-mail address as such party may hereafter specify in a notice given in the manner required under this Section 12.02. All such notices and correspondence shall be deemed given (a) if sent by certified or registered mail, three (3) Business Days after being postmarked, (b) if sent by overnight delivery service or by hand delivery, when received at the above stated addresses or when delivery is refused and (c) if sent by electronic transmission, upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement). The Borrower hereby irrevocably consents and agrees to the service of any and all legal process, summons, notices and documents out of any courts in any action, suit or proceeding in connection with this Agreement by serving a copy thereof upon the Borrower or by mailing copies thereof by regular or overnight mail, postage prepaid, to the Borrower at its address specified in Schedule 3. For the avoidance of doubt, with respect to any notices required to be delivered and sent to the Administrative Agent, the Administrative Agent shall distribute a copy thereof to the Lenders.

Secton 12.3 Taxes. (a) For purposes of this Section 12.03, the term Applicable Law includes FATCA.

(b) Any and all payments by or on account of any obligation of the Borrower under this Agreement and any other Facility Document shall be made, in accordance with this Agreement or the related Facility Document, free and clear of and without deduction for any and all Taxes, except as required by Applicable Law. If the Borrower or Administrative Agent shall be required by Applicable Law (as determined in the good faith discretion of the Borrower or Administrative Agent, as applicable) to deduct or withhold any Taxes from or in respect of any sum payable by it hereunder or under any other Facility Document to any Secured Party, then the Borrower or Administrative Agent, as applicable, shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such payment is an Indemnified Tax, the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including deductions applicable to additional sums payable under this Section 12.03) such Secured Party receives an amount equal to the sum it would have received had no such deductions or withholding been made.

(c) In addition, the Borrower agrees to timely pay any present or future stamp, sales, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges or similar levies which arise from any payment made by the Borrower hereunder or under any other Facility Document or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or under any other Facility Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Sections 2.09(b), 2.11(b) or 12.03(h)) (hereinafter referred to as "*Other Taxes*").

(d) The Borrower agrees to indemnify each of the Secured Parties, within 10 days after demand therefor, for the full amount of Indemnified Taxes, including any Indemnified Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 12.03 payable by such Secured Party or required to be withheld or deducted from a payment to such Secured Party and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Secured Party (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Secured Party, shall be conclusive absent manifest error.

(e) As soon as practicable after the date of any payment of Taxes to a Governmental Authority pursuant to this Section 12.03, the Borrower will furnish to the Administrative Agent the original or a certified copy of a receipt issued by the relevant Governmental Authority evidencing payment thereof (or a copy of the return reporting such payment or other evidence of payment as may be reasonably satisfactory to the Administrative Agent).

(f) If any payment is made by the Borrower to or for the account of any Secured Party after deduction for or on account of any Taxes, and an indemnity payment or additional amounts are paid by the Borrower pursuant to this Section 12.03, then, if such Secured Party, in its sole discretion exercised in good faith, determines that it has received a refund of such Taxes, such Secured Party shall reimburse to the Borrower such amount of any refund received (net of reasonable out-of-pocket expenses incurred) as such Secured Party shall determine in its sole discretion to be attributable to the relevant Taxes; *provided* that in the event that such Secured Party is required to repay such refund to the relevant taxing authority, the Borrower agrees to return the refund to such Secured Party. Notwithstanding anything to the contrary in this paragraph (f), in no event will the Secured Party be required to pay any amount to the Borrower pursuant to this paragraph (f) the payment of which would place the Secured Party in a less favorable net after-Tax position than the Secured Party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid.

(g) *Status of Lender*.

(i) Each Lender that is a "United States person" as that term is defined in Section 7701(a)(30) of the Code (a "*U.S. Person*") hereby agrees that it shall, no later than the Closing Date or, in the case of a Lender which becomes a party hereto pursuant to Section 12.06, the date upon which such Lender becomes a party hereto (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), deliver to the Borrower and the Administrative Agent, if applicable, two accurate, complete and executed copies of U.S. Internal Revenue Service Form W-9 or successor form, certifying that such Lender is on the date of delivery thereof entitled to an exemption from United States backup withholding tax.

(ii) Each Lender that is not a U.S. Person (a "*Non-U.S. Lender*") shall, no later than the date on which such Lender becomes a party hereto (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), deliver to the Borrower and the Administrative Agent two copies of properly completed and duly executed copies of either U.S. Internal Revenue Service Form W-8BEN, W8BEN-E, W-8ECI or W-8IMY or any subsequent versions thereof or successors thereto, in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party, with respect to payments of interest hereunder, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty, and establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business" profits or "other income" article of such treaty, with respect to any other applicable payments hereunder. In addition, in the case of a Non-U.S. Lender claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code, such Non-U.S. Lender shall deliver to the Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient), no later than the date on which such Non-U.S. Lender becomes a party hereto (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), a certificate to the effect that such Non-U.S. Lender is not a bank for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of the Borrower and is not a controlled foreign corporation related to the Borrower (within the meaning of Section 881(c)(3)(C) of the Code) substantially in the form of Exhibit E hereto (a "*U.S. Tax Compliance*

Certificate"), and such Non-U.S. Lender agrees that it shall notify the Borrower and the Administrative Agent in the event any such certificate is no longer accurate. In addition, to the extent a Non-U.S. Lender is not the beneficial owner, such Non-U.S. Lender shall also provide a U.S. Tax Compliance Certificate or other certification documents from each beneficial owner, as applicable, provided that if the Non-U.S. Lender is a partnership and one or more direct or indirect partners of such Non-U.S. Lender are one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner. Such forms shall be delivered by each Non-U.S. Lender on or before the date it becomes a party to this Agreement and on or before the date, if any, such Non-U.S. Lender designates a new lending office. In addition, each Non-U.S. Lender shall deliver such forms as promptly as practicable after receipt of a written request therefor from the Borrower or the Administrative Agent. Notwithstanding any other provision of this Section 12.03, a Non-U.S. Lender shall not be required to deliver any form pursuant to this Section 12.03(g) that such Non-U.S. Lender is not legally able to deliver.

(iii) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative in writing of its legal inability to do so.

(h) If any Secured Party requires the Borrower to pay any additional amount to such Secured Party or any taxing Governmental Authority for the account of such Secured Party or to indemnify such Secured Party pursuant to this Section 12.03, then such Secured Party shall use reasonable efforts to designate a different lending office for funding or booking its Advances hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if such Lender determines, in its sole discretion, that such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 12.03 in the future and (ii) would not subject such Secured Party to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Secured Party. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(i) Nothing in this Section 12.03 shall be construed to require any Secured Party to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person.

(j) *Compliance with FATCA.* If a payment made to a Lender under this Agreement would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount,

if any, to deduct and withhold from such payment. Solely for purposes of this clause (j), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(k) *Investment Units*. For U.S. federal, state and local income tax purposes, the parties shall, unless otherwise required by a change in law (including regulations, judicial rulings or published administrative determinations with respect to Taxes) or by any Governmental Authority following an audit or examination, (i) treat all Advances as indebtedness, (ii) treat the initial Advance and the Warrant as having been issued as an "investment unit" within the meaning of Section 1273(c)(2) of the Code, (iii) treat the initial Advance as having an "issue price" within the meaning of Section 1273(b) of the Code that is determined by subtracting the value of the Warrant as of the Closing Date (as determined by the Lenders), which determination the Lenders shall provide to the Borrower within 30 days of the Closing Date and (iv) treat the initial Advance as having been issued with original issue discount ("*OID*") to the extent required as a result of their issuance as part of an investment unit. The parties shall prepare and file all U.S. federal, state and local income tax returns in a manner consistent with the foregoing. The Borrower shall provide any information reasonably requested from time to time by the Administrative Agent or any Lender regarding the OID associated with the initial Advance for U.S. federal, state and local income tax purposes. The Lenders shall also provide or cause to be provided to the Administrative Agent all information necessary to allow the Agent to comply with any applicable cost basis reporting obligations. The Administrative Agent may rely on the cost basis information provided to it and shall have no responsibility to verify or ensure the accuracy of the cost basis information provided to it.

(l) *Survival*. Each party's obligations under this Section 12.03 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all amounts owing under any Facility Document.

Section 12.4 Costs and Expenses; Indemnification. (a) The Borrower agrees to pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent, the Backup Servicer, the Canadian Collection Account Bank, the U.S. Collection Account Bank and the other Lenders in connection with the preparation, review, negotiation, reproduction, execution and delivery of this Agreement and the other Facility Documents, including the reasonable fees and disbursements of outside counsel for each such Person and any auditors, accountants, consultants, appraisers and rating agency or other professional advisors and agents engaged by the Administrative Agent; UCC and PPSA filing fees and all other related fees and expenses in connection therewith; and in connection with any modification or amendment of this Agreement or any other Facility Document. Further, the Borrower shall pay (A) all reasonable and documented out-of-pocket costs and expenses (including all reasonable and documented fees, expenses and disbursements of legal counsel to the Administrative Agent or any Lender), and any auditors, accountants, consultants or appraisers or other professional advisors and agents engaged by the Administrative Agent and incurred by the Administrative Agent or any Lender in the preparation, execution, delivery, filing, recordation, administration, performance or enforcement of this Agreement or any other Facility Document or any consent, amendment, waiver or other modification relating thereto, (B) all reasonable out-of-pocket costs and expenses of creating, perfecting, releasing or enforcing the Administrative Agent's security interests in the Collateral, including filing and recording fees, expenses and Other Taxes, search fees, and title insurance premiums, and (C) after the occurrence of any Event of Default, all costs and expenses incurred by the Administrative Agent and the other Secured Parties in connection with the preservation, collection, foreclosure or enforcement of the Collateral subject to the Facility

Documents or any interest, right, power or remedy of the Administrative Agent and the other Secured Parties or in connection with the collection or enforcement of any of the Obligations or the proof, protection, administration or resolution of any claim based upon the Obligations in any insolvency proceeding, including all reasonable and documented fees and disbursements of attorneys, accountants, auditors, consultants, appraisers and other professionals engaged by the Administrative Agent and the other Secured Parties. The undertaking in this Section shall survive repayment of the Obligations, any foreclosure under, or modification, release or discharge of, any or all of the Related Documents, termination of this Agreement and the other Facility Documents and the resignation or replacement of the Administrative Agent. Without prejudice to its rights hereunder, the expenses and the compensation for the services of the Administrative Agent are intended to constitute expenses of administration under any applicable bankruptcy law.

(b) The Borrower agrees to indemnify and hold harmless each Secured Party and each of their Affiliates and the respective officers, directors, employees, agents, managers of, and any Person controlling any of, the foregoing (each, an "*Indemnified Party*") from and against any and all claims, damages, losses, liabilities, obligations, expenses, penalties, actions, suits, judgments and disbursements of any kind or nature whatsoever (including the reasonable and documented fees and disbursements of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of the execution, delivery, enforcement, performance, administration of or otherwise arising out of or incurred in connection with this Agreement, any other Facility Document, any Related Document or any transaction contemplated hereby or thereby (and regardless of whether or not any such transactions are consummated) (collectively, the "*Liabilities*"), including any such Liability that is incurred or arises out of or in connection with, or by reason of any one or more of the following: (i) preparation for a defense of any actual or prospective investigation, litigation or proceeding arising out of, related to or in connection with this Agreement, any other Facility Document, any Related Document or any of the transactions contemplated hereby or thereby; (ii) any breach of any covenant by the Borrower, the Parent, the Sponsor, the Canadian Collection Account Bank, the U.S. Collection Account Bank, any Seller, any Servicer or any Backup Servicer contained in any Facility Document; (iii) any representation or warranty made or deemed made by the Borrower, the Parent, the Sponsor, the Canadian Collection Account Bank, the U.S. Collection Account Bank, any Seller, any Backup Servicer or any Servicer contained in any Facility Document or in any certificate, statement or report delivered in connection therewith is false or misleading; (iv) any failure by the Borrower, the Parent, the Sponsor, the Canadian Collection Account Bank, the U.S. Collection Account Bank, any Seller, any Servicer or any Backup Servicer to comply with any Applicable Law or contractual obligation binding upon it; (v) any failure to vest, or delay in vesting, in the Administrative Agent (for the benefit of the Secured Parties) a perfected first priority security interest in all of the Collateral free and clear of all Liens; (vi) any action or omission, not expressly authorized by the Facility Documents, by the Borrower or any Affiliate of the Borrower which has the effect of reducing or impairing the Collateral or the rights of the Administrative Agent or the Secured Parties with respect thereto; (vii) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC or PPSA, as applicable, of any applicable jurisdiction or other Applicable Law with respect to any Collateral, whether at the time of any Advance or at any subsequent time; (viii) any dispute, claim, offset or defense (other than the discharge in bankruptcy of an Obligor) of an Obligor to the payment with respect to any Collateral (including a defense based on any Receivable (or the Related Documents evidencing such Collateral Receivable) not being a legal, valid and binding obligation of such Obligor enforceable against it in accordance with its terms), or any other claim

resulting from any related property; (ix) the commingling of Collections on the Collateral at any time with other funds; (x) any failure by the Borrower to give reasonably equivalent value to any Seller, in consideration for the transfer by such Seller to the Borrower of any item of Collateral or any attempt by any Person to void or otherwise avoid any such transfer under any statutory provision or common law or equitable action, including any provision of the Bankruptcy Code; and (xi) any Unmatured Event of Default or Event of Default; *provided*, that the Borrower shall not be liable (A) for any Liability or losses arising due to the deterioration in the credit quality or market value of the Collateral Receivables or other Collateral hereunder to the extent that such credit quality or market value was not misrepresented in any material respect by the Borrower or any of its Affiliates or (B) to the extent any such Liability is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's fraud, bad faith, gross negligence or willful misconduct; *provided* however that in no event will such Indemnified Party have any liability for any special, exemplary, indirect, punitive or consequential damages in connection with or as a result of such Indemnified Party's activities related to this Agreement or any Facility Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein; *provided*, *further*, that any payment hereunder which relates to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim, or additional sums described in Sections 2.09 or 2.10, shall not be covered by this Section 12.04(b).

(c) All amounts due under this Section 12.04 shall be payable not later than three (3) Business Days after demand therefor.

Section 12.5 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The parties hereto agree that "execution," "signed," "signature," and words of like import in this Agreement, shall be deemed to include electronic signatures, authentication, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Electronic Signatures in Global and National Commerce Act, the Uniform Electronic Transactions Act as in effect in any state, the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), the Illinois Electronic Commerce Security Act (5 ILCS 175/1-101 et seq.), or the Uniform Commercial Code, and the parties hereto hereby waive any objection to the contrary.

Section 12.6 Assignability. The Borrower may not assign its rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent and the Required Lenders. The Lenders may assign their rights, interests or obligations under this Agreement as permitted under Section 13.02. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns (including by operation of law).

Section 12.7 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (EXCEPT FOR SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

Section 12.8 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 12.9 Confidentiality. Each Secured Party agrees to keep all Borrower Information confidential; *provided* that nothing herein shall prevent any Secured Party from disclosing any Borrower Information (a) in connection with this Agreement and the other Facility Documents and not for any other purpose, (x) to any Secured Party or any Affiliate of a Secured Party, or (y) any of their respective Affiliates, employees, directors, agents, representatives, consultants, attorneys, accountants and other professional advisors (collectively, the "*Secured Party Representatives*"), it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Borrower Information, (b) subject to an agreement to comply with the provisions of this Section (or other provisions at least as restrictive as this Section), (i) to any actual or bone fide prospective permitted assignees and Participants in any of the Secured Parties' interests under or in connection with this Agreement, (ii) to any prospective agent or co-agent of the Administrative Agent, (iii) as reasonably required by any direct or indirect contractual counterparties or professional advisors thereto, to any swap or derivative transaction relating to the Borrower and the Obligations, and (iv) to any provider of credit protection to a Lender or any provider of a hedge for the benefit of a Lender, (c) to any Governmental Authority purporting to have jurisdiction over any Secured Party or any of its Affiliates or any Secured Party Representative, (d) in response to any order of any court or other Governmental Authority or as may otherwise be required or requested to be disclosed pursuant to any Applicable Law, (e) that is a matter of general public knowledge or that has heretofore been made available to the public by any Person other than any Secured Party or any Secured Party Representative in violation hereof, (f) to any rating agency or a nationally recognized statistical rating organization in connection with Rule 17g-5 promulgated by the SEC, (g) in connection with the exercise of any remedy hereunder or under any other Facility Document and (h) to any Seller, the Servicer, the Backup Servicer, the Canadian Collection Account Bank and the U.S. Collection Account Bank in connection with the administration of this credit facility or the enforcement of the Facility Documents. In addition, each Secured Party may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Secured Parties in connection with the administration and management of this Agreement and the other Facility Documents.

Section 12.10 Merger. This Agreement and the other Facility Documents executed by the Administrative Agent or the Lenders taken as a whole incorporate the entire agreement between the parties thereto concerning the subject matter thereof and such Facility Documents supersede any prior agreements among the parties relating to the subject matter thereof.

Section 12.11 Survival. All representations and warranties made hereunder, in the other Facility Documents and in any certificate delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Agreement and the making of the Advances hereunder. The agreements in Sections 2.09, 2.10, 2.13, the final sentence of Section 7.02, 7.06(b), 12.02, 12.03, 12.04, 12.07, 12.08, 12.12, 12.13, 12.14, 12.16, 12.18, 12.19 and 12.23 and this Section 12.11 shall survive the termination of this Agreement in whole or in part and the payment in full of the principal of and interest on the Advances.

Section 12.12 Submission to Jurisdiction; Waivers; Etc. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement or the other Facility Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the courts of the State of New York located in the County of New York, the courts of the United States of America for the Southern District of New York, and the appellate courts of any of them;

(b) consents that any such action or proceeding may be brought in any court described in Section 12.12(a) and waives to the fullest extent permitted by Applicable Law any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address referenced in Section 12.02 or at such other address as may be permitted thereunder;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding against any party hereto or any Secured Party arising out of or relating to this Agreement or any other Facility Document any special, exemplary, indirect, punitive or consequential damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement).

Section 12.13 Waiver of Jury Trial. Each of the parties hereto hereby irrevocably and unconditionally waives trial by jury in any legal action or proceeding relating to this Agreement or any other Facility Document or for any counterclaim therein or relating thereto.

Section 12.14 Service of Process. EACH OF THE PARTIES HERETO WAIVES PERSONAL SERVICE OF PROCESS AND IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 12.15 Waiver of Setoff. The Borrower hereby waives any right of setoff it may have or to which it may be entitled under this Agreement from time to time against any Lender or its assets.

Section 12.16 PATRIOT Act Notice. Each Lender and the Administrative Agent hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law on October 26, 2001)) (the "*PATRIOT Act*") and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower, a Beneficial Ownership Certification and other information that will allow the Lenders to identify the Borrower in accordance with the PATRIOT Act and the Beneficial Ownership Regulation. The Borrower shall provide to the extent commercially reasonable, such information and take such actions as are reasonably requested by any Lender in order to assist such Lender in maintaining compliance with the PATRIOT Act and the Beneficial Ownership Regulation.

Section 12.17 Business Days. In the event that the date of any Payment Date, date of prepayment or Final Maturity Date shall not be a Business Day, then notwithstanding any other provision of this Agreement or any Facility Document, payment need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of any such Payment Date, date of prepayment or Final Maturity Date, as the case may be, and interest shall accrue on such payment for the period from and after any such nominal date to but excluding such next succeeding Business Day.

Section 12.18. Third-Party Beneficiary. The parties hereto acknowledge and agree that the Indemnified Parties and the Affected Persons are third party beneficiaries of this Agreement.

Section 12.18 No Fiduciary Duty. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "*Lenders*"), may have economic interests that conflict with those of the Borrower, its stockholders or their Affiliates. The Borrower agrees that nothing in the Facility Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and the Borrower, its stockholders or its Affiliates, on the other. The Borrower acknowledges and agrees that (i) the transactions contemplated by the Facility Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's length commercial transactions between the Lenders, on the one hand, and the Borrower, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Borrower, its stockholders or its Affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Borrower, its stockholders or its Affiliates on

other matters) or any other obligation to the Borrower except the obligations expressly set forth in the Facility Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Borrower, its management, stockholders, creditors or any other Person. The Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Borrower, in connection with such transaction or the process leading thereto.

Section 12.19 Non-Reliance on Administrative Agent and other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Affiliates or the respective officers, directors, employees, agents, managers of, and any Person controlling any of, the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Affiliates or the respective officers, directors, employees, agents, managers of, and any Person controlling any of, the foregoing, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Facility Document or any related agreement or any document furnished hereunder or thereunder.

12.21. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Facility Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Facility Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Facility Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 12.20 Acknowledgement Regarding Any Supported QFCs. To the extent that the Facility Documents provide support, through a guarantee or otherwise, for hedging agreements or any other agreement or instrument that is a QFC (such support, "*QFC Credit Support*" and each such QFC a "*Supported QFC*"), the parties acknowledge and agree with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "*U.S. Special Resolution Regimes*") in respect of such Supported QFC and QFC Credit Support (with this Section 12.22 applicable notwithstanding that the Facility Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York or of the U.S. or any other state of the U.S.) that in the event a Covered Entity that is party to a Supported QFC (each, a "*Covered Party*") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the U.S. or a state of the U.S. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Facility Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Facility Documents were governed by the laws of the U.S. or a state of the U.S.

Section 12.21 Non-Petition.

(a) Each of the parties hereto (other than the Administrative Agent acting at the direction of the Required Lenders) hereby covenants and agrees that, prior to the date that is one (1) year and one (1) day after the payment in full of all outstanding Advances, it shall not institute against, or join any other Person in instituting against, the Borrower any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States or any other jurisdiction.

(b) Each of the parties hereto (other than Administrative Agent acting at the direction of the Required Lenders) hereby covenants and agrees that it shall not at any time institute against, solicit or join or cooperate with or encourage any institution against Borrower of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under any United States federal or state bankruptcy or similar law.

(c) Nothing in this Section 12.23 shall preclude, or be deemed to estop, any of the foregoing Persons from taking (to the extent such action is otherwise permitted to be taken by such Person hereunder) or omitting to take any action prior to such date in (i) any case or proceeding with respect to Borrower voluntarily filed or commenced by or on behalf of Borrower under or pursuant to any such law or (ii) any involuntary case or proceeding pertaining

to Borrower under or pursuant to any such law, which involuntary use was not commenced by any of the foregoing Persons.

ARTICLE XIII

Syndication

Section 13.1 Syndication. The Lenders may at any time sell, assign or participate any portion or all of the Advances and the Facility Documents to one or more Persons subject to the terms and conditions of this Article XIII.

Section 13.2 Assignment of Advances, Participations and Servicing, Appointment of Agent. (a) The Lenders may, at their individual option, sell and assign all or any part of their right, title and interest in, and to, and under the Advances and this Agreement, in the sole discretion of such Lender, subject to, other than in connection with an assignment to a Lender or any Affiliate of a Lender, the prior written consent of the Administrative Agent (not to be unreasonably withheld, conditioned or delayed) (the "*Syndication*"), to one or more additional lenders; *provided*, *however*, that no assignment shall be made to (x) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person), (y) the Borrower or any of the Borrower's Affiliates or (z) without the Borrower's written consent, a Competitor. Each additional Lender shall enter into and deliver to the Administrative Agent an Assignment and Acceptance whereby the existing Lender (the "*Assigning Lender*") assigns to such new Lender a portion of its rights under the Advances, and pursuant to which the new Lender accepts such assignment. From and after the effective date specified in the Assignment and Acceptance (i) each new Lender shall be a party hereto and to each applicable Facility Document to the extent of the applicable percentage or percentages and, if applicable, priorities, set forth in the Assignment and Acceptance and, except as specified otherwise herein, shall succeed to the rights of the Assigning Lender hereunder in respect of the Advances, and (ii) the Assigning Lender shall, to the extent such rights and obligations have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations hereunder and under the Facility Documents.

The liabilities of each of the Lenders shall be several and not joint, and any Lender's Percentage shall be reduced by the amount of each such Assignment and Acceptance. No Lender shall be responsible for the obligations of any other Lender.

(b) The Borrower agrees that it shall reasonably cooperate, in connection with any sale of all or any portion of the Advances permitted under Section 13.02(a), whether in whole or to an additional Lender or Participant, to furnish to Administrative Agent, any information as reasonably requested by any additional Lender or Participant in performing its due diligence in connection with its purchase of an interest in the Advances.

(c) The Borrower acknowledges that the Administrative Agent shall have the sole and exclusive authority to execute and perform this Agreement and each Facility Document on behalf of itself and as agent for the Secured Parties. The Lenders acknowledge that, subject to Section 12.01(b), the Administrative Agent shall retain the exclusive right to grant approvals and give consents required to be delivered hereunder. Except as otherwise provided herein, the Borrower shall have no obligation to recognize or deal directly with any Lender, and no Lender shall have any right to deal directly with the Borrower with respect to the rights, benefits and

obligations of the Borrower under this Agreement, the Facility Documents or any one or more documents or instruments in respect thereof, except as explicitly provided herein or therein.

(d) Notwithstanding any provision to the contrary in this Agreement, the Administrative Agent shall not have any duties or responsibilities except those expressly set forth herein and no covenants, functions, responsibilities, duties, obligations or liabilities of the Administrative Agent shall be implied by or inferred from this Agreement or any other Facility Document, or otherwise exist against Administrative Agent.

(e) Except to the extent its obligations hereunder and its interest in the Advances have been assigned pursuant to one or more Assignments and Acceptances, if the Administrative Agent is also a Lender, the Administrative Agent shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, respectively. The Lenders and their respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, or any Affiliate of the Borrower and any Person who may do business with or own securities of the Borrower or any Affiliate of the Borrower, all as if they were not serving in such capacities hereunder and without any duty to account therefor to each other.

(f) If required by any Lender, the Borrower hereby agrees to execute notes in the principal amount of such Lender's Percentage of the Advances, and such note shall (i) be payable to order of such Lender, (ii) be dated as of the effective date specified in the Assignment and Acceptance (or, if later, the date that such Lender became a Lender hereunder), and (iii) mature on the Termination Date. Such note shall provide that it evidences a portion of the existing Obligations hereunder and not any new or additional indebtedness of the Borrower.

(g) The Administrative Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and principal amounts (and stated interest) of the Advances owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be made available by the Administrative Agent for inspection by the Borrower and any Lender, at any reasonable time and from time to time, upon reasonable prior written request to the Administrative Agent.

(h) Any Lender may at any time sell participations to any Person (other than (A) a natural Person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person), (B) the Borrower or any of the Borrower's Affiliates or subsidiaries or (C) without the prior written consent of the Borrower and the Administrative Agent, a Competitor) (each, a "*Participant*") in all or a portion of such Lender's rights or obligations under this Agreement (including all or a portion of the Advances owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the

payments made under Section 2.09 with respect to any payments made by such Lender to its Participant(s).

(i) Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.09, 12.03 and 12.04 (subject to the requirements and limitations therein, including the requirements under Section 12.03(g) (it being understood that the documentation required under Section 12.03(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant shall not be entitled to receive any greater payment under Section 2.09 or 12.03, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in Applicable Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Advances or other obligations under the Facility Documents (the "*Participant Register*"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Facility Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(j) Notwithstanding any other provision set forth in this Agreement, any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including amounts owing to it in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System), provided that no such security interest or the exercise by the secured party of any of its rights thereunder shall release such Lender from any of its funding obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 13.3 Cooperation in Syndication. (a) The Borrower agrees to use commercially reasonable efforts to assist the Lenders and the Administrative Agent, upon reasonable request, in completing a Syndication. Such assistance may include (i) direct contact between senior management and advisors of the Borrower and the proposed Lenders, (ii) assistance in the preparation of a confidential information memorandum and other marketing materials to be used in connection with the Syndication, (iii) the hosting, with the Lenders and the Administrative Agent, of one or more meetings of prospective Lenders or with the credit rating agencies, (iv) the delivery of appraisals reasonably satisfactory to the Lenders and the Administrative Agent if required, and (v) working with the Lenders and the Administrative Agent to procure a rating for the Advances by the credit rating agencies.

(b) The Lenders and the Administrative Agent shall manage all aspects of any Syndication of the Advances, including decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate, the allocations of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist the Lenders and the Administrative Agent in their Syndication efforts, the Borrower agrees promptly to prepare and provide to the Lenders and the Administrative Agent all information with respect to the Borrower, the Parent, the Sponsor, each Seller and the Servicer contemplated hereby, including all financial information and projections (the "*Projections*"), as the Lenders and the Administrative Agent may reasonably request in connection with the Syndication of the Advances. The Borrower hereby represents and covenants that (i) all information other than the Projections (the "*Information*") that has been or will be made available to the Lenders and the Administrative Agent by the Borrower or any of their representatives is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (ii) the Projections that have been or will be made available to the Lenders and the Administrative Agent by the Borrower or any of its representatives have been or will be prepared in good faith based upon reasonable assumptions. The Borrower understands that in arranging and syndicating the Advances, the Administrative Agent, the Lenders and, if applicable, the credit rating agencies, may use and rely on the Information and Projections without independent verification thereof.

(c) If required in connection with the Syndication, the Borrower hereby agrees to:

(i) deliver updated financial and operating statements and other information reasonably required by the Lenders and the Administrative Agent to facilitate the Syndication;

(ii) deliver reliance letters reasonably satisfactory to the Lenders and the Administrative Agent with respect to any environmental assessments and reports delivered to the Lenders and the Administrative Agent, which will run to the Lender and their respective successors and assigns;

(iii) execute modifications to the Facility Documents required by the Lenders, provided that such modification will not change any material or economic terms of the Facility Documents, or otherwise materially increase the obligations or materially decrease the rights of the Borrower pursuant to the Facility Documents; and

(iv) if the Lenders and the Administrative Agent elect, in their respective individual sole discretion, prior to or upon a Syndication, to split the Advances into two or more parts, or any note into multiple component notes or tranches which may have different interest rates, principal amounts, payment priorities and maturities, the Borrower agrees to cooperate with Lenders and the Administrative Agent, at no cost or expense to the Borrower, in connection with the foregoing and to execute the required modifications and amendments to any note, this Agreement and the other Facility Documents and to provide opinions necessary to effectuate the same.

[Signature Pages to Follow]

In Witness Whereof, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

Sezzle Funding SPE II, LLC,
as Borrower

By:__
Name:
Title:

[Signature Page to Revolving Credit and Security Agreement]

Bastion Funding VI LP,
By: Bastion GP VI LLC, its General Partner
as Administrative Agent and Lender

By:
Name:
Title:

[Signature Page to Revolving Credit and Security Agreement]

Schedule 1

Lenders – Percentage

Lender	Percentage	Committed Facility Amount
Bastion Funding VI LP	100%	$150,000,000

Schedule 2

Collateral Receivable

As used in this Agreement, "*Collateral Receivable*" means a Receivable that at all times satisfies each of the following conditions, unless such condition is expressly waived by the Administrative Agent in writing:

(a) such Receivable was originated during the period beginning on February 1, 2024 and ending on the Scheduled Reinvestment Period Termination Date;

(b) such Receivable is serviced by the Servicer under the Servicing Agreement or by the Backup Servicer under the Backup Servicing Agreement;

(c) the applicable Seller or the Bank Partner, the Borrower and the Servicer have, and had at the time such Receivable was originated, purchased or serviced, as applicable, all material licenses and other governmental approvals required for the origination, purchase or servicing, as applicable, of such Receivable;

(d) the collection and servicing practices used since the origination of such Receivable have been (i) legal and customary in the consumer retail installment financing and servicing industry, and (ii) in accordance with the terms of such Receivable;

(e) by the related Purchase Date and on each relevant date thereafter the applicable Seller, the Borrower and the Servicer will have caused the portions of their respective servicing records relating to such Receivable to be clearly and unambiguously marked to show that such Receivable is owned by the Borrower and constitutes part of the Collateral;

(f) (i) such Receivable does not contain any provisions pursuant to which installment payments are paid by any source other than the applicable Obligor, (ii) all Collections relating to such Receivable are required pursuant to the terms of the relevant Contract to be directly deposited into, and are directly deposited into, the Canadian Collection Account or the U.S. Collection Account, as applicable and (iii) such Receivable is subject to a first priority perfected security interest in favor of the Administrative Agent for the benefit of the Secured Parties (subject to Permitted Liens);

(g) such Receivable was originated in, and is subject to the laws of, a jurisdiction under the laws of which the grant of the security interest in such Receivable to the Administrative Agent hereunder is lawful, valid and enforceable;

(h) such Receivable was originated by the applicable Seller or the Bank Partner in connection with the sale of goods or rendering of services by the related Merchant in the ordinary course of business, such sale of goods or rendering of services has been consummated by the Merchant and the performance of the Contract or other Related Documents with respect to such Receivable have been completed by the applicable Seller or the Bank Partner, the Merchant and any other parties thereto (other than the payment in full thereof by the related Obligor);

(i) such Receivable was originated by the applicable Seller or the Bank Partner in the ordinary course of its business (i) in accordance with the Credit Guidelines, and (ii) in accordance with, and serviced in compliance with all requirements of Applicable Laws, including all applicable nondiscrimination, usury, consumer credit laws, disclosure laws, MLA, SCRA, credit reporting laws and equal credit opportunity laws, as applicable to such Receivable;

(j) (i) the applicable Obligor had, as of the corresponding time of origination, the legal capacity to enter into such Receivable and to execute and deliver the Related Documents related to such Receivable, and (ii) such Related Documents are enforceable against the applicable Obligor (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or general principles of equity, regardless of whether considered in a proceeding in equity or at law (to the extent not related to inequitable conduct of the Borrower)) and have been duly executed and delivered by the applicable Obligor;

(k) each of the Related Documents related to such Receivable (i) is complete and, if applicable, such Related Documents include all amendments, supplements and modifications thereto and (ii) is in form and substance reasonably satisfactory to the Administrative Agent;

(l) the Servicer and the Backup Servicer are in possession of a copy of the Contract and each other Related Document on behalf of the Administrative Agent and the Lenders and any original version or instrument of the relevant Contract are, or after giving effect to the Borrower's purchase of such Receivable, will be, in the possession of the Backup Servicer if it is not an electronic document;

(m) the Related Documents related to such Receivable do not prohibit (nor require the related Obligor to consent to, or be notified of) the transfer, pledge, sale or assignment of such Receivable and Related Documents or the rights and duties of the applicable Seller, the Borrower or any transferee or assignee thereunder;

(n) (i) to the extent such Receivable was originated by the Bank Partner, such Receivable was sold to Sezzle by the Bank Partner pursuant to the Bank Program Purchase and Sale Agreement, free and clear of any Lien (other than Permitted Liens), defense, offset, counterclaim, recoupment or other adverse claim, in an arm's length transaction in exchange for payment of an amount which constitutes fair market value, fair consideration and reasonably equivalent value and(ii) such Receivable was sold to the Borrower by the applicable Seller pursuant to the applicable Receivable Purchase Agreement, free and clear of any Lien (other than Permitted Liens), defense, offset, counterclaim, recoupment or other adverse claim, in an arm's length transaction in exchange for payment of an amount which constitutes fair market value, fair consideration and reasonably equivalent value;

(o) (i) at the time such Receivable was sold to the Borrower, the applicable Seller had good and indefeasible title to, and was the sole owner of, such Receivable; (ii) no Person has a Lien on or other interest in, or a participation in, or other right to receive, proceeds of such Receivable (other than Permitted Liens) and (iii) there are no additional amounts required or permitted to be funded to the Obligor under the Related Documents governing such Receivable;

(p) (i) if such Receivable is a U.S. Receivable, such Receivable is denominated and payable in U.S. Dollars and (ii) if such Receivable is a Canadian Receivable, such Receivable is denominated and payable in Canadian Dollars;

(q) such Receivable is an obligation of an Obligor that is an individual who (i) is domiciled in the United States of America or Canada; (ii) is not a business, a corporation, institution or other legal entity; (iii) is not a Governmental Authority, and (iv) is not a Person whose name appears on the "List of Specially Designated Nationals" and "Blocked Persons" maintained by the OFAC;

(r) the Obligor of such Receivable made the initial scheduled installment payment at the time such Receivable was originated and such payment has cleared;

(s) (i) at the time such Receivable was acquired by the Borrower, it was not defaulted or delinquent and (ii) on and after acquisition by the Borrower, such Receivable is not a Delinquent Collateral Receivable or a Defaulted Collateral Receivable;

(t) such Receivable was (x) originated by the applicable Seller and sold by such Seller to the Borrower or (y) originated by the Bank Partner, sold by the Bank Partner to a Seller and sold by such Seller to the Borrower, in each of the foregoing cases without any fraud or misrepresentation on the part of such Seller, Bank Partner or the related Obligor;

(u) the Obligor of which is not deceased and is not the subject of (i) the filing by or against such Obligor of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or any similar proceeding or the occurrence of any other Insolvency Event or (ii) any assignment by such Obligor for the benefit of creditors**;**

(v) with respect to which, neither the related Merchant nor the applicable Seller or Bank Partner is liable to the Obligor for goods sold or services rendered to the Obligor;

(w) (i) except in the case of a Rescheduled Receivable or an Extended Term Receivable, such Receivable is payable in four (4) equal, interest-free installments payable over a period not to exceed 56 days, (ii) if such Receivable is a Rescheduled Receivable (other than an Extended Term Receivable that is a Rescheduled Receivable, if applicable), such Receivable is payable in four (4) equal, interest-free installments payable over a period not to exceed eight (8) weeks and (iii) if such Receivable is an Extended Term Receivable, such Receivable is payable in the number of installments over the term specified in the definition applicable to such Extended Term Receivable, and in the case of each of clauses (i) through (iii), such Receivable is otherwise on terms and conditions that are reasonably acceptable to the Administrative Agent;

(x) unless such Receivable is an Extended Term Receivable, such Receivable does not have a term greater than 56 days;

(y) such Receivable is not more than 30 days past due;

(z) such Receivable does not arise from product returns or exchanges with respect to the underlying sale;

(aa) such Receivable is not a Receivable for which the Administrative Agent in its good faith business judgment determines collection to be doubtful;

(bb) such Receivable is not subject to a Regulatory Event;

(cc) the Original Receivable Balance of such Receivable (other than an Extended Term Receivable) does not exceed $2,500; if such Receivable is an Extended Term Receivable, the Original Receivable Balance of such Receivable does not exceed $5,000;

(dd) such Receivable and the applicable Related Documents have not been subject to a Material Modification (other than a Rescheduled Receivable) and such Receivable has not otherwise been modified or re-aged except in accordance with the Servicing Guide and with the prior written consent of the Administrative Agent and the Required Lenders;

(ee) all information provided to the Administrative Agent as to such Receivable (including, but not limited to, information relating to the purchase and servicing of such Receivable) is true and correct in all material respects (without duplicating any materiality qualifiers therein);

(ff) no selection procedures were used by the Borrower with respect to such Receivable that are adverse in any material respect to the interests of the Secured Parties;

(gg) each representation and warranty contained in this Agreement with respect to such Receivable shall be true and correct in all material respects (except to the extent any such representation or warranty is already qualified by materiality, in which case such representation and warranty shall be true and correct in all respects);

(hh) if such Receivable is a (i) U.S. Receivable, it constitutes an "account", "payment intangible", "instrument" or proceeds thereof within the meaning of the UCC, or (ii) Canadian Receivable, it constitutes an "account" within the meaning of the PPSA, in each case of (i) and (ii), does not constitute "electronic chattel paper" or "chattel paper" within the meaning of the UCC or PPSA, as applicable;

(ii) with respect to which the Borrower has a valid and binding ownership interest in such Receivable its entirety (and not a fractional interest in such Receivable);

(jj) such Receivable was originated without discrimination against the applicable Obligor based upon race, color, religion, national origin, sex, marital status, age (other than confirming such Obligor was not a minor);

(kk) to the actual knowledge of the applicable Seller, the Borrower and the Servicer, the proceeds of such Receivable have not been used by the applicable Obligor for the purchase of any firearms, operational assault weapons or any antipersonnel landmines, cluster munitions, biological and chemical, radiological and nuclear weapons or otherwise in connection with the production, manufacture or distribution of the foregoing;

(jj) there are no additional amounts required or permitted to be funded to the Obligor under the Related Documents governing such Receivable; and

(mm) (i) with respect to any such Receivable where the Obligor is a resident of the State of Maryland, at the time such Receivable was originated and at all times thereafter Sezzle shall have a valid Maryland consumer lending or loan broker (CSO) license and debt collection license and to the extent such Receivable was not purchased pursuant to the Bank Program Purchase and Sale Agreement, Sezzle shall be required to have a valid Maryland consumer lending license and (ii) with respect to any such Receivable where the Obligor is a resident of the State of Vermont, at the time such Receivable was originated and at all times thereafter, Sezzle shall have a valid Vermont consumer lending and loan broker license;

provided, that any Collateral Receivable shall only consist of those Receivables which have been fully earned.

Schedule 3

Notice Information

If to the Administrative Agent or any Lender:	Bastion Funding VI LP 281 Tresser Boulevard Stamford, CT 06901 Attention: John Joseph Braden Email: [***]
with a copy (which shall not constitute notice) to:	Winston & Strawn, LLP 200 Park Avenue New York, NY 10166 Attention: Claude Serfilippi Email: [***]
If to the Borrower:	Sezzle Funding SPE II, LLC 700 Nicollet Mall Suite 640 Minneapolis, MN 55402 Attention: Karen Hartje Telephone No: [***] Email: [***]
with a copy (which shall not constitute notice) to:	Taft Stettinius & Hollister LLP 2200 IDS Center 80 South Eighth Street Minneapolis, MN 55402 Attention: Bradley A. Pederson Email: [***]

Schedule 4

Account Details

[***]

Schedule 5

Credit Guidelines

[***]

Schedule 6

Servicing Guide

[***]

Schedule 7

Data Tape Information

[***]

Schedule 8

[reserved]

Schedule 9

Competitors

[***]

Exhibit F

Financial Covenants

1) **Minimum Collection Rate**

On the first day of each month, the Two Month Collection Rate for two of the three most recent Vintages that were originated at least two months prior to such day shall not be less than 98.0%. On August 1, 2024, the three most recent Vintages that were originated at least two months prior to August 1, 2024 are the May 2024, April 2024 and March 2024 Vintages.

In addition, on the first day of each month, the Three Month Collection Rate for two of the three most recent Vintages that were originated at least three months prior to such date shall not be less than 101.0%. On August 1, 2024, the three most recent Vintages that were originated at least three months prior to August 1, 2024 are the April 2024, March 2024 and February 2024 Vintages.

For purposes of the foregoing:

"Collection Rate" means with respect to any Vintage the ratio of (i) the aggregate Collections with respect to all Receivables in such Vintage (excluding any principal payments made in connection with the origination of such Receivables), to (ii) (x) the Original Principal Amount of all Receivables in such Vintage minus (y) any partial or full refund provided to the Obligors obligated to repay the Receivables in such Vintage provided by the applicable Merchant in the ordinary course of business.

"Original Principal Amount" means with respect to any Receivable, the principal amount of such Receivable on the date of origination of such Receivable minus (x) any principal payment required to be made in connection with the origination of such Receivable minus (y) the Merchant discount (based on the applicable Merchant Discount Rate) with respect to such Receivable.

2) **Second Payment Default Rate**

As of the last day of any calendar month, the Borrower shall not permit the Second Payment Default Rate for two or more of the three Vintages in the most recent Set of Vintages to be greater than 4%.

"Set of Vintages" means on any date, the three-monthly Vintages of Receivables owned by the Borrower that have most recently met their Second Payment Date. For avoidance of doubt the Second Payment Date is the Borrower's first scheduled payment after the initial down payment at origination.

"Second Payment Default Rate" means the ratio of (i) the Outstanding Base Amount of all Collateral Receivables owned by the Borrower that had their Second Payment Date in a given month (the "Specified Month") and for which a default in the obligation to make such second payment occurred, to (ii) the Total Original Base Amount of all Collateral Receivables owned by the Borrower that came due for the second time in such Specified Month.

Amendment No. 2 to Revolving Credit and Security Agreement

This AMENDMENT NO. 2 TO REVOLVING CREDIT AND SECURITY AGREEMENT (this "*Agreement*") is entered into as of September 26, 2024 by and among SEZZLE FUNDING SPE II, LLC, a Delaware limited liability company, as borrower (the *"Borrower"*), BASTION FUNDING VI LP, ("*Bastion*") as lender (the *"Lender"*) and Bastion, as administrative agent for the Secured Parties (as defined in the Loan and Security Agreement referenced below) (in such capacity, together with its successors and assigns, the "*Administrative Agent*").

Recitals

WHEREAS, the Borrower has entered into that certain Revolving Credit and Security Agreement, dated as of April 19, 2024, by and among the Borrower, the Lender and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time, the *"Loan and Security Agreement"*); and

WHEREAS, in accordance with the terms of the Loan and Security Agreement, the Borrower has requested, and the Lender and the Administrative Agent have agreed to, modify certain provisions of the Loan and Security Agreement upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Agreement

1. *Defined Terms.* Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan and Security Agreement.

2. *Amendments.*

(a) Clause (w) of Schedule 2 is amended and restated to read as follows:

> (w) (i) except in the case of a Rescheduled Receivable or an Extended Term Receivable, such Receivable is payable in four (4) equal, interest-free installments (provided that Receivables purchased by Sezzle pursuant to the Bank Program Purchase and Sale Agreement may include a prepaid finance charge) payable over a period not to exceed 56 days, (ii) if such Receivable is a Rescheduled Receivable (other than an Extended Term Receivable that is a Rescheduled Receivable, if applicable), such Receivable is payable in four (4) equal, interest-free installments (provided that Receivables purchased by Sezzle pursuant to the Bank Program Purchase and Sale Agreement may include a prepaid finance charge) payable over a period not to exceed eight (8) weeks and (iii) if such Receivable is an Extended Term Receivable, such Receivable is payable in the number of installments over the term specified in the definition applicable to such Extended Term

Receivable, and in the case of each of clauses (i) through (iii), such Receivable is otherwise on terms and conditions that are reasonably acceptable to the Administrative Agent;

(b) Clause (c) of the definition "Concentration Limitations" is amended and restated to read as follows:

(c) no more than the Aggregate Receivable Balance of such Collateral Receivables that contain a prepaid finance charge and are Receivables purchased by Sezzle pursuant to the Bank Program Purchase and Sale Agreement where the Obligor of such Receivable is a new customer to Sezzle, collectively, may exceed 15 % of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(c) The following language shall be inserted at the end of the definition of "Concentration Limitations" as a new paragraph:

Borrower and Lender agree to meet and discuss, in mutual good faith, the provisions of the foregoing clause (c) at the end of the first quarter of 2025.

3. *Representations and Warranties*. The Borrower hereby represents and warrants to each of the Secured Parties that:

(a) the representations and warranties of Borrower contained in the Loan and Security Agreement are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality or Material Adverse Effect, which is true and correct in all respects) as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (except in the case of any representation and warranty qualified by materiality or Material Adverse Effect, which is true and correct in all respects) as of such earlier date;

(b) after giving effect to this Agreement, no Default or Event of Default has occurred and is continuing;

(c) the Borrower has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to execute, deliver and perform its obligations under this Agreement;

(d) no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement; and

(e) this Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

4. *Effect on the Facility Documents and Ratification*. (a) Nothing contained herein shall be deemed to constitute a waiver of compliance with any term or condition contained in the Loan and Security Agreement or any of the other Facility Documents or constitute a course of conduct or dealing among the parties. Each of the Lender and Administrative Agent reserves all rights, privileges and remedies under the Facility Documents. The amendments contained herein do not and shall not create (nor shall the Borrower rely upon the existence of or claim or assert that there exists) any obligation of the Lender or Administrative Agent to consider or agree to any further amendment and, in the event the Lender or Administrative Agent subsequently agrees to consider any further amendments, neither the amendments contained herein nor any other conduct of the Lender or Administrative Agent shall be of any force or effect on its respective consideration or decision with respect to any such requested amendment and the Lender and Administrative Agent shall not have any further obligation whatsoever to consider or agree to any further amendment or other agreement. The Loan and Security Agreement, as hereby amended, is hereby ratified and re-affirmed in all respects and shall remain in full force and effect. All references in the Facility Documents to the Loan and Security Agreement shall be deemed to be references to the Loan and Security Agreement as modified hereby. This Agreement shall constitute a Facility Document.

(b) The relationship of the Lender and the Borrower has been and shall continue to be, at all times, that of creditor and debtor and not as joint venturers or partners. Nothing contained in this Agreement, any instrument, document or agreement delivered in connection herewith or in the Loan and Security Agreement or any of the other Facility Documents shall be deemed or construed to create a fiduciary relationship between or among the parties.

5. *No Novation.* This Agreement is not intended by the parties to be, and shall not be construed to be, a novation of the Loan and Security Agreement or any other Facility Document or an accord and satisfaction in regard thereto.

6. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided* that the Borrower may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Agent (acting on the instructions of Required Lenders).

7. *Headings*. The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

8. *Incorporation of Credit Agreement.* The provisions contained in Section 12.05 (Execution in Counterparts) Section 12.07 (Governing Law), Section 12.08 (Severability of Provisions), Section 12.10 (Merger), Section 12.12 (Submission to Jurisdiction; Waivers; etc.), and Section 12.13 (Waiver of Jury Trial) of the Loan and Security Agreement are incorporated herein by this reference, *mutatis mutandis*.

REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURES FOLLOW.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by its duly authorized officer as of the day and year first above written.

SEZZLE FUNDING SPE II, LLC, as Borrower

By:__ Name:
Title:

BASTION FUNDING VI LP, as Administrative Agent

By:
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 2 TO REVOLVING CREDIT AND SECURITY AGREEMENT

BASTION FUNDING VI LP, as Lender

By:__
Name:
Title:

SIGNATURE PAGE
AMENDMENT NO. 2 TO REVOLVING CREDIT AND SECURITY AGREEMENT

Certain identified information in this document has been excluded because it is both (i) not material and (ii) is the type of information that the Company customarily and actually treats as private or confidential. This document has been marketed with "[***]" to indicate where omissions have been made.

WEBBANK

and

SEZZLE INC.

AMENDED AND RESTATED LOAN AND RECEIVABLES SALE AGREEMENT

Dated as of September 26, 2024

SCHEDULES AND EXHIBITS

SCHEDULE 1 Definitions

SCHEDULE 2 Payments

This AMENDED AND RESTATED LOAN AND RECEIVABLES SALE AGREEMENT (this "Agreement"), dated as of September 26, 2024 ("Effective Date"), is made by and between WEBBANK, an FDIC-insured, Utah state-chartered industrial bank having its principal location in Salt Lake City, Utah ("Bank"), and SEZZLE INC., a Delaware corporation, having its principal location in Minneapolis, Minnesota ("Company").

WHEREAS, Bank and Company are parties to the Amended and Restated Marketing and Servicing Agreement dated as of the Effective Date (as amended, modified or supplemented from time to time, the "Program Agreement"), pursuant to which Bank originates Loans, including Single Disbursement Loans and Multiple Disbursement Loans;

WHEREAS, Bank is and will be the owner of Loans pursuant to the Program Agreement;

WHEREAS, Company will service the Loans on behalf of Bank pursuant to the Program Agreement; and

WHEREAS, Bank may desire to sell to Company certain Single Disbursement Loans originated by Bank pursuant to the Program Agreement, and Company desires to purchase from Bank the Single Disbursement Loans that are offered;

WHEREAS, Bank may desire to sell to Company certain Loan Accounts and/or the Receivables arising from Loan Disbursements made on certain Multiple Disbursement Loans originated by Bank pursuant to the Program Agreement, and Company desires to purchase from Bank the Loan Accounts and/or the Receivables that are offered with respect to such Multiple Disbursement Loans;

WHEREAS, the Parties have entered into that certain Loan and Receivables Sale Agreement, dated as of August 26, 2024, setting forth each Party's rights and obligations related to the offering of a loan program (the "Existing Sale Agreement"); and

WHEREAS, the Parties now wish to amend and restate the Existing Sale Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Company agree as follows:

1. Definitions; Effectiveness.

   (a) The capitalized terms used in this Agreement shall be defined as set forth in the Schedule 1 or, to the extent not set forth in Schedule 1, in the Program Agreement, and the rules of construction set forth in Schedule 1 shall apply to this Agreement.

   (b) This Agreement shall be effective as of the Effective Date, and as of the Effective Date shall supersede and replace the Existing Sale Agreement. This Agreement shall not operate as to render invalid or improper any action heretofore taken under the Existing Sale Agreement.

2. Purchase of Transferable Loans and Receivables; Payment to Bank; Reporting to Bank.

   (a) Bank may sell, transfer, assign, set over, and otherwise convey to Company, without recourse on each Purchase Date, all or a portion of the Single Disbursement Transferable

Loans. Single Disbursement Transferable Loans shall be sold by Bank to Company (or its designee approved by Bank), without recourse, with servicing released, on the second Business Day after the day on which such Single Disbursement Transferable Loans were originated and funded by Bank. Company will be required to purchase all Single Disbursement Transferable Loans offered by Bank on each Purchase Date. Company shall pay to Bank the Purchase Price on each Purchase Date in accordance with this Section 2. Bank shall earn Interim Interest, calculated using the Interim Interest Rate, on each Single Disbursement Transferable Loan sold by Bank to Company (or its designee approved by Bank). Interim Interest shall accrue on a calendar day basis. For the avoidance of doubt, each Single Disbursement Transferable Loan sold by Bank shall be sold with servicing released on the applicable Purchase Date with respect to such Single Disbursement Transferable Loan.

(b) Bank may sell, transfer, assign, set over, and otherwise convey to Company, without recourse on each Purchase Date, all or a portion of the Receivables arising from Loan Disbursements on Multiple Disbursement Transferable Loans ("Multiple Disbursement Transferable Loan Receivables"). Multiple Disbursement Transferable Loan Receivables shall be sold by Bank to Company (or its designee approved by Bank), without recourse on the second Business Day after the day on which such Multiple Disbursement Transferable Loan Receivables were originated and funded by Bank. Company will be required to purchase all Multiple Disbursement Transferable Loan Receivables offered by Bank on each Purchase Date. Company shall pay to Bank the Purchase Price on each Purchase Date in accordance with this Section 2. Bank shall earn Interim Interest, calculated using the Interim Interest Rate, on each Multiple Disbursement Transferable Loan Receivable sold by Bank to Company (or its designee approved by Bank). Interim Interest shall accrue on a calendar day basis.

(c) With respect to each Single Disbursement Transferable Loan and Multiple Disbursement Transferable Loan Receivable that Bank sells hereunder, Bank sells, transfers, assigns, sets over, and otherwise conveys to Company the Single Disbursement Transferable Loan and Multiple Disbursement Transferable Loan Receivable and all rights related thereto, and all proceeds of the foregoing, without recourse in accordance with this Section 2 on the related Purchase Date.

(d) Bank shall deliver to Company a sale statement in a form to be agreed to by the Parties relating to all Transferable Loans and all Multiple Disbursement Transferable Loan Receivables that Bank is offering to sell to Company on the Purchase Date, to be delivered by secure e-mail or as otherwise mutually agreed no later than 8:00 AM Mountain Time on such Purchase Date. By no later than 10:00 AM Mountain Time on the applicable Purchase Date, Company shall pay Bank the Purchase Price by wire transfer of immediately available funds to the account designated by Bank. Upon the sale to Company of the Receivables arising from the final Loan Disbursement on a Multiple Disbursement Loan, Bank will simultaneously sell to Company, and Company shall purchase, the related Loan account ("Loan Account"), with servicing released, providing Company has purchased all of the previous Receivables arising from the relevant Multiple Disbursement Loan. The date on which the Loan Account is sold shall be the "Loan Account Purchase Date."

(e) To the extent that such materials are in Bank's possession, upon Company's request, Bank agrees to cause to be delivered to Company, at Company's cost, account files on all Single Disbursement Transferable Loans, Multiple Disbursement Transferable Loan

Receivables, and Loan Accounts purchased by Company pursuant to this Agreement. Such account files will include the application for the Loan, the Loan Agreement, confirmation of delivery of the Loan Agreement to the Borrower, and such other materials as Company may reasonably require (all of which may be in electronic form); provided that Bank may retain copies of such information as the owner of the Loan or as necessary to comply with Applicable Laws.

(f) In connection with the expiration or termination of the Program Agreement (i) all Loans and all Receivables for Multiple Disbursement Loans then owned by Bank shall be deemed "Transferable Loans" hereunder on the last Business Day of the Term, and (ii) Company shall promptly purchase, or cause its designee to purchase, the Loans and Receivables then owned by Bank.

(g) If a Transferable Loan related to a Loan (or any portion thereof) is cancelled (whether by chargeback, return, refund or otherwise) after the sale of the Transferable Loan from Bank to Company, on the next available sale statement delivered by Bank, Bank shall refund the principal amount of such Transferable Loan or portion thereof following settlement of such chargeback, return, refund or other cancellation.

(h) If either Party transfers any amounts to the other Party in error (including if the Purchase Price for one or more Transferrable Loan and/or Multiple Disbursement Transferable Receivable is miscalculated), the Party benefitting from such error will pay to the other Party the amount in error within three (3) Business Days after receiving notice of an error from the other Party; provided, however, that any erroneous amounts paid by Company to Bank shall be subject to Bank's rights in Section 13(g).

3. Ownership of Loans, Transferable Loans and Receivables.

(a) Bank shall not retain any ownership of the Loans after each Purchase Date. Each Party agrees to make entries on its books and records to clearly indicate Company's ownership of the Loans as of each Purchase Date.

(b) On and after each Purchase Date and each Loan Account Purchase Date, as applicable, automatically upon Company's payment of the Purchase Price on each such date, Company shall be the sole owner for all purposes (*e.g.*, tax, accounting, and legal) of the Single Disbursement Transferable Loans, Multiple Disbursement Transferable Loan Receivables, and Loan Accounts purchased from Bank on such date and Company shall be entitled to all of the rights, privileges, and remedies applicable to said ownership interest, including the right to pledge, transfer, sell, assign, or exchange the Transferable Loans, Receivables, and Loan Accounts (including the right to receive any refund or the proceeds of a return or reversal). For all Single Disbursement Transferable Loans, Multiple Disbursement Transferable Loan Receivables, and Loan Accounts sold hereunder, Bank shall not retain any ownership interest in such underlying Loan, Receivable and/or Loan Account and Company shall become the sole owner of any such underlying Loan, Receivable and/or Loan Account sold or transferred in accordance with the terms of this Agreement. Bank agrees to make entries on its books and records to clearly indicate the sale of applicable Transferable Loans and/or Receivables to Company as of each Purchase Date. Company agrees to make entries on its books and records to clearly indicate the purchase of applicable Transferable Loans, Receivables, and/or Loan Accounts as of each Purchase Date and that ownership of the Transferable Loan, Receivable and/or Loan Account is not retained by Bank. Bank and Company each

intend the transfer of Transferable Loans and/or Receivables under this Agreement to be a true sale by Bank to Company of each Loan and/or Receivable and any payments and proceeds relating thereto and that is absolute and irrevocable. At any time and from time to time, Bank will promptly and duly execute and deliver or will promptly cause to be executed and delivered such further instruments and documents and take such further actions as are reasonably requested by Company to confirm the sale of the Transferable Loans and/or Receivables, and/or for the purpose of obtaining or preserving the full benefits of this Agreement, including, the filing of any financing or continuation statements under the UCC or other applicable law in effect in any jurisdiction with respect to the transfer of ownership of the Transferable Loans and/or Receivables. At any time and from time to time, each of Company and Bank will promptly and duly execute or deliver or will promptly cause to be executed or delivered such further instruments and documents and take such further actions as are reasonably requested by the other for the purpose of obtaining or preserving the full benefits of this Agreement. However, in the event that, notwithstanding the intent of the Parties, a court of competent jurisdiction holds that the conveyance of any Transferable Loan and/or Receivable is not a true sale of such Transferable Loan and/or Receivable from Bank to Company, then (i) this Agreement will also be deemed to be a security agreement within the meaning of Article 9 of the UCC, and (ii) the sale of any Transferable Loan and/or Receivable will be deemed to be a grant by Bank to Company of a security interest in, and in any event Bank hereby grants to Company a security interest in, all of Bank's right, title and interest, whether now owned or hereafter acquired, in and to such Transferable Loan and/or Receivable, and all proceeds thereof, to secure the obligations of Bank pursuant to this Agreement. Upon review and approval by Bank, Company may file a UCC-1 financing statement reflecting Bank as debtor/seller to reflect Company's purchase of the Transferable Loans and/or Receivables pursuant to this Agreement.

(c) Bank does not assume and shall not have any liability to Company for the repayment or servicing of any Single Disbursement Transferable Loans and/or Multiple Disbursement Transferable Loans after the related Purchase Date.

(d) The Program Agreement shall govern the servicing of the Loans for Bank, and of any interest held by Bank in the Loans and/or Receivables. The Program Agreement shall provide the exclusive mechanism for the payment of the amounts collected on Loans and/or Receivables, with the servicer thereunder designated by Bank to distribute amounts collected by the Company on Loans to the holder of any Transferable Loan and/or Receivables sold by Bank under this Agreement. Any subsequent owner of the Transferable Loans and/or Receivables shall separately compensate Company for servicing the Transferable Loans and/or Receivables, but all such servicing shall be subject to the terms of the Program Agreement.

(e) Company or any subsequent owner of the Single Disbursement Transferable Loans, Multiple Disbursement Transferable Loan Receivables and/or Multiple Disbursement Loans may (i) securitize the Transferable Loans, or any amounts owing thereunder, or (ii) issue an "asset-backed security" (as defined under 17 C.F.R. § 229.1101(c) or Section 3(a)(77) of the Securities Exchange Act of 1934) backed by the Single Disbursement Transferable Loans, Multiple Disbursement Transferable Loan Receivables and/or Multiple Disbursement Loans or any amounts owing thereunder, in each case, without the prior written consent of Bank; provided that all of the following conditions are met:

(1) Bank is not required to maintain any ongoing ownership interest in the Transferable Loans after the sale thereof to Company, Bank is not required to make any informational reports or filings with respect to the securitization or other financing transaction and Bank is not required to incur any costs or expenses in connection with such securitization or other financing transaction; provided Bank agrees to cooperate with Company following any reasonable request from Company or any subsequent owner of the Transferable Loans with respect to the activities under Section 3(d) if the Company (or some other creditworthy entity reasonably acceptable to Bank) has agreed in writing to promptly and fully reimburse Bank for any out-of-pocket costs and expenses incurred by Bank.

(2) Bank is not deemed to be the "sponsor" or "depositor" under any rule, regulation or order of the Securities and Exchange Commission with respect to such transaction.

(3) Bank is not required to waive or agree to impair any of its rights or remedies under the Program Documents.

(4) Any identification of Bank by name and any description of the Program have been approved by Bank.

Company shall include a provision in any agreement by which Company sells or transfers Transferable Loans and/or Receivables requiring such transferee to comply with the terms of this Section 3(e) to the same extent as Company, and requiring such transferee to include such a provision in subsequent transfers of the Transferable Loans. Company shall ensure that final copies of all offering documents and investor presentations (or similar financing documents, as applicable) in connection with any such transaction are promptly provided to Bank.

(f) Notwithstanding anything to the contrary in this Agreement, but without diminishing any rights of Company to Transferable Loans once they are sold to Company, Bank may sell, participate, pledge, or otherwise transfer any Loans (or interest in Loans) owned by Bank. Bank will not sell or transfer any Loans and/or Receivables except in accordance with this Agreement.

(g) Bank hereby consents to Company's sharing information regarding Transferable Loans and/or Receivables acquired hereunder by Company (other than any personally identifiable information of Borrowers), and the Loans relating to such Transferable Loans and/or Receivables, with potential financing partners, provided that such potential financing partner has entered into a standard form of nondisclosure agreement, which form shall be approved by Bank.

4. Representations, Warranties and Covenants.

(a) Bank hereby represents, warrants and covenants, as of the Effective Date, each Purchase Date, and each Loan Account Purchase Date, or covenants, as applicable, to Company that:

(1) Bank is an FDIC-insured, Utah state-chartered industrial bank, duly organized and validly existing and in good standing under the laws of its formation and has

full corporate power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the charter or bylaws of Bank and will not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party;

(2) All approvals, authorizations, consents, and other actions by, notices to, and filings with, any Person required to be obtained for the execution, delivery, and performance of this Agreement by Bank, have been obtained;

(3) This Agreement constitutes a legal, valid, and binding obligation of Bank, enforceable against Bank in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect, including the rights and obligations of receivers and conservators under 12 U.S.C. §§ 1821(d) and (e), which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Bank, threatened against Bank (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Bank pursuant to this Agreement, or (iii) that would have a materially adverse financial effect on Bank or its operations if resolved adversely to it;

(5) Bank is not Insolvent;

(6) Immediately prior to each transfer and assignment of Transferable Loans and/or Receivables herein contemplated, to its actual knowledge, assuming performance by Company of its obligations under the Program Agreement, Bank (i) has good and marketable legal title to each Transferable Loan and/or Receivables and (ii) is the sole owner thereof, free and clear of all liens, claims, encumbrances, security interests, and rights of others, and has the right to assign, sell and transfer such Transferable Loan and/or Receivables, free and clear of any liens, claims, encumbrances, security interests, and rights of others; and

(7) With respect to each Transferable Loan and/or Receivables sold on any Purchase Date by Bank to Company, (i) Bank has not taken any action (directly or indirectly, voluntarily or involuntarily): (a) to alter the terms or conditions of such Transferable Loan and/or Receivable or (b) that could be reasonably expected to impair the enforceability of such Transferable Loans and/or Receivables (except that such representation does not extend to any action by Company or its agents); (ii) upon Bank's receipt of the related Purchase Price, Bank shall have conveyed to Company all of Bank's right, title and interest in each Transferable Loan and/or Receivable sold hereunder subject to no prior security interest in favor of any other creditor of Bank; and (iii) Bank has not pledged, assigned, sold, granted a security interest in or otherwise conveyed such Transferable Loan and/or Receivable nor authorized the filing of, and is not

aware of, any financing statements against Bank that include a description of collateral that includes such Transferable Loan and/or Receivable.

(b) Company hereby represents and warrants to Bank, as of the Effective Date, each Purchase Date, and each Loan Account Purchase Date that:

(1) Company is a corporation, duly organized and validly existing in good standing under the laws of its formation, and has full power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery, and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the articles or bylaws of Company and will not result in a material breach of or constitute a default under or require any consent under any indenture, loan, or agreement to which Company is a party;

(2) All approvals, authorizations, consents, and other actions by, notices to, and filings with any Person required to be obtained for the execution, delivery, and performance of this Agreement by Company, have been obtained;

(3) This Agreement constitutes a legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Company, threatened against Company (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Company pursuant to this Agreement, or (iii) that would have a materially adverse financial effect on Company or its operations if resolved adversely to it;

(5) Company is not Insolvent; and

(6) The execution, delivery and performance of this Agreement by Company comply with Applicable Laws.

(c) The representations and warranties set forth in this Section 4 shall survive the sale, transfer and assignment of the Transferable Loans and/or Receivables to Company pursuant to this Agreement and, with the exception of those representations and warranties contained in subsections 4(a)(4) and 4(b)(4), shall be made continuously throughout the term of this Agreement, including on each Purchase Date and each Loan Account Purchase Date. In the event that any investigation or proceeding of the nature described in subsection 4(a)(4) or 4(b)(4) is instituted or threatened against Bank or Company (as applicable), Bank or Company (as applicable) shall promptly notify the other of such pending or threatened investigation or proceeding (unless prohibited from doing so by Applicable Laws or the direction of a Regulatory Authority).

5. Conditions Precedent. The obligations of Bank in this Agreement to sell any Transferable Loan and/or Receivables are subject to the satisfaction of the following conditions precedent on or prior to each Purchase Date and Loan Account Purchase Date:

(a) As of each Purchase Date and Loan Account Purchase Date, unless waived by Bank, no action or proceeding shall have been instituted or, to Bank's knowledge, threatened against Company or Bank to prevent or restrain the consummation of the purchase or other transactions contemplated hereby, and, on each Purchase Date and Loan Account Purchase Date, there shall be no injunction, decree, or similar restraint preventing or restraining such consummation;

(b) The representations and warranties of Company set forth in the Program Documents shall be true and correct in all material respects, unless waived by Bank, on each Purchase Date and Loan Account Purchase Date as though made on and as of such date; and

(c) The obligations of Company set forth in the Program Documents to be performed on or before each Purchase Date and Loan Account Purchase Date shall have been performed in all material respects, unless waived by Bank.

For the avoidance of doubt, nothing contained in this Section 5 shall be construed to limit, restrict or modify Bank's continuing obligations with respect to Transferable Loans and/or Loan Accounts previously sold by Bank.

6. Term and Termination.

(a) This Agreement shall have an initial term beginning on the Program Launch Date and ending on the fifth (5th) anniversary of the Program Launch Date (the "Initial Term") and shall renew automatically for successive terms of one (1) year (each a "Renewal Term," and together with the Initial Term, the "Term"), unless either Party provides notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the end of the Initial Term or any then-current Renewal Term or this Agreement is earlier terminated in accordance with the provisions hereof.

(b) Bank shall have the right to terminate this Agreement immediately upon written notice to Company in any of the following circumstances:

(1) any representation or warranty made by Company in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to Company;

(2) Company shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to Company;

(3) Company shall have a receiver, conservator, or similar official appointed for it, shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee,

receiver, liquidator, conservator, custodian, or other similar official or to any involuntary case or other similar proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(4) an involuntary case or other proceeding, whether pursuant to banking regulations or otherwise, shall be commenced against Bank seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, and such case or proceeding has not been stayed or dismissed within sixty (60) days after filing; or an order for relief shall be entered against Bank under the federal bankruptcy laws as now or hereafter in effect; or

(5) either Bank or Company has terminated the Program Agreement and any applicable notice period provided in the Program Agreement has expired; or

(6) in the event that the Transferable Loans and/or Receivables transferred hereunder are held to be property of Bank, or if for any reason this Agreement is held or deemed to create indebtedness or a security interest in any of the Transferable Loans and/or Receivables, rather than a true sale of the Transferable Loans and/or Receivables.

(c) A Party shall have the right to terminate this Agreement immediately upon written notice to the other Party in any of the following circumstances:

(1) any representation or warranty made by the other Party in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to such other Party;

(2) the other Party shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to such other Party;

(3) the other Party shall have a receiver, conservator, or similar official appointed for it, shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official or to any involuntary case or other similar proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(4) an involuntary case or other proceeding, whether pursuant to banking regulations or otherwise, shall be commenced against Bank seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, and such case or proceeding has not been stayed or dismissed within sixty (60) days after filing; or an order for relief shall be entered against Bank under the federal bankruptcy laws as now or hereafter in effect; or

(5) either Bank or Company has terminated the Program Agreement and any applicable notice period provided in the Program Agreement has expired.

(d) Bank shall have the right to terminate this Agreement or suspend performance of its obligations under the Program immediately upon written notice to Company in any of the following circumstances:

(1) there is a material adverse change in the financial condition of Company. A material adverse change in financial condition includes (i) any breach of or event of default under, or any failure to comply with the terms, conditions, or covenants (in each case, regardless of whether such breach, event of default, or failure to comply is asserted or waived by any other Person) of any Company Credit Facility, or (ii) Company fails to provide reasonable evidence of its ability to renew, extend, or replace a Company Credit Facility at least thirty (30) days prior to a maturity thereof;

(2) a court or a Regulatory Authority having jurisdiction orders or issues an injunction that prohibits Bank from continuing to participate in the Program; or

(3) Bank has been advised by legal counsel that a change in Applicable Laws or any judicial decision of a court having jurisdiction over Bank, the Company, or the Program, or any interpretation or position (formal or informal) of a Regulatory Authority creates a material risk that Bank's continued performance under this Agreement would violate Applicable Laws.

If Bank suspends its obligations pursuant to this Section 6(d), then the obligations of Company shall be excused during the time period of such suspension. Bank shall not terminate this Agreement pursuant to this Section 6(d) unless Bank first seeks to discuss with Company modifications to the Program to avoid the need for such termination and the Parties are unable to agree to such modifications.

(e) Bank may terminate this Agreement immediately upon written notice to Company if Bank incurs any Loss and is not able to obtain indemnification for such Loss under Section 8 due to the application of Applicable Laws that limit or restrict Bank's ability to seek such indemnification, or if Bank is precluded by a Regulatory Authority from seeking such indemnification.

(f) In addition to the foregoing termination rights, Bank may terminate this Agreement immediately upon written notice to Company (i) if Company defaults on its obligation to make a payment to Bank as provided in Section 2 of this Agreement and fails to cure such default within one (1) Business Day of receiving notice of such default from Bank;

(ii) if Company defaults on its obligation to make a payment to Bank as provided in Section 2 of this Agreement more than once in any three (3) month period; or (iii) if Company fails to maintain the Required Balance in the Collateral Account as required by Section 26.

(g) Bank may terminate this Agreement immediately upon written notice to Company if Bank is deemed to be a "sponsor" or "depositor" under any rule, regulation or order the Securities and Exchange Commission with respect to any security issued by Company or any Affiliate.

(h) The termination of this Agreement either in part or in whole shall not discharge any Party from any obligation incurred prior to such termination, including any obligation with respect to Transferable Loans and/or Receivables sold prior to such termination.

(i) The following terms of this Agreement shall survive the expiration or earlier termination of this Agreement: Sections 6, 7, 8, 16, 23 and 26.

7. Confidentiality.

(a) Each Party agrees that Confidential Information of the other Party ("Disclosing Party") shall be used by such Party solely in the performance of its obligations and exercise of its rights pursuant to the Program Documents. Except as required by Applicable Laws or legal process, neither party, (each a "Restricted Party") shall disclose Confidential Information of the Disclosing Party to third parties; provided, however, that the Restricted Party may disclose Confidential Information of the other Party (i) to the Restricted Party's Affiliates, agents, representatives or subcontractors for the sole purpose of fulfilling the Restricted Party's obligations under this Agreement (as long as the Restricted Party exercises reasonable efforts to prohibit any further disclosure by its Affiliates, agents, representatives or subcontractors), provided that in all events, the Restricted Party shall be responsible for any breach of the confidentiality obligations hereunder by any of its Affiliates, agents (other than Company as agent for Bank), representatives or subcontractors, (ii) to the Restricted Party's auditors, accountants and other professional advisors, or to a Regulatory Authority, (iii) to any other third party as mutually agreed in writing by the Parties or (iv) with consent of the Disclosing Party. In addition, each Party agrees that the other Party may share Confidential Information with potential acquirers including the other party to a sale of assets (including Loans, or economic interests in the Loans and/or the Receivables), or to any lender or potential lender (including in connection with the issuance of debt securities) to such Party solely to the extent required to facilitate such transactions and due diligence associated with such transactions, provided that the potential party to such transaction is subject to written non-disclosure obligations and limitations on use only for the actual or prospective transaction.

(b) A Party's Confidential Information shall not include information that:

(1) is generally available to the public;

(2) has become publicly known, without fault on the part of the Restricted Party who now seeks to disclose such information, subsequent to the Restricted Party acquiring the information;

(3) was otherwise known by, or available to, the Restricted Party prior to entering into this Agreement; or

(4) becomes available to the Restricted Party on a non-confidential basis from a Person, other than a Party to this Agreement, who is not known by the Restricted Party after reasonable inquiry to be bound by a confidentiality agreement with the Disclosing Party or otherwise prohibited from transmitting the information to the Restricted Party.

(c) Upon written request or upon the termination of this Agreement, each Party shall, within thirty (30) days, return to the other Party all Confidential Information of the other Party in its possession that is in written form, including by way of example, but not limited to, reports, plans, and manuals; provided, however, that either Party may maintain in its possession all such Confidential Information of the other Party required to be maintained under Applicable Laws relating to the retention of records for the period of time required thereunder.

(d) In the event that a Restricted Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information of the Disclosing Party, the Restricted Party will provide the Disclosing Party with prompt notice of such request(s) so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy and/or waive the Restricted Party's compliance with the provisions of this Agreement. In the event that the Disclosing Party does not seek such a protective order or other remedy, or such protective order or other remedy is not obtained, or the Disclosing Party grants a waiver hereunder, the Restricted Party may furnish that portion (and only that portion) of the Confidential Information of the Disclosing Party which the Restricted Party is legally compelled to disclose and will exercise such efforts to obtain reasonable assurance that confidential treatment will be accorded any Confidential Information of the Disclosing Party so furnished as the Restricted Party would exercise in assuring the confidentiality of any of its own Confidential Information.

8. Indemnification. The indemnification obligations and procedures set forth in the Program Agreement are expressly incorporated into this Agreement by reference.

9. Assignment.

(a) Section 28 (Assignment) of the Program Agreement is expressly incorporated into this Agreement by reference.

(b) Company, or any subsequent purchaser, assignee or transferee of Transferable Loans, may sell, assign or transfer any Transferable Loan to any Affiliate or third-party purchaser. Company shall cause the Registrar to maintain at all times a record of the Registered Holder of each Transferable Loan transferred by Company, and Company shall require each purchaser, assignee or transferee to comply with the terms of Section 3(c) of this Agreement. Company shall ensure that any purchaser, assignee or transferee will engage Company as the servicer of such Transferable Loan, and that any such servicing will be subject to the servicing of the Loan under the Program Agreement.

10. Third Party Beneficiaries. This Agreement is not intended to and does not confer any rights or remedies upon any Person other than the Parties. Nothing contained herein shall be construed as creating a third-party beneficiary relationship between either Party and any other Person.

11. Notices. All notices and other communications that are required or may be given in connection with this Agreement shall be in writing and shall be deemed received (a) on the day delivered, if delivered by hand; (b) on the day transmitted, if transmitted by facsimile or e-mail with receipt confirmed; or (c) three (3) Business Days after the date of mailing to the other Party, if mailed first-class mail postage prepaid, at the following address, or such other address as either Party shall specify in a notice to the other:

To Bank: WebBank
Attn: [***]
215 S. State Street, Suite 1000
Salt Lake City, UT 84111
Tel. [***]
Email: [***]

With copies to: WebBank
Attn: [***]
215 S. State Street, Suite 1000
Salt Lake City, UT 84111
Tel. [***]
Email: [***]

WebBank
Attn: [***]
215 S. State Street, Suite 1000
Salt Lake City, UT 84111
Tel. [***]
Email: [***]

To Company: Sezzle Inc.
Attn: [***]
700 Nicolett Mall, Suite 640
Tel. [***]
Email: [***]

With copy to: Sezzle Inc.
Attn: [***]
700 Nicolett Mall, Suite 640
Tel. [***]
Email: [***]

12. Relationship of Parties. The Parties agree that in performing their responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between and among the Parties.

13. Expenses.

(a) Each Party shall bear the costs and expenses of performing its obligations under this Agreement, unless expressly provided otherwise in the Program Documents.

(b) Each Party shall be responsible for payment of any federal, state, or local taxes or assessments associated with the performance of its obligations under this Agreement.

(c) Company shall reimburse Bank for all reasonable third-party fees incurred by Bank in connection with the performance of this Agreement.

(d) Company shall pay for Bank's reasonable legal and other professional fees and expenses as provided in Section 22 of the Program Agreement.

(e) Company shall reimburse Bank for all reasonable costs associated with Bank's assignment to Company of Loans pursuant to Sections 2(f).

(f) All fees payable pursuant to this Section 13 may be paid by wire or ACH, as determined by the Company, but shall be paid pursuant to the terms of the Bank's invoice. Bank may assess a service charge of [***]% per month on any amounts due under this Agreement that are thirty (30) days past due.

(g) Bank may set-off, combine, consolidate or otherwise appropriate and apply (i) any assets of Company held by Bank or (ii) any indebtedness or other liabilities at any time owing by Bank to Company, as the case may be, against or on account of any obligations owed by Company to Bank under the Program Documents.

14. Examination. Company agrees to submit to any examination that may be required by a Regulatory Authority having jurisdiction over Bank, during regular business hours and upon reasonable prior notice (or otherwise, if required by the Regulatory Authority), and to otherwise provide reasonable cooperation to Bank in responding to such Regulatory Authority's inquiries and requests related to the Program.

15. Site Visits. Company, upon reasonable prior notice from Bank, agrees to submit to an inspection of its books, records, accounts, and facilities relevant to the Program, from time to time, during regular business hours. All expenses of inspection shall be borne by Company, and Company shall reimburse Bank for out-of-pocket expenses incurred by Bank in the performance of periodic on-site reviews of Company's financial condition, operations and internal controls. Company shall store all documentation and electronic data related to its performance under this Agreement and shall make such documentation and data available during any inspection by Bank. Company shall make available to Bank such information, documentation, and data as may be requested by Bank from time to time to conduct testing, reviews, or other evaluations of Company or the Program.

16. Governing Law; Waiver of Jury Trial. This Agreement, including all issues concerning the validity of the Agreement, the construction of its terms, and the interpretation, performance, and enforcement of the rights and duties of the Parties, shall be governed by, interpreted, and enforced in accordance with the laws of the State of Utah, without giving effect to the rules, policies, or principles thereof with respect to conflicts of laws that would require the application of any other law. Without limiting the generality of the foregoing, the Parties agree the laws of the State of Utah shall govern the entire relationship between and among the Parties, including without limitation, all issues or claims arising out of, relating to, in connection with, or incident to this Agreement, whether such claims are based in tort, contract, or arise under statute or in equity. The Parties acknowledge and agree that this Agreement is made and performed in the State of Utah. **EACH PARTY HEREBY IRREVOCABLY**

WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING OR CLAIM (WHETHER BASED UPON CONTRACT, TORT, EQUITY OR OTHERWISE) ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

17. Manner of Payments. Unless the manner of payment is expressly provided herein, all payments under this Agreement shall be made by wire or ACH transfer to the bank accounts designated by the respective Parties. Notwithstanding anything to the contrary contained herein, neither Party shall be excused from making any payment required of it under this Agreement as a result of a breach or alleged breach by the other Party of any of its obligations under this Agreement or any other agreement, provided that the making of any payment hereunder shall not constitute a waiver by the Party making the payment of any rights it may have under the Program Documents or by law.

18. Brokers. No Party has agreed to pay any fee or commission to any agent, broker, finder, or other person for or on account of services rendered as a broker or finder in connection with this Agreement or the transactions contemplated hereby that would give rise to any valid claim against any other Party for any brokerage commission or finder's fee or like payment.

19. Entire Agreement. The Program Documents constitute the final agreement between the Parties. The Program Documents are the complete and exclusive expression of the Parties' agreement on the matters contained therein. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in the Program Documents are expressly merged into and superseded by the Program Documents. The provisions of the Program Documents may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into the Program Documents, neither Party has relied upon any statement, representation, warranty, or agreement of the other Party except for those expressly contained in the Program Documents. There are no conditions precedent to the effectiveness of this Agreement other than the execution hereof by the Parties and those conditions expressly stated in this Agreement.

20. Amendment and Waiver. This Agreement may not be amended orally, but only by a written instrument signed by all Parties that identifies itself as an amendment to this Agreement. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the Parties, operates as a waiver or estoppel of any right, remedy, or condition. All waivers must be in writing and signed by the Party against whom the waiver is to be enforced. A waiver made in writing on one occasion is effective only in that instance and only for the purpose that it is given and is not and is not to be construed as a waiver on any future occasion or against the other Party. To the extent any course of dealing, act, omission, failure, or delay in exercising any right or remedy under this Agreement constitutes the election of an inconsistent right or remedy, that election does not constitute a waiver of any right or remedy or limit or prevent the subsequent enforcement of any Agreement provision. No single or partial exercise of any right or remedy under this Agreement precludes the simultaneous or subsequent exercise of any other right or remedy. The rights and remedies of the Parties set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

21. Severability. Any provision of this Agreement that is deemed invalid, illegal, or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining portions hereof in such jurisdiction or rendering such provision or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. All terms and conditions of this Agreement will be deemed enforceable to the fullest

extent permissible under Applicable Laws, and, when necessary, the court is authorized to reform any and all terms or conditions to give them such effect.

22. Interpretation. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against any Party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

23. Jurisdiction; Venue. Each Party hereby submits to the exclusive jurisdiction of the federal and state courts in Salt Lake City, Utah (and appellate courts thereof) in connection with any dispute related to this Agreement or any matter contemplated hereby. Each Party irrevocably and unconditionally waives any objection to the laying of such venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum.

24. Headings. Captions and headings in this Agreement are for convenience of reference only, are not to be deemed part of this Agreement, and do not affect the construction or interpretation of this Agreement.

25. Counterparts; Electronic Signatures. This Agreement may be executed and delivered by the Parties in any number of counterparts, and by different parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Agreement may be executed and delivered by facsimile, as an attachment to an electronic mail message in .pdf, .jpeg, .TIFF or similar electronic format, or by electronic signature (including DocuSign, AdobeSign, and ContractWorks), which will be considered originals and legally binding for all purposes. Each Party agrees that any such electronically transmitted signature shall be valid and binding on such Party to the same extent as a manual signature.

26. Security.

(a) *Establishment of Collateral Account*. Company shall provide Bank with cash collateral to secure Company's obligations under the Program Documents, including without limitation obligations related to funding, payments, legal fees, and indemnification, which Bank shall deposit in a deposit account (the "Collateral Account") at Bank. The Collateral Account shall be a deposit account at Bank, segregated from any other deposit account of Company, that shall hold only the funds provided by Company to Bank as collateral. At all times, Company shall maintain funds in the Collateral Account equal to the Required Balance. In the event the actual balance in the Collateral Account is less than the Required Balance, Company shall, within two (2) Business Days, make a payment into the Collateral Account in an amount equal to the difference between the Required Balance and the actual balance in such account.

(b) *Security Interest*. To secure all Company's obligations under the Program Documents (including without limitation the payment by Company of any amounts due under the Program Documents, and the performance of any of Company's obligations under the Program Documents), Company hereby grants Bank a first priority and continuing security interest in and to the Collateral Account and the funds therein and the proceeds thereof, and agrees to take such steps as Bank may reasonably require to perfect or protect such security interest. Company represents that, as of the date of the Agreement, the Collateral Account is not subject to any claim, lien, security interest or encumbrance (other than the interest of Bank). Company shall not allow any other Person to have any

claim, lien, security interest, or encumbrance on the Collateral Account. Bank shall have all of the rights and remedies of a secured party under Applicable Laws with respect to the Collateral Account and the funds therein or proceeds thereof, and shall be entitled to exercise those rights and remedies in its discretion.

(c) *Interest*. The Collateral Account shall be a money market deposit account and shall bear interest in favor of Company at [***], computed based on the average daily balance of the Collateral Account during the prior month and credited to the Collateral Account, as property of Company, promptly following each month end.

(d) *Withdrawals*.

(1) Without limiting any other rights or remedies of Bank under this Agreement, Bank shall have the right to withdraw amounts from the Collateral Account to fulfill any obligations of Company under the Program Documents on which Company has defaulted, either during the Term or following termination of any of the Program Documents. To the extent that Bank has withdrawn amounts from the Collateral Account and such amounts are subsequently paid directly to Bank, Bank shall restore such amounts to the Collateral Account within two (2) Business Days after receipt of the amounts paid directly to Bank.

(2) Company shall not have any right to withdraw amounts from the Collateral Account. In the event the actual balance in the Collateral Account is more than the Required Balance, then at Company's option, Company may provide to Bank a report setting forth the calculation for the Required Balance and the extent to which the actual amount held in the Collateral Account at such time exceeds the Required Balance. Within two (2) Business Days after receipt of such a report from Company, Bank shall transfer from the Collateral Account any amount held therein that exceeds the Required Balance as of the date of such report and pay such amount to an account designated by Company. Notwithstanding the foregoing, following the expiration or termination of this Agreement, Bank shall be entitled to retain in the Collateral Account the amount of any reasonably expected liability that Company may have to Bank under the Program Documents.

(e) *Termination of Collateral Account.* Bank shall release any funds remaining in the Collateral Account to Company on latest to occur of: (i) [***] after termination of this Agreement, (ii) the last date on which Company is obligated to purchase Transferable Loans, Receivables and/or Loan Accounts pursuant to Section 2, or (iii) the fulfillment by Company of all of its obligations to Bank under the Program Documents, including its outstanding indemnification obligations with respect to all Claim Notices provided to Company during the Term or within one hundred eighty (180) days after the expiration or termination of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

WEBBANK

By: __
Name: __
Title: __

SEZZLE INC.

By: __
Name: __
Title: __

Schedule 1

I. Definitions

"Agreement" shall have the meaning set forth in the introductory paragraph.

"Bank Purchase Premium" shall have the meaning set forth in Schedule 2.

"Base Amount" means [***].

"Collateral Account" shall have the meaning set forth in Section 26(a).

"Company Credit Facility" shall have the meaning set forth in the Program Agreement.

"Confidential Information" means the terms and conditions of this Agreement, and any proprietary information or non-public information of a Party, including a Party's proprietary marketing plans and objectives, that is furnished to the other Party in connection with this Agreement.

"Cumulative Transaction Volume" means the sum of all loan amounts on Single Disbursement Loans and Maximum Loan Amounts on Multiple Disbursement Loans made by Bank under the Program.

"Disclosing Party" shall have the meaning set forth in Section 7(a).

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"Existing Sale Agreement" shall have the meaning set forth in the preamble.

"Federal Funds Rate" means an annual interest rate, adjusted on the first Business Day of each month, and equal to the Effective Federal Funds Rate, as published by the St. Louis Federal Reserve Bank's FRED (Federal Reserve Economic Database) online database (available at: https://fred.stlouisfed.org/series/EFFR) on such date.

"Interim Interest" means, with respect to any Single Disbursement Transferable Loan or Multiple Disbursement Transferable Loan Receivable purchased from Bank hereunder, the interest that accrued on such Single Disbursement Transferable Loan or Multiple Disbursement Transferable Loan Receivable between date Bank funds the Loan to the date the Company purchases each Single Disbursement Transferable Loan or Multiple Disbursement Transferable Loan Receivable based on the Interim Interest Rate. For the avoidance of doubt, the calculation of the Interim Interest shall disregard any grace period, promotional interest rate, delinquency interest, penalty interest, or otherwise adjusted interest rate applicable to the Single Disbursement Transferable Loan or Multiple Disbursement Transferable Loan Receivable.

"Interim Interest Rate" shall equal [***].

"Loan Account" shall have the meaning set forth in Section 2(d).

"Loan Account Purchase Date" shall have the meaning set forth in Section 2(d).

"Maximum Loan Amount" means the total loan amount to be funded by Bank for a Multiple Disbursement Loan, which amount shall be disbursed in multiple Loan Disbursements.

"Multiple Disbursement Transferable Loan" means, with respect to any Purchase Date, any Multiple Disbursement Loan (including any related Multiple Disbursement Transferable Loan Receivable) that was funded two (2) Business Days prior to such Purchase Date.

"Multiple Disbursement Transferable Loan Receivables" shall have the meaning set forth in Section 2(b).

"Network" means the bank card association network.

"Party" means Bank or Company, and "Parties" means Bank and Company.

"Prime Rate" means the Prime Interest Rate as published in the Federal Reserve Economic Data table.

"Program Agreement" shall have the meaning set forth in the introductory paragraph.

"Program Documents" means this Agreement, and the Program Agreement, including any exhibits, addenda, and side letters with respect to each of them.

"Purchase Date" means each date on which Company pays Bank the Purchase Price for a Single Disbursement Transferable Loan or Multiple Disbursement Transferable Loan Receivable, and, pursuant to this Agreement, acquires such Single Disbursement Transferable Loan and/or Multiple Disbursement Transferable Loan Receivable from Bank. Each Business Day may be a Purchase Date.

"Purchase Price" means, with respect to a Single Disbursement Transferable Loan or the Multiple Disbursement Transferable Loan Receivables, the sum of [***]. For the avoidance of doubt, if a Single Disbursement Loan or the first disbursement for a Multiple Disbursement Loan was funded on a Friday, the Purchase Date shall be the following Tuesday, and the Purchase Price shall include the interest accrued on the Single Disbursement Loan or Multiple Disbursement Loan Receivables from the date of funding through the following Monday (assuming that during that period there were no weekdays on which banking institutions in the State of Utah were authorized or obligated by law or executive order to be closed).

"Registered Holder" means the holder of a Transferable Loan, as determined exclusively by the Registrar.

"Registrar" means the Company or, subject to Bank's approval (which shall not be unreasonably withheld or delayed), Company's designee.

"Required Balance" means [***].

"Restricted Party" shall have the meaning set forth in Section 7(a).

"Single Disbursement Transferable Loan" means, with respect to any Purchase Date, any Single Disbursement Loan that was originated two (2) Business Days prior to such Purchase Date.

"Transferable Loan" means, with respect to any Purchase Date, any Single Disbursement Transferable Loan or any Multiple Disbursement Transferable Loan.

"Unfunded Loan Disbursement Amount" means, with respect to any particular Multiple Disbursement Loan as of a particular date of determination, the amount that equals the Maximum Loan Amount with respect to such Multiple Disbursement Loan minus the aggregate amount of all Loan Disbursements made at any time on or prior to such date with respect to such Multiple Disbursement Loan.

II. Construction

As used in this Agreement:

(a) All references to the masculine gender shall include the feminine gender (and vice versa);

(b) All references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation";

(c) the word "or" means both "and" and "or," except where the context clearly indicates that the Parties intend "or" to designate alternatives only, including when the word "either" or similar words or phrases are used;

(d) References to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation;

(e) References to "dollars" or "$" shall be to United States dollars unless otherwise specified herein;

(f) Unless otherwise specified, all references to days, weeks, months or years shall be deemed to be preceded by the word "calendar";

(g) Unless otherwise specified, all references to "quarter" shall be deemed to mean calendar quarter; and

(f) The fact that a Party has provided approval or consent shall not mean or otherwise be construed to mean that: (i) a Party has performed any due diligence with respect to the requested or required approval or consent, as applicable; (ii) a Party agrees that the item or information for which another Party seeks approval or consent complies with any Applicable Laws; (iii) a Party has assumed another Party's obligations to comply with all Applicable Laws arising from or related to any requested or required approval or consent; or (iv) except as otherwise expressly set forth in such approval or consent, a Party's approval or consent impairs in any way another Party's rights or remedies under the Agreement, including indemnification rights for a Party's failure to comply with all Applicable Laws.

Schedule 2

Payments

[***]

Certain identified information in this document has been excluded because it is both (i) not material and (ii) is the type of information that the Company customarily and actually treats as private or confidential. This document has been marketed with "[***]" to indicate where omissions have been made.

WEBBANK

and

SEZZLE INC.

AMENDED AND RESTATED MARKETING AND SERVICING AGREEMENT

Dated as of September 26, 2024

SCHEDULES AND EXHIBITS

SCHEDULE 1 Definitions

SCHEDULE 2 Preapproved Marketing

SCHEDULE 5(l) UAT Phase

SCHEDULE 6(a)(1) Program Governance Committee

SCHEDULE 6(a)(2) Compliance Management System

SCHEDULE 6(a)(3) BSA Program

SCHEDULE 6(a)(4) ID Theft Red Flags Program

SCHEDULE 6(a)(5) Privacy Program

SCHEDULE 6(a)(6) Complaint Management Program

SCHEDULE 6(a)(7) Information Security Program

SCHEDULE 6(a)(8) Business Continuity Program

SCHEDULE 6(a)(9) Vendor Management Program

SCHEDULE 14 Payments

SCHEDULE 22 Disbursement Costs

EXHIBIT A Required Controls

This AMENDED AND RESTATED MARKETING AND SERVICING AGREEMENT (this "Agreement"), dated as of September 26, 2024 ("Effective Date"), is made by and between WEBBANK, an FDIC-insured, Utah state-chartered industrial bank having its principal location in Salt Lake City, Utah ("Bank"), and SEZZLE INC., a Delaware corporation, having its principal location in Minneapolis, Minnesota ("Company").

WHEREAS, Bank is in the business of originating and financing both consumer and commercial credit products throughout the United States;

WHEREAS, Company has developed a technology-enabled payments platform that facilitates payments between consumers and merchants for retail purchases made through Company's merchant network or directly via Company's online and mobile platforms;

WHEREAS, Bank desires to: (i) provide credit and extend Loans to qualified Borrowers who reside in the Territory to finance retail purchases made by Borrowers on Company's merchant network or Company's online and mobile platforms; and (ii) issue Cards to disburse Loan Proceeds associated with payments made to Merchants;

WHEREAS, the Parties desire that Bank provide credit and extend Loans and Cards to qualified Applicants residing in the Territory submitting Applications through Company's online and mobile platform, and that Company provide to Bank, and Bank receive from Company, certain marketing, Application processing, and account processing services in connection with the Applications and Loans;

WHEREAS, the Parties have entered into that certain Marketing and Servicing Agreement, dated as of August 26, 2024, setting forth each Party's rights and obligations related to the offering of a loan program (the "Existing Program Agreement"); and

WHEREAS, the Parties now wish to amend and restate the Existing Program Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the terms, conditions and mutual covenants and agreements herein contained, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Company mutually agree as follows:

1. Definitions; Effectiveness.

(a) The capitalized terms used in this Agreement shall be defined as set forth in Schedule 1, and the rules of construction set forth in Schedule 1 shall apply to this Agreement.

(b) This Agreement shall be effective as of the Effective Date, and as of the Effective Date shall supersede and replace the Existing Program Agreement. This Agreement shall not operate as to render invalid or improper any action heretofore taken under the Existing Program Agreement.

2. Marketing of the Program and Loans. At its own cost, Company shall produce the Cards and promote and otherwise market the Program, and Loans on behalf of and in the name of Bank. Company shall be responsible for producing all documentation used in the Program, including, but not limited to, all Marketing Materials, Applications, Loan Agreements, adverse action notices, customer disclosures, billing statements, and collection notices, subject to Bank's review and approval as further described below. In performing such promotion and other marketing services, Company may use any sales channel, form of media or media channel that has been approved by Bank, provided that Company shall discontinue the use of any sales channel, form of media or media channel if directed to do so by Bank to the extent that a change is required by

Applicable Laws, necessitated by safety and soundness considerations, or required by the direction of a Regulatory Authority. The design of the Card and Loans and any changes thereto, are subject to the prior approval of Bank. Bank agrees that Company may refer to Bank and the Program in Marketing Materials, upon the condition that any Marketing Materials referencing Bank or the Program or associated with or relating to the Program (and any changes in such materials) must receive the prior written approval of Bank, which is not to be unreasonably withheld, conditioned or delayed. Marketing Materials shall be approved and changed only (a) with the prior written consent of both Parties, or (b) upon written notice provided by Bank to Company to the extent that a change is required by Applicable Laws, necessitated by safety and soundness considerations, or required by the direction of a Regulatory Authority. Company shall ensure that all Marketing Materials, including the Card design, comply with Applicable Laws and are accurate and not misleading in all material respects. The requirements of this Section 2 apply to both Company created Marketing Materials and Merchant created Marketing Materials. The terms set forth in Schedule 2 are incorporated into this Section 2 as if fully set forth herein.

3. Extension of Credit. Bank agrees to make Loans available, in accordance with the Credit Policy, to qualifying Applicants located in the Territory. Certain Loans may be disbursed via multiple Loan Disbursements, the sum of which will equal the maximum Loan amount ("Maximum Loan Amount") extended to each Borrower (such Loans are defined as "Multiple Disbursement Loans," while Loans with a single disbursement are defined as "Single Disbursement Loans"). All Loans shall be originated by Bank using the Company's services described herein. Bank will fund extensions of credit that meet the underwriting criteria of the Credit Policy utilizing Company's, or its Bank approved designee's, issuance, scoring and authorization and Settlement system. Company acknowledges that approval of an Application involves, among other things, the establishment of a Loan with Bank. A Loan creates a creditor-borrower relationship between Bank and Borrower which involves Bank's extension of credit, the disbursement of proceeds, and the right to collect payments. Bank, in its sole discretion, may deny any Application in good faith and in accordance with Applicable Laws.

4. Documents and Credit Policy.

   (a) The Bank will offer Loans in accordance with the Credit Policy, the form of Application, including disclosures required by Applicable Laws, and the form of Loan Agreement and privacy policy (collectively, the "Finance Materials"). The initial form of each of the Finance Materials shall be agreed in writing by the Parties, and multiple versions may be in effect at any time. The Credit Policy may be changed (a) with the prior written consent of both Parties, or (b) by Bank upon at least thirty (30) days' written notice provided by Bank to Company (unless a shorter period is required by Applicable Laws, in which case Bank shall provide notice as soon as reasonably practicable) to the extent that a change is (i) required by Applicable Laws, (ii) necessitated by safety and soundness considerations, or (iii) required by the direction of a Regulatory Authority. Notwithstanding anything to the contrary in this Agreement, no change may be made to the Credit Policy unless each such change has been approved by Bank's board of directors or its designee, in its sole discretion. The Finance Materials other than the Credit Policy may be changed (a) with the prior written consent of both Parties, (b) upon written notice provided by Bank to Company to the extent that a change is required by Applicable Laws, necessitated by safety and soundness considerations, or (c) required by the direction of a Regulatory Authority. The Parties acknowledge that each Loan Agreement and all other documents referring to the creditor for the Program shall identify Bank as the creditor for the Loans. Company shall ensure that the Finance Materials comply with Applicable Laws. Except for the Finance Materials and the Marketing

Materials, Company shall not refer to Bank or to matters associated with or relating to the Program without the express written consent of Bank, including in press releases and other public statements.

(b) [Reserved].

5. Processing and Origination.

(a) As service provider for Bank, Company shall process Applications from Applicants for Loans on behalf of Bank (including retrieving credit reports) to determine whether the Applicant meets the eligibility criteria set forth in the Credit Policy. As service provider for Bank, Company shall respond to all inquiries from Applicants regarding the Application process.

(b) Following Bank's request, Company shall forward to Bank mutually agreed information including name, physical address, social security number or employer identification number, and date of birth (if applicable) regarding Applicants who meet the eligibility criteria set forth in the Credit Policy. Company shall have no discretion to override the Credit Policy with respect to any Applications.

(c) Subject to the terms of this Agreement, Bank shall approve, establish and fund Loans, subject to the terms of the Loan Agreement, with respect to Applicants who meet the eligibility criteria set forth in the Credit Policy.

(d) On behalf of Bank, and pursuant to procedures mutually agreed to by the Parties, Company shall provide and produce (i) adverse action notices to Applicants who do not meet Credit Policy criteria or are otherwise denied by Bank and provide Loan Agreements with regard to Applications that are approved by Bank, (ii) any Card, and (iii) any other Applicant or Borrower communications.

(e) Company shall hold and maintain, as custodian for Bank, all documents of Bank pertaining to Loans. At Bank's request, Company shall provide Bank with prompt access to the originals or copies of such documents in accordance with Bank's request, and the obligation set forth in this sentence shall survive the expiration or termination of this Agreement, for a period equal to the time that Bank is required by Applicable Laws to retain or have access to such documents. Company shall, at Bank's request, provide Bank with connectivity to its (and its subcontractors') systems to enable real-time access to the information pertaining to Loans, provided that with respect to subcontractors' systems, it shall be limited to the same type of access to information that Company is provided.

(f) Company shall be solely responsible for filing and maintaining any Borrower-facing security agreements, financing statements, and other lien recordations, if any, in connection with each product under the Program. As a service provider for the origination of each product under the Program, Company's obligations include the payment of any taxes (and performance of and compliance with associated requirements) imposed directly on the products under the Program or the Loan Agreements, or associated with the creation or execution of the products under the Program or the Loan Agreements.

(g) Without Bank's consent, during the period when any Loans are owned by Bank, Company will not take any action which would adversely affect Bank's ownership interest in the Loans then owned by Bank, , and Company will take all actions that are reasonably necessary to effect and maintain Bank's ownership interest in such Loans.

(h) Without Bank's consent, Company shall not create or suffer to exist (by operation of law or otherwise, and except as may be created by Bank) any lien, encumbrance or security interest upon or with respect to any of the Loans owned by Bank which adversely affects Bank's ownership interest in the Loans. Company shall immediately notify Bank of the existence of any such unauthorized lien, encumbrance or security interest and shall defend the right, title and interest in, to and under the Loans against all claims of third parties.

(i) Pursuant to Section 24, as Bank reasonably requires and upon reasonable advance written notice to Company, Bank will periodically audit Company for compliance with the terms of this Section 5 and the Agreement as a whole, including compliance with the standards set forth herein for Loan origination.

(j) Bank will provide Company with access to the Program BIN(s) or ICA(s), as applicable, and allow Company to interact directly with the Network to the extent reasonably necessary for Company to fulfill its obligations with respect to the Program, and Bank shall remain in good standing with the Network. The Company will initially designate the Network for the launch of the Program, and may elect to change the Network once during the term, subject to such advance notice and other requirements as may be required by the Networks.

(k) Company shall perform the obligations described in this Section 5 in accordance with Applicable Laws.

(l) Bank will oversee, supervise, and establish such controls as may be reasonably necessary to oversee and supervise Company's marketing, promotion, administration, and servicing of the Program, and other duties performed by Company under the Program. Bank shall have the right to review and approve Company's policies and procedures that address such activities and all customer-facing materials in the Program.

(m) During the UAT Phase, the terms of Schedule 5(l) shall apply.

6. Compliance with Applicable Laws; Required Controls. In the performance of its obligations under this Agreement, Company shall comply with Applicable Laws and shall operate and maintain the Required Controls. Company shall develop the Required Controls in order to ensure that the Program is offered in compliance with Applicable Laws, and that Bank offers the Program in a safe and sound manner. The Required Controls shall be developed by Company and approved by Bank and shall not be changed without the prior written consent of both Parties, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Bank may require changes to one or more of the Required Controls following written notice provided to Company but without Company's prior written consent, to the extent that such change is required by Applicable Laws, to the extent that Bank determines such change is necessitated by safety and soundness concerns, or pursuant to the direction of a Regulatory Authority of Bank.

(a) Without limiting the foregoing, Company shall develop, implement and maintain the Required Controls in accordance with applicable guidance of Bank's Regulatory Authorities:

(1) a Program Governance Committee that includes the requirements outlined in Schedule 6(a)(1);

(2) a Compliance Management System that includes the requirements outlined in Schedule 6(a)(2);

(3) a BSA Program that includes the requirements outlined in Schedule 6(a)(3);

(4) an ID Theft Red Flags Program that includes the requirements outlined in Schedule 6(a)(4);

(5) a Privacy Program that includes the requirements outlined in Schedule 6(a)(5);

(6) a Complaint Management Program that includes the requirements outlined in Schedule 6(a)(6);

(7) an Information Security Program that includes the requirements outlined in Schedule 6(a)(7);

(8) a Business Continuity Program that includes the requirements outlined in Schedule 6(a)(8); and

(9) a Vendor Management Program that includes the requirements outlined in Schedule 6(a)(9).

Company shall maintain a regulatory change management process and reasonably cooperate with Bank to update the foregoing and add controls as needed to address changes in Applicable Laws.

(b) Company shall cooperate with one annual compliance audit of the Program, and one annual information security audit of the Program, and shall bear or reimburse Bank for the commercially reasonable expenses of such audits. Company shall cooperate with any additional third-party compliance or information security audits of the Program as may be requested by Bank from time to time, and shall bear the commercially reasonable expenses for such additional audits to the extent such additional audits are necessary due to (i) changes in Applicable Laws, (ii) safety and soundness concerns of Bank, or (iii) Company's breach or default under the Program Documents. Each audit contemplated by this Section 6(b) shall be conducted by a reputable third-party audit firm that is selected and engaged by, and reports to Bank. The scope of each audit shall be determined by Bank in consultation with Company, and may include the activities of significant third-party vendors supporting the Program. The auditor shall deliver to Bank all draft and final reports and Bank shall be included in all meetings and correspondence related to the audit. Bank shall provide a copy of the final report to Company. Bank may waive the requirement for an information security audit if Company already has an established information security audit process that is acceptable to Bank. Company may not share the report with any other Person (other than Company's attorneys and accountants, subject to the provisions of Section 19) without the consent of Bank. Company shall promptly take action to correct any errors or deficiencies identified in any

report or audit described in this Section 6(b) (other than errors or deficiencies that, based on the mutual determination of the Parties, need not be corrected), and shall develop, with the approval of Bank, a schedule for the correction of such errors and deficiencies.

(c) Company shall cooperate with and bear the expenses of a review of each critical model used in connection with the Program and the associated model governance, and validation of each model on an appropriate schedule, to be conducted by a third-party review firm that is selected and engaged by, and reports to Bank or, with Bank's written approval, to be conducted by qualified individuals at Company that are independent from the development and use of the model. The scope of the review shall be determined by Bank after consultation with Company. The review firm shall deliver to Bank all draft and final reports and shall be included in all meetings and correspondence related to the review. Bank shall provide a copy of the report to Company. Company may not share the report with any other Person without the consent of Bank.

(d) Company shall report monthly to Bank in a form determined by Bank, on Complaints relating to all aspects of the Program and the steps taken by Company to address such Complaints.

(e) Company shall report to Bank promptly upon identifying any actual, threatened or suspected violation of Applicable Laws or the Required Controls concerning the Program (a "Reportable Event"), and Company shall cooperate with and report to Bank regarding the investigation of the Reportable Event. Company shall undertake remediation and disclosure of a Reportable Event in accordance with a plan that is agreed to by Bank.

(f) Company shall provide to Bank, on a monthly basis in writing, a report by the compliance officer of the results of all audits and reviews of the Program and all significant issues related to the Program since the last report, as well as Company's resolutions of such issues (if applicable).

(g) Company shall provide to Bank a certification letter signed by its compliance officer and/or such other officer(s) as Bank may require, not later than thirty (30) days after the end of each quarter, in a form provided by Bank, that it is complying with its obligations under the Program Documents.

(h) Company shall comply, and promptly provide information requested by Bank in order to comply, with any reporting requirements of the Utah Department of Financial Institutions, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network, or other Regulatory Authority applicable to either Party's performance of this Agreement.

7. Regulatory Inquiries, Elevated Complaints and Litigation.

(a) Each Party shall notify the other Party within five (5) Business Days after becoming aware of any Regulatory Inquiry or Elevated Complaint.

(b) Company shall provide Bank with all documentation relating to the Regulatory Inquiry or Elevated Complaint. Company shall obtain Bank's prior approval for any response to a Regulatory Inquiry or Elevated Complaint and for any other communication between Company and a Regulatory Authority.

(c) Company shall cooperate in good faith and provide such assistance, at Bank's request, to permit Bank to promptly resolve or address any Regulatory Inquiry or Elevated Complaint, or other investigation, proceeding or Complaint involving Bank.

(d) Company shall notify Bank within three (3) Business Days of any litigation relating to the Program in which Bank is a named party, and provide monthly updates on all Program-related litigation to Bank and as otherwise requested by Bank. Company legal counsel or chief compliance officer also will provide a quarterly written update to Bank's General Counsel on civil investigative demands, regulatory subpoenas, significant examination findings, other investigations and material litigation relevant to the Program.

(e) Each Party shall provide assistance as requested by the other Party to enable the other Party to respond to any subpoenas, legal notices, civil investigative demands, or other legal process received by the other Party that are related to the Program.

8. Third-Party Service Providers.

(a) Company may use third-party service providers in the performance of its obligations under this Agreement, to the extent permitted by and in accordance with the terms of the Vendor Management Program, and subject to Bank's prior written approval of each "Critical Vendor," as such term is defined in the Vendor Management Program (which approval shall not be unreasonably withheld or delayed).

(b) Company shall provide Bank with the results of the due diligence and oversight activities performed as part of the Vendor Management Program.

(c) Company shall ensure that all Critical Vendors that directly or indirectly support the Program are engaged through written contracts that include contractual requirements that are consistent with good practices for institutions that service or administer portfolios of cards and loans. Contracts for such Critical Vendors shall be reviewed and approved by senior management of Company and, upon request of Bank, subject to review and approval by Bank.

(d) Company agrees to be fully responsible for the acts and omissions of all third-party vendors, including the third-party vendors' compliance with the terms of this Agreement and all Applicable Laws, and Company shall cause each third-party vendor to perform its obligations in a manner that fully complies with the terms of this Agreement as if Company performed such obligations directly. Company shall cause each material third-party vendor to cooperate with Bank's exercise of any audit or other rights under this Agreement.

(e) Upon reasonable request of Bank, Company shall cause a Critical Vendor to enter into a mutually acceptable three-party agreement to document the relationship among the Parties and such Critical Vendor.

(f) Upon request by Bank, for good cause specified by Bank in its reasonable discretion, Company shall terminate or suspend a third-party vendor from supporting the Program. Prior to termination or suspension, Company may request that Bank reconsider its request, and the Parties shall thereafter meet expeditiously to discuss Company's request in good faith; provided, however, that Bank shall retain ultimate discretion to require suspension of a vendor from the Program or termination for good cause. In the event of a

termination of a Critical Vendor that directly or indirectly supports the Program, Company shall develop a termination plan to protect Bank assets and Confidential Information (such termination plan to be provided to and approved by Bank).

9. Privacy; Information Security Incidents.

(a) Each Party shall use and share NPI only in a manner that complies with Applicable Laws and the privacy policies of Bank and Company, as applicable.

(b) Company shall make NPI of Borrowers and Applicants available to Bank for purposes of Bank satisfying its legal obligations in connection with the Program.

(c) To the extent required by Applicable Laws, Company shall deliver the initial and annual privacy notices of Bank and Company in a form and manner agreed by the Parties.

(d) Each Party shall maintain data security and disaster recovery protections that comply with Applicable Law and are consistent with industry standards for the banking and consumer lending industry as applicable to the activities and obligations of the Parties pursuant to the Program Documents.

(e) Each Party shall immediately notify the other Party of any Information Security Incident. The Party experiencing the Information Security Incident will fully cooperate with the other Party in investigating any Information Security Incident and will take action promptly to investigate the Information Security Incident, to identify, mitigate, and remediate the effects of the Information Security Incident and to implement any other reasonable and appropriate measures in response to the Information Security Incident. The Party experiencing the Information Security Incident will also provide the other Party with all available information regarding an Information Security Incident to assist the other Party in implementing its information security response program and, if applicable, in notifying affected Applicants or Borrowers. Company shall be responsible for all costs related to investigating, responding to, and remediating any Information Security Incident, and notifying affected Applicants or Borrowers. Any notification to affected Applicants or Borrowers shall be subject to the advance consent of Bank.

10. Ownership and Customer Relationships.

(a) The approval of an Application creates a customer relationship between Bank and the Borrower. Company also establishes a customer relationship with the Borrower as the servicer of the Loan or by other services offered by Company. . The Parties recognize that because each Party has a customer relationship with the Borrowers and Applicants, as applicable, the Parties co-own and may use the NPI of Borrowers and Applicants in accordance with Applicable Law, each Party's privacy policy and the Program's privacy policy.

(b) Bank shall continue to own the Loan and the customer relationship with the Borrower, unless and until either relationship is transferred pursuant to another agreement with Company or a third party. Company shall not take any action that interferes with or is inconsistent with Bank's customer relationship with the Borrower, and Company shall provide any disclosures or other materials necessary to maintain the customer relationship between Bank and the Borrower.

(c) Company may, at its own expense and subject to the Program privacy policy and Applicable Laws, solicit Applicants and/or Borrowers with offerings of any goods and services from Company and parties other than Bank that do not compete with the Program, except as otherwise expressly provided in Section 43, provided, however, that in the event that Company uses Bank's name and/or Proprietary Materials in connection with such offerings, Company shall obtain Bank's prior consent for such use (which consent shall not be unreasonably withheld, conditioned or delayed).

(d) Bank may not solicit Applicants and/or Borrowers with offerings of goods and services that compete with the Program. Bank may, at its own expense and subject to the Program privacy policy and Applicable Laws, solicit Applicants and/or Borrowers with offerings of goods and services that do not compete with the Program. Bank shall not share a list of Company's customers with any other buy now pay later companies.

(e) Notwithstanding Subsections 10(c) and 10(d), (i) either Party may make solicitations for goods and services to the public, which may include one or more Applicants or Borrowers; provided, that such Party does not (A) target such solicitations to specific Applicants and/or Borrowers, (B) use or permit a third party to use any list of Applicants and/or Borrowers in connection with such solicitations, or (C) refer to or otherwise use the name of the other Party; and (ii) neither Party shall be obligated to redact the names of Applicants and/or Borrowers from marketing lists acquired from third parties (*e.g.*, subscription lists) that such Party uses for solicitations.

11. Funding Loans.

(a) For the disbursement of Loan Proceeds in a manner agreed upon by the Parties other than disbursement of Loan Proceeds via any Card, Company will provide a Funding Statement to Bank by e-mail or as otherwise mutually agreed by the Parties by 12:00 noon Mountain Time on each Funding Date. With respect to the disbursement of Loan Proceeds via any Card, Company will provide a Funding Statement to Bank by e-mail or as otherwise mutually agreement by the Parties by 12:00 noon Mountain Time on each Funding Date, to compare against the drawdown request from the Network and allow the Bank to confirm the drawdown request from the Network. Subject to timely receipt of the Funding Statement, Bank shall initiate disbursement of Loan Proceeds on each Funding Date on behalf of the Borrowers in accordance with the instructions on the Funding Statement. The form of the Funding Statement shall be mutually determined by the Parties and may be modified by the Parties from time to time.

(b) In connection with the disbursement of Loan Proceeds via any Card, (i) by the Funding Time on each Funding Date, Bank shall transfer the total funding amount, as identified on the drawdown request from the Network, to the Network, and (ii) Company will reconcile the Funding Statement for each day with the drawdown request from the Network, and provide such reconciliation to Bank.

(c) For the avoidance of doubt, upon disbursement of the funding amount in accordance with Section 11(a), (b) and (h), Bank's obligation to provide funds to Company's merchants is fully satisfied. Company shall indemnify and hold harmless Bank for any liability associated with non-delivery of Loan Proceeds to the extent Bank complies with wire/ACH instructions in the applicable reports.

(d) At no time may the total amount of the Single Disbursement Loans and Receivables on Multiple Disbursement Loans held by Bank plus Unfunded Commitment amounts on Multiple Disbursement Loans (net of sold Receivables) exceed the Program Threshold Amount; provided, however, Bank understands that based on historic product sales patterns, the Company may incur seasonal fluctuations and/or growth in the Program and agrees that Company may request an increase in the Program Threshold Amount based on anticipated seasonal fluctuations or growth in the Program, and Bank will consider in good faith such requests from Company.

(e) To the extent that the aggregate principal balance of Single Disbursement Loans and Receivables on Multiple Disbursement Loans held by Bank or its Affiliates (net of sold Receivables) would exceed the Program Threshold Amount following the funding of any Loans, Bank may elect not to fund such Single Disbursement Loans and Receivables on Multiple Disbursement Loans; provided, however, Bank understands that based on historic product sales patterns, the Company may incur seasonal fluctuations and/or growth in the Program and agrees that Company may request an increase in the Program Threshold Amount based on anticipated seasonal fluctuations or growth in the Program, and Bank will consider in good faith such requests from Company. For the avoidance of doubt, it shall be a breach of this Agreement for Company to exceed the Program Threshold Amount without obtaining Bank's prior written consent.

(f) The obligation of Bank to disburse the total funding amount, as provided in Sections 11(a), (b) and (h), is subject to the satisfaction of the following conditions precedent immediately prior to each disbursement by Bank:

(1) the representations and warranties of Company set forth in the Program Documents shall be true and correct in all material respects at the time of and immediately prior to each such disbursement by Bank as though made as of the time Bank disburses such amount; and

(2) the obligations of Company set forth in the Program Documents to be performed prior to each such disbursement by Bank shall have been performed prior to each such disbursement.

(g) If Company, as servicer for Bank, agrees to cancel a Loan which is then owned by Bank and refund interest and fees to Borrower, at the request of a Borrower, Company shall ensure that the original principal amount of the Loan is promptly returned to Bank.

(h) In the event that Bank and Company are unable to fully transition the issuance of Cards from Company's existing relationships with, but not limited to, Marqeta and Sutton Bank to Bank BIN(s) by the Program Launch Date, Bank agrees that for up to twelve (12) months post-Program Launch Date, Bank will continuously pre-fund a Marqeta for benefit of ("FBO") account at Sutton Bank ("WebBank Issuing Account") with the Agreed Minimum Balance to facilitate the daily funding and settlement activity between Marqeta as processor and Network. The amounts pre-funded in the WebBank Issuing Account will be considered unfunded ("Unfunded Commitment") until a settlement file is received from Company indicating that certain prefunded amounts have been settled through the Network. Bank funds at any time in the WebBank Issuing Account shall be held in trust solely for the benefit of Bank and for the sole purpose of disbursal of Loan Proceeds. No Bank funds shall be used for any purpose other than to deliver such Loan Proceeds. Company shall not permit any lien, charge, security interest, or encumbrance

of any sort whatsoever to exist in such WebBank Issuing Account, or any funds at any time held therein, other than such rights and interests as may from time to time exist of Bank. For the avoidance of doubt, upon the earlier to occur of (i) twelve (12) months post-Program Launch Date or (ii) the full transition to Bank BIN(s), this Section 11(h) shall no longer be effective and any funds remaining in the WebBank Issuing Account shall be immediately returned to Bank.

(i) By 7:00 AM Mountain Time on each Business Day, Company shall provide a report to Bank of the amount of Loan Proceeds disbursed through Cards on the prior Business Day (and any subsequent non-Business Days), including the total amount of such Loan Proceeds, and including the amount of Bank's funds remaining in the WebBank Issuing Account.

12. Appointment of Servicer.

(a) From and after the date that each Loan is originated by Bank, by and until the earlier of: (i) such date as all Loans become Liquidated Loans; or (ii) this Agreement is terminated in accordance with Section 18 (and subject to the survival of terms as provided therein), Bank appoints and contracts with Company as an independent contractor, subject to the terms of this Agreement, for the servicing of the Loans.

(b) Company shall establish and maintain a Servicing File with respect to each Loan in order to service such Loan pursuant to this Agreement. Company shall maintain the Servicing Files and the Loan Documents electronically and such files and documents may be accessed at the Servicer Physical Address or such other physical location as designated by Company in writing; provided, however, in no event shall physical or electronic copies of Servicing Files be housed outside the continental United States. To the extent that original documents are not required for purposes of realization of Loan Proceeds, documents maintained by Company may be in digital format. Company may release from its custody the contents of any Servicing File only to Bank or such other Persons as Bank may authorize; provided, that, Company may (i) use the contents of any Servicing File in the performance of its obligations under this Agreement and in the conduct of its business generally (subject to the confidentiality provisions of this Agreement and the requirements of Applicable Laws), (ii) use, deliver and release the contents of any Servicing File to Bank, (iii) use, deliver or release copies of any such data, information or documents to its accountants, counsel or advisors, to regulators or other Regulatory Authorities, or to other Persons to the extent reasonably necessary and appropriate to comply with Applicable Laws, terms of this Agreement or respond to subpoenas or other appropriate demands in connection with any action, proceeding, arbitration or investigation in any forum of or before any Regulatory Authority, and (iv) use, deliver and release the contents of any Servicing File as permitted by the Loan and Receivables Sale Agreement and Section 18(l) of this Agreement.

(c) Each Servicing File is and shall be held in trust by Company on behalf of and for the benefit of Bank. The ownership of each Loan Document and the contents of the Servicing File shall be vested in Bank, and the ownership of all records and documents with respect to the related Loan prepared by or which come into the possession or control of Company shall immediately vest in Bank and shall be retained and maintained, in trust, by Company at the will of Bank in such custodial capacity only. Each Servicing File shall be maintained electronically and shall be appropriately identified or recorded to reflect the ownership of the related Loan by Bank.

(d) Company shall obtain and maintain a backup servicing agreement for the Loans with a backup servicer acceptable to Company and Bank, and Company shall ensure that Bank is a party to or beneficiary of such agreement. Company shall bear all costs and expenses associated with the backup servicing agreement. Company shall deliver a copy of each Servicing File to Bank via such secure method as may be agreed by Company and Bank. Company shall (i) if requested by Bank, on a daily basis deliver to Bank any applicable updates to such Servicing File, and (ii) provide such other cooperation as is reasonably requested by Bank, in each case as Bank reasonably believes is necessary and appropriate to obtain portfolio monitoring services, via such secure method as may be agreed by Company and Bank. Bank may designate a third party to receive the information described in this Subsection 12(d). Company shall, at Bank's request, provide Bank with connectivity to its (and its third-party service providers') systems to enable real-time access to the information pertaining to Loans, provided that with respect to third-party service providers' systems, it shall be limited to the same type of access to information that Company is provided.

13. Servicing Obligations.

(a) Company, as an independent contractor, shall service and administer each Loan from and after the date that such Loan is originated until the earlier of (i) such date as such Loan becomes a Liquidated Loan, or (ii) this Agreement is terminated in accordance with Section 18 (and subject to the survival of terms as provided therein), in accordance with Applicable Laws, the Accepted Servicing Practices and the terms of this Agreement and consistent with customary, reasonable and usual standards of practice for institutions that service or administer portfolios of similar consumer loans or, if a higher standard, that degree of skill and attention the Company exercises with respect to all comparable accounts that it services for itself or others and, in all cases, in accordance with Applicable Laws (such standard of care being the "Servicing Standard"), and shall have full power and authority to do any and all things in connection with such servicing and administration as limited by the terms of this Agreement and Servicing Standard. Company's general obligations with respect to the servicing of Loans hereunder shall include the following:

(1) Setting up and maintaining a bank account, address, or other electronic or physical facility to which Borrower is instructed to send payments due under the terms of each Loan;

(2) Preparing and sending, as applicable, Loan welcome packages, periodic statements, and other Loan communications;

(3) Investigating and resolving billing disputes and other Borrower inquiries;

(4) Crediting Loans with respect to unauthorized charges;

(5) Processing refunds and adjustments;

(6) Attempting to collect Borrower payments due under the terms of each Loan;

(7) Correctly remitting Loan Proceeds on each Loan in accordance with Section 14;

(8) Providing customer service, including maintaining a toll-free number (staffed between normal business hours during its regular business days) for Borrowers to call with inquiries with respect to the Loans, and responding to such inquiries;

(9) Interfacing with the Network for the proper operation of the Program, and following applicable Network requirements;

(10) Investigating delinquencies and maintaining collection procedures for delinquencies;

(11) Sending adverse action notices when required by Applicable Laws, including when a Borrower's credit limit is reduced;

(12) Sending privacy notices (if applicable), and other necessary legal and regulatory notices and disclosures; and

(13) Processing payments provided by Borrowers on the Loans.

(b) With respect to any returns or cancellations accepted by any merchant, or customer refunds provided by any merchant, for a purchase that was originally financed via a Loan, Company shall, to the extent of the outstanding balance of the Loan with respect to such Loan, pay the refund amount to the Person owning and holding such Loan within three (3) Business Days after receiving the funds relating to such refund. Company shall ensure that any amounts paid as provided in the foregoing sentence are credited to the applicable Loan.

(c) Company shall ensure that all monetary adjustments and/or credits agreed upon by Company in resolving any customer dispute regarding merchandise or services purchased via a Loan shall promptly be communicated to the Person owning and holding the Loan at the time of the adjustment. The procedures for applying such adjustments and/or credits to the Loans shall be mutually agreed upon by the Parties in writing and incorporated into the Servicing Materials.

(d) The Accepted Servicing Practices may be changed only at the direction of or with the consent of Bank.

(e) Company may grant, permit or facilitate any Modification for any Loan; provided that such Modification is consistent with the Servicing Standard and the Accepted Servicing Practices. Upon request, and with the frequency and in the format requested by Bank, Company shall notify Bank of any Modification granted, permitted or facilitated by Company. Company shall not charge any Borrower any fees on a Loan not contemplated in the Loan Documents, unless approved by Bank.

(f) Without limiting the generality of the foregoing, Company is hereby authorized and empowered to execute and deliver on behalf of Bank, all notices or instruments of satisfaction, cancellation or termination, or of partial or full release, discharge and all other comparable instruments, with respect to the Loans; provided, however, that Company shall not be entitled to release, discharge, terminate or cancel any Loan or the related Loan Documents, unless in a manner consistent with the Servicing Standard and the Accepted Servicing Practices. Company shall not permit any rescission or cancellation of any Loan, except as ordered by a court of competent jurisdiction or other

Regulatory Authority, or as required by Applicable Laws, or as contemplated by the Accepted Servicing Practices. If reasonably required by Company, Bank shall furnish Company with any powers of attorney and other documents reasonably necessary or appropriate to enable Company to carry out its servicing and administrative duties under this Agreement and Company shall indemnify and hold Bank harmless for any costs, liabilities or expenses incurred by Bank in connection with any use of such power of attorney by Company or its agents in breach of this Agreement.

(g) Company shall take no action under this Agreement or any other agreement or instrument contemplated hereby, nor omit to take any action under any such agreement or instrument, which in each case would result in a breach or impair the rights of Bank in respect of any Loan, except in accordance with the terms of this Agreement. Company shall not reschedule, revise or defer any payments due on any Loan, except in accordance with the Accepted Servicing Practices, as required by Applicable Laws, or as permitted by this Agreement.

(h) All materials, documents, communications, forms, templates, policies, and procedures used by Company to service Loans ("Servicing Materials") shall be subject to the advance approval of Bank. The Servicing Materials may be changed only: (a) with the prior written consent of both Parties; (b) upon written notice provided by Bank to Company to the extent that a change is required by Applicable Laws, necessitated by safety and soundness considerations, or required by the direction of a Regulatory Authority.

(i) Company shall ensure that all Servicing Materials, and all of its servicing of Loans, shall comply with Applicable Laws, and shall be accurate and not misleading in all material respects.

(j) Company shall maintain in effect all qualifications required under requirements of Applicable Laws in order to service properly each Loan, and shall comply in all respects with all requirements of Applicable Laws in connection with the performance of its obligations hereunder, except to the extent that the failure to maintain such qualifications or to comply with such requirements would not have a material adverse effect on Bank, the collectability or enforceability of the Loans, or Company's ability to perform its obligations under this Agreement. Company shall at all times preserve and keep in full force and effect its existence and all rights, franchises, permits and licenses material to its business.

(k) On behalf of Bank, Company shall prepare and file all tax reporting, information statements and other tax reports for Borrowers which are required to be provided to or made for the related Borrowers, and shall provide Bank with such information concerning Loans as (i) is reasonably necessary for Bank to prepare its federal income tax return as Bank may reasonably request in writing from time to time, and (ii) Company prepares for purchasers generally in the ordinary course of its business.

14. Collection of Payments and Liquidation of Loans.

(a) Continuously from the initial Funding Date of a Loan until the date each Loan becomes a Liquidated Loan, or otherwise ceases to be subject to this Agreement, in accordance with the Servicing Standard and the Accepted Servicing Practices, Company shall use

commercially reasonable efforts to collect all Loan Payments, and any other payments due under each of the Loans when the same shall become due and payable.

(b) Promptly following any Loan's satisfying the charge off criteria as set forth in the Charge Off Policy, Company shall, in accordance with the Charge Off Policy, charge off the related Loan (the date of such charge-off being the "Charge Off Date" and each such Loan, a "Charged Off Loan"). Company shall continue to service each Charged Off Loan following the Charge Off Date in accordance with this Agreement and the Accepted Servicing Practices. Company may facilitate the sale and transfer of Charged Off Loans only in accordance with the Accepted Servicing Practices.

(c) Company shall allocate all proceeds of collections on the Loans to the owners of the Loans.

(d) The terms set forth in Schedule 14 are incorporated into this Section 14 as if fully set forth herein.

(e) In the event that a Borrower files any bankruptcy proceedings, Company will follow the Servicing Standard and the Accepted Servicing Practices and shall to the extent required by the Accepted Servicing Practices represent Bank's interest in any bankruptcy proceedings relating to the Borrower. Any action by Company will be in accordance with the Servicing Standard and the Accepted Servicing Practices.

15. Financing. Company shall cooperate with and support Bank's efforts to obtain financing for the Loans held by Bank, including through securitizations and participations. Company will enter into servicing agreements on similar business terms as those set forth herein, and other commercially reasonable arrangements, in connection with such transactions.

16. Representations and Warranties.

(a) Bank hereby represents and warrants, as of the Effective Date, or covenants, as applicable, to Company that:

(1) Bank is an FDIC-insured, Utah state-chartered industrial bank duly organized and validly existing and in good standing under the laws of its formation, and has full corporate power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the charter or bylaws of Bank and will not result in a material breach of or constitute a default under, or require any consent under, any indenture, loan or agreement to which Bank is a party;

(2) All approvals, authorizations, consents, and other actions by, notices to, and filings with, any Person required to be obtained for the execution, delivery, and performance of this Agreement by Bank, have been obtained;

(3) This Agreement constitutes a legal, valid, and binding obligation of Bank, enforceable against Bank in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, receivership, conservatorship or other similar laws now or hereafter in effect, including the rights and obligations of receivers and

conservators under 12 U.S.C. §§ 1821(d) and (e), which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Bank, threatened against Bank (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Bank pursuant to this Agreement, or (iii) that would have a materially adverse financial effect on Bank or its operations if resolved adversely to it;

(5) Bank is not Insolvent;

(6) Bank meets the requirements to be considered "adequately capitalized" as defined in the Federal Deposit Insurance Act and applicable regulations promulgated thereunder; and

(7) The Proprietary Materials Bank licenses to Company pursuant to Section 20, and their use as contemplated by this Agreement, do not violate or infringe upon, or constitute an infringement or misappropriation of, any U.S. patent, copyright or U.S. trademark, service mark, trade name or trade secret of any Person or entity and Bank has the right to grant the licenses set forth in Section 20 below.

(b) Company hereby represents and warrants, as of the Effective Date, or covenants, as applicable, to Bank that:

(1) Company is a corporation, duly organized and validly existing in good standing under the laws of its formation, and has full power and authority to execute, deliver, and perform its obligations under this Agreement; the execution, delivery, and performance of this Agreement have been duly authorized, and are not in conflict with and do not violate the terms of the articles or bylaws of Company and will not result in a material breach of or constitute a default under or require any consent under any indenture, loan, or agreement to which Company is a party;

(2) All approvals, authorizations, consents, and other actions by, notices to, and filings with any Person required to be obtained for the execution, delivery, and performance of this Agreement by Company, have been obtained;

(3) This Agreement constitutes a legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect, which may affect the enforcement of creditors' rights in general, and (ii) as such enforceability may be limited by general principles of equity (whether considered in a suit at law or in equity);

(4) There are no proceedings or investigations pending or, to the best knowledge of Company, threatened against Company (i) asserting the invalidity of this Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by Company pursuant to this Agreement, or (iii) that would have a

materially adverse financial effect on Company or its operations if resolved adversely to it;

(5) Company is not Insolvent;

(6) The execution, delivery and performance of this Agreement by Company, the Finance Materials, the Servicing Materials, the Marketing Materials, and servicing strategies shall all comply with Applicable Laws;

(7) Neither Company nor any Control Person has been convicted of a crime, or has agreed to or entered into a pretrial diversion or similar program, or is under indictment, in each case in connection with a dishonest act or a breach of trust or money laundering, as set forth in Section 19 of the Federal Deposit Insurance Act, 12 U.S.C. § 1829(a);

(8) The Proprietary Materials Company licenses to Bank pursuant to Section 20, and their use as contemplated by this Agreement, do not violate or infringe upon, or constitute an infringement or misappropriation of, any U.S. patent, copyright or U.S. trademark, service mark, trade name or trade secret of any Person or entity and Company has the right to grant the license set forth in Section 20 below;

(9) Company is a servicer of consumer loans, with the facilities, procedures and experienced personnel or arrangements with appropriate third-party service providers and/or collection agents necessary for the sound servicing of Loans hereunder, and Company (itself or through such third-party service providers and/or agents) has the ability to perform in all material respects its covenants and obligations contained in this Agreement;

(10) Company's responsibilities under this Agreement will be performed by qualified personnel or agents in a professional manner in accordance with the standards of care, skill, knowledge and diligence consistent with recognized and sound practices and procedures for the servicing of consumer loans;

(11) All information maintained by the Company for Bank through Company's platform, or provided by Company to Bank in connection with a Loan relating to the servicing of each Loan is true, correct and consistent, in all material respects, with the information obtained or generated by Company in connection with the servicing of each such Loan;

(12) The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of Company;

(13) Company is not an investment company as defined in, or subject to regulation under, the U.S. Investment Company Act of 1940;

(14) No Regulatory Authority has imposed any penalties, fines or sanctions on Company with respect to the servicing of Loans;

(15) Company has not done anything to prevent or impair a Loan from being valid, binding and enforceable against the Borrower thereunder; and

(16) There are no proceedings existing, pending or, to the knowledge of Company, threatened in writing against Company before any Regulatory Authority which would reasonably be expected to have a material adverse effect with respect to Company or the Loans.

(c) Company hereby represents and warrants to Bank as of each Funding Date that:

(1) For each Loan: (i) to Company's knowledge after due inquiry, all information in the related Application was true and correct as of the date such Application was approved; (ii) assuming the mental and legal capacity of the Borrower, as applicable (and Company has no knowledge that the Borrower lacks mental or legal capacity, as applicable) the Loan will be fully enforceable and all required disclosures to Borrowers have been delivered in compliance with Applicable Laws, and the Loan will not be subject to any defense, counterclaim, recoupment or right of setoff or rescission; (iii) the Loan Agreement and all other Loan Documents are genuine and legally binding and enforceable, conform to the requirements of the Program and were prepared in conformity with Applicable Laws and the Required Controls, and represent the entire agreement between Bank and Company (on the one hand) and the Borrower (on the other hand) with respect to the Loan; (iv) if the Applicant is a natural person, the Applicant is of sufficient age to enter into, execute and deliver the Loan Agreement; (v) the terms, covenants and conditions of the Loan have not been waived, altered, impaired, modified or amended in any respect by Company; (vi) all necessary approvals required to be obtained by Company have been obtained; (vii) payments of the Loans and late fees are payable to Bank and its successors and assigns in legal tender of the United States, and are made by the applicable Borrower and not by Company or any of its Affiliates; (viii) unless otherwise agreed to in writing by Bank, the Loan does not contain any provision pursuant to which monthly payments are paid by any source other than the Borrower or that may constitute a "buydown" provision; (ix) the billing address of the related Borrower and any bank account used for payments via ACH transfers on the Loan are each located in the United States; (x) Company has fulfilled all of its obligations (if any) with respect to the origination of the Loan; (xi) Company has not advanced funds, or induced, solicited or knowingly received any advance of funds from a party other than the applicable Borrower, directly or indirectly, for the payment of any amount required by the Loan; (xii) any automated data processing systems used by or on behalf of Company in connection with Loan origination comply with Applicable Laws; and (xiii) nothing exists as to the Company or its business that would prohibit the sale of the Loans by Bank (except as expressly provided in the Program Documents);

(2) For each Loan: (i) the Company's services with respect to such Loan were performed in accordance with the Credit Policy, (ii) Company used the form of Application as approved from time to time in accordance with Section 4, and (iii) such Loan is evidenced by a Loan Agreement that is in the form of Loan Agreement approved from time to time in accordance with Section 4;

(3) Each Borrower listed on a Funding Statement is eligible for a Loan as determined under the Credit Policy in effect on the date of creation of the Loan and is eligible for a Loan under the Credit Policy, as in effect on the date of such Loan;

(4) The origination of the Loan will, assuming performance by Bank of its obligations under this Agreement, comply with all Applicable Laws;

(5) Company has not pledged, assigned, sold, granted a security interest in or otherwise conveyed any of the Loans nor authorized the filing of, and is not aware of, any financing statements against the Company or Bank that include a description of collateral covering any portion of the Loans (except for Loans that have been sold by Bank under the Program Documents and any financing statement filed pursuant to the sale); the Loan Agreement or other record that constitutes or evidences a Loan does not and shall not have any marks or notations indicating that it has been pledged, assigned or otherwise conveyed to any Person (except for Loans that have been sold by Bank under the Program Documents and any financing statement filed pursuant to the sale) or as directed by Bank, provided clause (5) shall not limit Company's ability to transfer, securitize or otherwise transact on the Loans owned by Company pursuant to the Loan and Receivables Sale Agreement;

(6) Assuming performance by Bank of its obligations under this Agreement, all right, title and interest to each Loan shall, upon origination of such Loan, as applicable, be vested in Bank, free of any interest of Company except as provided in the Program Documents and except for any Liens or encumbrances created by Bank, and Bank shall be the sole legal and beneficial owner of such Loan, and have the right to assign, sell and transfer such Loan, free and clear of any Lien or encumbrance (except for Liens, encumbrances, or security interest created by Bank) in connection with a securitization or otherwise;

(7) The Loan was not opened and is not subject to, and any Loan has not been originated in and is not subject to, the laws of any jurisdiction under which the sale, transfer, assignment, setting over, conveyance or pledge of such Loan (or an economic interest therein) would be unlawful, void, or voidable (assuming the purchaser has any license required by Applicable Laws);

(8) Company has not entered into any agreement with the Borrower that prohibits, restricts or conditions the assignment of such Loan (or an economic interest therein) (other than any prohibitions, restrictions or conditions arising under Applicable Laws);

(9) All information provided by Company to Bank in connection with a Loan is true and correct (other than information provided by a Borrower, credit reporting agency or subcontractor to Company, which is true and correct to Company's knowledge);

(10) The information on each Funding Statement is true and correct in all respects; and

(11) Company is in compliance with all obligations and agreements under the Program Documents.

(d) [Reserved].

(e) The representations and warranties of Bank and Company contained in this Section 16, except those representations and warranties contained in Subsections 16(a)(4), 16(b)(4) 16(c) and 16(d), are made continuously throughout the term of this Agreement. In the event that any investigation or proceeding of the nature described in Subsections 16(a)(4), 16(b)(4) or 16(b)(14) is instituted or threatened against a Party, such Party shall promptly notify the other Party of the pending or threatened investigation or proceeding.

17. Indemnification.

(a) Company agrees to defend, indemnify, and hold harmless Bank and its Affiliates, and the officers, directors, employees, representatives, shareholders, agents, and attorneys of such entities (the "Bank Indemnified Parties") from and against any and all Losses that Bank incurs to the extent arising from or relating to Bank's participation in the Program (including Company's violation of Applicable Laws, and Company's breach of any obligation in the Program Documents), except in each case to the extent of Losses directly caused by Bank's gross negligence or willful misconduct with respect to Bank's obligations under the Program Documents; provided that Company is not in breach of any of its obligations under the Program Documents (including any compliance obligations thereunder), other documents governing the Program, or any other agreement with Bank.

(b) Bank agrees to defend, indemnify, and hold harmless Company from and against any and all Losses that Company incurs to the extent arising from or relating to the Program and arising directly from Bank's gross negligence or willful misconduct with respect to Bank's obligations under the Program Documents, except in each case to the extent of Losses caused by (i) Company's (or its representatives') gross negligence or willful misconduct, or (ii) Company's breach of the Program Documents (including any compliance obligations thereunder), other documents governing the Program, or any other agreement with Bank, including Company's obligations relating to compliance with Applicable Laws.

(c) Company and the Bank Indemnified Parties are sometimes referred to herein as the "Indemnified Parties," and Company or Bank, as indemnitor hereunder, is sometimes referred to herein as the "Indemnifying Party."

(d) To the extent permitted by Applicable Laws, any Indemnified Party seeking indemnification hereunder shall promptly notify the Indemnifying Party, in writing, of any notice of the assertion by any third party of any claim or of the commencement by any third party of any legal or regulatory proceeding, arbitration or action, or if the Indemnified Party determines the existence of any such claim or the commencement by any third party of any such legal or regulatory proceeding, arbitration or action, whether or not the same shall have been asserted or initiated, in any case with respect to which the Indemnifying Party is or may be obligated to provide indemnification (an "Indemnifiable Claim"), specifying in reasonable detail the nature of the claim and, if known, the amount or an estimate of the amount of the Losses; provided, that failure to promptly give such notice shall only limit the liability of the Indemnifying Party to the extent of the actual prejudice, if any, suffered by the Indemnifying Party as a result of such failure. The Indemnified Party shall provide to the Indemnifying Party as promptly as practicable thereafter information and documentation reasonably requested by the Indemnifying Party to defend against the Indemnifiable Claim.

(e) The Indemnifying Party shall have ten (10) days after receipt of any notification of an Indemnifiable Claim (a "Claim Notice") to notify the Indemnified Party in writing of the Indemnifying Party's election to assume the defense of the Indemnifiable Claim and, through counsel of the Indemnifying Party's own choosing, and at its own expense, to commence the settlement or defense thereof, and the Indemnified Party shall cooperate with the Indemnifying Party in connection therewith if such cooperation is so requested and the request is reasonable; provided that the Indemnifying Party shall hold the Indemnified Party harmless from all its reasonable and documented out-of-pocket expenses, including reasonable external attorneys' fees, incurred in connection with the Indemnified Party's cooperation; provided, further, that if the Indemnifiable Claim relates to a matter before a Regulatory Authority of Bank, and Company is the Indemnifying Party, Bank may elect, upon written notice to Company, to assume the defense of the Indemnifiable Claim at the cost of and with the cooperation of Company. If the Indemnifying Party assumes responsibility for the settlement or defense of any such claim, (i) the Indemnifying Party shall permit the Indemnified Party to participate at the Indemnified Party's expense (for which no claim of Losses shall be made) in such settlement or defense through counsel chosen by the Indemnified Party; provided that, in the event that both the Indemnifying Party and the Indemnified Party are defendants in the proceeding and the Indemnified Party has reasonably determined and notified the Indemnifying Party that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, then the reasonable fees and expenses of one separate counsel for all Indemnified Parties in the aggregate shall be borne by the Indemnifying Party; and (ii) the Indemnifying Party shall not settle any Indemnifiable Claim without the Indemnified Party's consent, except that the Indemnifying Party may settle any Indemnifiable Claim upon notice to the Indemnified Party if the settlement involves only the payment of money damages and no admission of liability by any Person and no injunctive relief, and the settlement is subject to a confidentiality provision prohibiting disclosure of the terms of the settlement.

(f) If the Indemnifying Party does not notify the Indemnified Party in writing within ten (10) days after receipt of the Claim Notice that it elects to undertake the defense of the Indemnifiable Claim described therein, or if the Indemnifying Party fails to contest vigorously any such Indemnifiable Claim, or if Bank elects to control the defense of an Indemnifiable Claim before a Regulatory Authority as permitted by Section 17(e), then, in each case, the Indemnified Party shall have the right, upon reasonable written notice to the Indemnifying Party, to contest, settle or compromise the Indemnifiable Claim in the exercise of its reasonable discretion; provided that the Indemnified Party shall notify the Indemnifying Party in writing prior thereto of any compromise or settlement of any such Indemnifiable Claim and shall consider in good faith and discuss with the Indemnifying Party any objection to the settlement the Indemnifying Party may express. No action taken by the Indemnified Party pursuant to this paragraph (f) shall deprive the Indemnified Party of its rights to indemnification pursuant to this Section 17.

(g) All amounts due under this Section 17 shall be payable not later than ten (10) days after receipt of the written demand therefor.

18. Term and Termination.

(a) This Agreement shall have an initial term beginning on the Program Launch Date and ending on the fifth (5th) anniversary of the Program Launch Date (the "Initial Term") and shall renew automatically for successive terms of one (1) year (each a "Renewal Term,"

and together with the Initial Term, the "Term"), unless either Party provides notice of non-renewal to the other Party at least one hundred eighty (180) days prior to the end of the Initial Term or any then-current Renewal Term or this Agreement is earlier terminated in accordance with the provisions hereof.

(b) This Agreement shall terminate immediately upon the expiration or earlier termination of the Loan and Receivables Sale Agreement.

(c) Bank shall have the right to terminate this Agreement immediately upon written notice to Company if:

(1) Bank determines that its continued participation in the Program would be in violation of Applicable Laws, or Bank's continued participation in the Program has been prohibited by order or injunction of any court or Regulatory Authority;

(2) Bank determines that a change in Applicable Laws or any judicial decision of a court having jurisdiction over Bank or any interpretation of a Regulatory Authority would have a material adverse effect on the rights or obligations of Bank under this Agreement or the financial condition of Bank;

(3) a Regulatory Authority with jurisdiction over Bank has provided, formally or informally, concerns about the Program and Bank, after consulting with outside legal counsel, determines, in its sole discretion, that its rights and remedies under this Agreement are not sufficient to protect Bank fully against the potential consequences of such concerns;

(4) Bank determines that there is a substantial financial, reputational, regulatory or other risk of continuing to participate in the Program, or continuing to do business with Company, or Bank determines that any depository institution accepting deposits in connection with Company's Program offering presents financial, reputational, regulatory or other risk (including by receiving any consent order or sanction by a Regulatory Authority);

(5) a fine or penalty of [***] has been assessed against Bank by a Regulatory Authority in connection with the Program, including as a result of a consent order or stipulated judgment;

(6) (i) Company defaults on its obligation to make a payment to Bank as provided in Section 2 of the Loan and Receivables Sale Agreement or Section 14 of this Agreement and fails to cure such default within one (1) Business Day of receiving notice of such default from Bank; (ii) Company defaults on its obligation to make a payment to Bank as provided in Section 2 of the Loan and Receivables Sale Agreement or Section 14 of this Agreement more than once in any three (3) month period; or (iii) Company fails to maintain the collateral account as required by the Loan and Receivables Sale Agreement;

(7) Bank incurs any Loss and is not able to obtain indemnification for such Loss under Section 17(a) due to the application of Applicable Laws that limit or restrict Bank's ability to seek such indemnification, or if Bank if precluded by a Regulatory Authority from seeking such indemnification;

(8) (i) there is a material adverse change in the financial condition of Company including any breach of or event of default under, or any failure to comply with the terms, conditions, or covenants (in each case, regardless of whether such breach, event of default, or failure to comply is asserted or waived by any other Person) of any credit or debt facility of Company or parent (whether now existing or arising in the future) (each, a "Company Credit Facility"), or (ii) Company fails to provide reasonable evidence of its ability to renew, extend, or replace a Company Credit Facility at least thirty (30) days prior to a maturity thereof;

(9) Company has not presented any Applications for new Loans in the immediately preceding thirty (30) days;

(10) there is a Change of Control of Company, and Bank determines in good faith that Bank should not continue to do business with Company and such Person as a result of such Change in Control because of competitive, regulatory, safety and soundness, reputational or financial concerns, then Bank shall have the right to terminate this Agreement following written notice of termination to Company. Such written notice of termination shall be delivered by Bank to Company within sixty (60) days of delivery to Bank of the COC Notice and set forth in reasonable detail the rationale of such determination. Bank's obligation to provide Company with a written notice of termination within sixty (60) days of delivery to Bank of the COC Notice does not begin until (i) Bank receives sufficient information to make a determination regarding whether Bank should continue to do business with Company; and (ii) Company has provided Bank with all information requested by Bank. Such notice of termination will be contingent effective on the closing of such Change of Control; or

(11) Company materially breaches any agreement with a Critical Vendor in connection with the Program.

Prior to termination of Agreement pursuant to Section (c)(1), (c)(2) or (c)(3), Bank will meet with Company and consider in good faith any changes, modifications or additions to the Program and/or the Program Documents; provided that to the extent Bank determines in its sole discretion that such modifications, changes or additions are not sufficient to protect Bank, Bank may terminate immediately upon written notice to Company. Notwithstanding the foregoing, Bank may terminate this Agreement immediately upon written to Company pursuant to such sections to the extent required by Applicable Laws or a Regulatory Authority, or necessitated by safety and soundness concerns.

(d) A Party shall have the right to terminate this Agreement immediately upon written notice to the other Party in any of the following circumstances:

(1) any representation or warranty made by the other Party in this Agreement shall be incorrect in any material respect and shall not have been corrected within thirty (30) Business Days after written notice thereof has been given to such other Party;

(2) the other Party shall default in the performance of any obligation or undertaking under this Agreement and such default shall continue for thirty (30) Business Days after written notice thereof has been given to such other Party;

(3) the other Party shall have a receiver or conservator appointed for it, shall commence a voluntary case or other proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official or to any involuntary case or other similar proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(4) an involuntary case or other proceeding, whether pursuant to banking regulations or otherwise, shall be commenced against the other Party seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency, receivership, conservatorship or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, conservator, custodian, or other similar official of it or any substantial part of its property, and such case or proceeding has not been stayed or dismissed within sixty (60) days after filing; or an order for relief shall be entered against the other Party under the federal bankruptcy laws as now or hereafter in effect.

(e) Bank shall have the right to terminate this Agreement or suspend performance of its obligations under the Program immediately upon written notice to Company in any of the following circumstances:

(1) there is a material adverse change in the financial condition of Company. A material adverse change in financial condition includes (i) any breach of or event of default under, or any failure to comply with the terms, conditions, or covenants (in each case, regardless of whether such breach, event of default, or failure to comply is asserted or waived by any other Person) of any Company Credit Facility, or (ii) Company's failure to provide reasonable evidence of its ability to renew, extend, or replace a Company Credit Facility at least thirty (30) days prior to a maturity thereof;

(2) a court or a Regulatory Authority having jurisdiction orders or issues an injunction that prohibits a Party from continuing to participate in the Program; or

(3) Bank has been advised by legal counsel that a change in Applicable Laws or any judicial decision of a court having jurisdiction over Bank, the Company, or the Program, or any interpretation or position (formal or informal) of a Regulatory Authority creates a material risk that Bank's continued performance under this Agreement would violate Applicable Laws.

Bank shall not terminate this Agreement pursuant to this Section 18(e) unless Bank first seeks to discuss with Company modifications to the Program to avoid the need for such termination and the Parties are unable to agree to such modifications.

(f) In the event Company either acquires or becomes a depository institution, Company may terminate the Program upon ninety (90) days prior written notice to Bank; provided that

Company may not terminate the Program sooner than twenty-four (24) months following the Program Launch Date. In the event of a termination pursuant to this Section 18(f), Company shall pay Bank a termination fee equal to (i) [***] if such termination occurs in the third Program Year; (ii) [***] if such termination occurs in the fourth Program Year; and (iii) [***] if the termination occurs in the fifth Program Year; provided, however, that if Company is in breach of any of its obligations under the Program Documents at the time of such termination, Company shall pay Bank the greater of (i) the [***]; and (ii) the termination fees set forth in this Section 18(f). Company agrees that it will support an orderly wind down of the Program, including supporting any audits, exams, and expenses that may be reasonably required or incurred by Bank.

(g) In addition to any other rights or remedies available to the Bank under this Agreement or by law, Bank shall have the right to suspend performance of its obligations under this Agreement, including, but not limited to, Bank's funding of any Loan (as required under Section 11 of this Agreement) during the period commencing with the occurrence of any monetary default by Company including but not limited to the failure to make a payment required by Section 2 of the Loan and Receivables Sale Agreement or Section 14 of this Agreement, and in any case ending when such condition has been cured. Notwithstanding such suspension right, Bank may terminate this Agreement as provided in Section (c), (d), or (e) of this Section 18.

(h) Bank shall not be obligated to approve Applications or fund any Loan after termination or during any suspension of this Agreement.

(i) The termination of this Agreement either in part or in whole shall not discharge any Party from any obligation incurred prior to such termination.

(j) If this Agreement is terminated prior to the end of the Term, then Company shall pay to Bank at the effective date of such termination an amount equal [***] immediately prior to such termination. This Section 18(j) shall not apply to any termination of this Agreement by Company pursuant to (i) Sections 18(d) or 18(f) and (ii) Sections 18(c)(1), 18(c)(2), 18(c)(3), 18(c)(4), 18(e)(2) and 18(e)(3) so long as the Company is not otherwise in breach of any of its obligations under of the Program Documents.

(k) As soon as is reasonably practicable after either Party provides a termination or non-renewal notice, Company shall provide to Bank in writing a proposed transition or wind-down plan, detailing (i) whether any aspect of the Program is to be wound down or transferred to Company or its designee(s) (the "Successor"); and (ii) a proposed timeline, which shall designate a date as of which the Program shall be wound down or transferred from Bank to the Successor. Subject to the foregoing, Bank and Company shall meet promptly thereafter to review such proposed plan and to determine a mutually acceptable transition or wind-down plan; provided, however, that if Bank and Company fail to reach mutual agreement on the transition or wind-down plan within thirty (30) days after the date of notice of termination or non-renewal or such later time as may otherwise be mutually agreed upon by both parties, Bank shall establish such a plan that is appropriate for the Card aspect of the Program. The wind-down or transition of the Program shall occur as soon as is reasonably possible before the termination or expiration of the Agreement; provided, that upon the mutual agreement of the parties, which agreement shall not be unreasonably withheld or delayed, the Term of the Agreement may be extended by up to six (6) months, solely for the purpose of completing the wind-down or

transition. The economic terms of the Agreements shall remain in effect during the wind-down period.

(l) Following the expiration or earlier termination of this Agreement, to the extent that Bank continues to own any Loans, Bank may elect to continue to have Company service the Loans pursuant to Sections 12, 13 and 14 of this Agreement, or Bank may elect to terminate such servicing.

(m) The following terms of this Agreement shall survive the expiration or earlier termination of this Agreement:

(1) Sections 7(c), 17, 18, 19, 26 and 36 shall survive indefinitely;

(2) The provisions in Section 6(a)(3) addressing the retention and availability of records shall survive for the period that Bank is required by Applicable Laws to retain such records; and

(3) Sections 6, 7, 10(c), 10(d) and 10(e) shall survive during the period that Bank continues to own any Loans.

19. Confidentiality.

(a) Each Party agrees that Confidential Information of the other Party ("Disclosing Party") shall be used by such Party solely in the performance of its obligations and exercise of its rights pursuant to the Program Documents. Except as required by Applicable Laws or legal process, neither party (each a "Restricted Party") shall disclose Confidential Information of the Disclosing Party to third parties; provided, however, that the Restricted Party may disclose Confidential Information of the other Party (i) to the Restricted Party's Affiliates, agents, representatives or subcontractors for the sole purpose of fulfilling the Restricted Party's obligations under this Agreement (as long as the Restricted Party exercises reasonable efforts to prohibit any further disclosure by its Affiliates, agents, representatives or subcontractors), provided that in all events, the Restricted Party shall be responsible for any breach of the confidentiality obligations hereunder by any of its Affiliates, agents (other than Company as agent for Bank), representatives or subcontractors, (ii) to the Restricted Party's auditors, accountants and other professional advisors, or to a Regulatory Authority, (iii) to any other third party as mutually agreed in writing by the Parties or (iv) with consent of the Disclosing Party. In addition, each Party agrees that the other Party may share Confidential Information with potential acquirers including the other party to a sale of assets (including Loans, Receivables, or economic interests in the Loans), or to any lender or potential lender (including in connection with the issuance of debt securities) to such Party solely to the extent required to facilitate such transactions and due diligence associated with such transactions, provided that the potential party to such transaction is subject to written non-disclosure obligations and limitations on use only for the actual or prospective transaction.

(b) A Party's Confidential Information shall not include information that:

(1) is generally available to the public;

(2) has become publicly known, without fault on the part of the Restricted Party who now seeks to disclose such information, subsequent to the Restricted Party acquiring the information;

(3) was otherwise known by, or available to, the Restricted Party prior to entering into this Agreement; or

(4) becomes available to the Restricted Party on a non-confidential basis from a Person, other than a Party to this Agreement, who is not known by the Restricted Party after reasonable inquiry to be bound by a confidentiality agreement with the Disclosing Party or otherwise prohibited from transmitting the information to the Restricted Party.

(c) Upon written request or upon the termination of this Agreement, each Party shall, within thirty (30) days, return to the other Party all Confidential Information of the other Party in its possession that is in written form, including by way of example, but not limited to, reports, plans, and manuals; provided, however, that either Party may maintain in its possession all such Confidential Information of the other Party required to be maintained under Applicable Laws relating to the retention of records for the period of time required thereunder.

(d) In the event that a Restricted Party is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information of the Disclosing Party, the Restricted Party will provide the Disclosing Party with prompt notice of such request(s) so that the Disclosing Party may seek an appropriate protective order or other appropriate remedy and/or waive the Restricted Party's compliance with the provisions of this Agreement. In the event that the Disclosing Party does not seek such a protective order or other remedy, or such protective order or other remedy is not obtained, or the Disclosing Party grants a waiver hereunder, the Restricted Party may furnish that portion (and only that portion) of the Confidential Information of the Disclosing Party which the Restricted Party is legally compelled to disclose and will exercise such efforts to obtain reasonable assurance that confidential treatment will be accorded any Confidential Information of the Disclosing Party so furnished as the Restricted Party would exercise in assuring the confidentiality of any of its own Confidential Information.

20. Proprietary Material. Each Party ("Licensing Party") hereby provides the other Party ("Licensee") with a non-exclusive right and license to use and reproduce the Licensing Party's name, logo, registered trademarks and service marks ("Proprietary Material") on the Applications, Loan Agreements, Marketing Materials, and otherwise in connection with the fulfillment of Licensee's obligations under this Agreement; provided, however, that (i) the Licensee shall at all times comply with written instructions provided by the Licensing Party regarding the use of the Licensing Party's Proprietary Material, and (ii) Licensee acknowledges that, except as specifically provided in this Agreement, it will acquire no interest in the Licensing Party's Proprietary Material. Upon termination of this Agreement, Licensee will cease using Licensing Party's Proprietary Material. Bank may use Company's Proprietary Materials in materials describing Bank's business, such as its website and investor presentations, subject to Company's prior written consent which shall not be unreasonably withheld. Notwithstanding anything in this Agreement to the contrary, Bank shall not share with any other partner of the Bank or allow any such partner to use any of the Marketing Materials, Servicing Materials, Finance Materials, Applications, Loan Agreements, Loan Documents, and Loan Document

Package developed by Bank and Company for use in connection with the Program without Company's prior written permission.

21. Relationship of Parties. Bank and Company agree that in performing their responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint venturer or any association for profit between and among Bank and Company.

22. Expenses.

(a) Except as set forth herein, each Party shall bear the costs and expenses of performing its obligations under this Agreement.

(b) Company shall bear all costs and expenses related to the Program, and to the extent necessary, reimburse Bank for any such documented, out-of-pocket costs and expenses incurred in the issuing, originating/enrolling, and servicing of the Loans and the Cards, including the costs and expenses related to pulling credit reports and performing screening. Company will reimburse Bank for any hard costs associated with the Program including, but not limited to, wire transfer fees, ACH fees, payment processing, bank fees, Network fees (including the cost of the Program BIN(s) and ICA(s), as applicable, and including any proportional amount of such expenses or fees that apply to the Program as well as to other programs of Bank, regardless of whether the Bank's counterparty actually pays such expenses or fees), and out-of-pocket expenses incurred by Bank in the performance of on-site reviews of Company's (including material third-party vendors' and subcontractors') financial condition, operations, and internal controls as set forth in Schedule 22. Bank will use commercially reasonable efforts to control costs and expenses and cooperate with Company to avoid duplicative sourcing of services related to the Program.

(c) Each Party shall be responsible for payment of any federal, state, or local taxes or assessments associated with the performance of its obligations under this Agreement and for compliance with all filing, registration and other requirements with regard thereto; provided, however, that Company shall be solely responsible for the payment of any taxes (and performance of and compliance with associated requirements) imposed directly on any of the Loans or Loan Documents, such as the Florida documentary stamp tax (to the extent applicable).

(d) Company shall reimburse Bank for all reasonable, documented and out-of-pocket third-party bank fees incurred by Bank in connection with the performance of this Agreement, provided that any such third-party fees shall be invoiced by Bank at Bank's actual cost and shall not include any corporate allocations, administrative fees or Bank mark-ups.

(e) Company shall be responsible for all of Bank's reasonable ongoing out-of-pocket outside counsel fees related to the Program, including Bank's attorneys' fees and expenses in connection with the preparation, negotiation, execution, and delivery of the Program Documents; any amendment, modification, administration, collection, or enforcement of the Program Documents; or any modification of the Finance Materials or other documents or disclosures related to the Program; or any dispute or litigation arising out of or related to the Program (except in the case of litigation between Bank and Company, in which case Bank will refund the outside counsel fees for which Company has previously provided indemnification if Company is the prevailing party in litigation not subject to

further appeal) (collectively, "Legal Fees"). Company shall be responsible for all of Bank's reasonable out-of-pocket costs and expenses for any other third-party professional services related to the Program, including the services of any third-party compliance, credit or technology specialists in connection with ongoing examinations, inspections, and audits of Company or the Program that Bank may require from time to time. Bank will provide to Company regular monthly invoices detailing such fees and expenses (which may be redacted to preserve confidentiality or privilege). Except for Legal Fees, Bank shall use commercially reasonable efforts to control third-party costs and expenses related to the Program and cooperate with Company to avoid duplicative sourcing of services related to the Program.

(f) All fees payable pursuant to this Section 22 (other than amounts the payment of which is otherwise provided for under this Agreement) may be paid by wire or ACH, as determined by the Company, but shall be paid pursuant to the terms of the Bank's invoice. Bank may assess a service charge of [***]% per month on any amounts due under this Agreement that are thirty (30) days past due.

(g) Bank may set-off, combine, consolidate or otherwise appropriate and apply (i) any assets of Company held by Bank or (ii) any indebtedness or other liabilities at any time owing by Bank to Company, as the case may be, against or on account of any obligations owed by Company to Bank under the Program Documents.

(h) Company shall pay to Bank an engagement fee of [***].

23. Examination. Company agrees to submit to any examination that may be required by a Regulatory Authority having jurisdiction over Bank, during regular business hours and upon reasonable prior notice (or otherwise, if required by the Regulatory Authority), and to otherwise provide reasonable cooperation to Bank in responding to such Regulatory Authority's inquiries and requests related to the Program.

24. Site Visits. Company, upon reasonable prior notice from the Bank, agrees to submit to an inspection of its books, records, accounts, and facilities relevant to the Program, from time to time, during regular business hours. All expenses of inspection shall be borne by Company, and Company shall reimburse Bank for reasonable, documented out-of-pocket expenses incurred by Bank in the performance of periodic on-site reviews of Company's financial condition, operations and internal controls. Company shall store all documentation and electronic data related to its performance under this Agreement and shall make such documentation and data available during any inspection by Bank. Company shall make available to Bank such information, documentation, and data as may be requested by Bank from time to time to conduct testing, reviews, or other evaluations of Company or the Program.

25. Reports, Data, and Information Requirements. Company shall provide to Bank the reports identified in the reports schedule that is provided by Bank, annual budgets and forecasts of Company and the Program, together with any required supporting documentation, and such other reports as Bank may reasonably request from time to time. Company shall comply with the formatting and technical guidance provided by Bank for submitting reports. Bank may request additional data fields and/or modifications to the templates for reporting, and Company shall implement such additions or modifications within thirty (30) days. Bank may request new report templates and Company shall implement such new reports within sixty (60) days. All templates and template changes must be approved in writing by Bank.

26. Governing Law; Waiver of Jury Trial. This Agreement, including all issues concerning the validity of the Agreement, the construction of its terms, and the interpretation, performance, and enforcement of the rights and duties of the Parties, shall be governed by, interpreted, and enforced in accordance with the laws of the State of Utah, without giving effect to the rules, policies, or principles thereof with respect to conflicts of laws that would require the application of any other law. Without limiting the generality of the foregoing, the Parties agree the laws of the State of Utah shall govern the entire relationship between and among the Parties, including without limitation, all issues or claims arising out of, relating to, in connection with, or incident to this Agreement, whether such claims are based in tort, contract, or arise under statute or in equity. The Parties acknowledge and agree that this Agreement is made and performed in the State of Utah. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION, PROCEEDING OR CLAIM (WHETHER BASED UPON CONTRACT, TORT, EQUITY OR OTHERWISE) ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT**.

27. Severability. Any provision of this Agreement that is deemed invalid, illegal, or unenforceable in any jurisdiction, shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality, or unenforceability, without affecting in any way the remaining portions hereof in such jurisdiction or rendering such provision or any other provision of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. All terms and conditions of this Agreement will be deemed enforceable to the fullest extent permissible under Applicable Law, and, when necessary, the court is authorized to reform any and all terms or conditions to give them such effect.

28. Assignment. This Agreement and the rights and obligations created under it shall be binding upon and inure solely to the benefit of the Parties and their respective successors, and permitted assigns. Neither Party may assign or transfer this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, all assignments of rights by Company are prohibited under this Section, whether they are voluntary or involuntary, by merger, consolidation, Change of Control, dissolution, operation of law, or any other manner. For purposes of this Section, "merger" refers to any merger in which Company participates, regardless of whether it is the surviving entity or not. Company may not delegate any performance under this Agreement without the prior written consent of Bank. Any purported assignment of rights or delegation of performance in violation of this Section is void. No assignment of rights or delegation of performance under this Section shall relieve a Party of its obligations under this Agreement.

29. Third Party Beneficiaries. This Agreement is not intended to and does not confer any rights or remedies upon any Person other than the Parties. Nothing contained herein shall be construed as creating a third-party beneficiary relationship between either Party and any other Person.

30. Notices. All notices and other communications that are required or may be given in connection with this Agreement shall be in writing and shall be deemed received (a) on the day delivered, if delivered by hand; (b) on the day transmitted, if transmitted by facsimile or e-mail with receipt confirmed; or (c) three (3) Business Days after the date of mailing to the other Party, if mailed

first-class mail postage prepaid, at the following address, or such other address as either Party shall specify in a notice to the other:

To Bank: WebBank
Attn: [***]
215 S. State Street, Suite 1000
Salt Lake City, UT 84111
Tel. [***]
Email: [***]

With copies to: WebBank
Attn: [***]
215 S. State Street, Suite 1000
Salt Lake City, UT 84111
Tel. [***]
Email: [***]

WebBank
Attn: [***]
215 S. State Street, Suite 1000
Salt Lake City, UT 84111
Tel. [***]
Email: [***]

To Company: Sezzle Inc.
Attn: [***]
700 Nicollet Mall, Suite 640
Minneapolis, MN 55402
Tel.: [***]
Email: [***]

With copy to: Sezzle, Inc.
Attn: [***]
700 Nicollet Mall, Suite 640
Minneapolis, MN 55402
Tel.: [***]
Email: [***]

31. Amendment and Waiver. This Agreement may not be amended orally, but only by a written instrument signed by all Parties that identifies itself as an amendment to this Agreement. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the Parties, operates as a waiver or estoppel of any right, remedy, or condition. All waivers must be in writing and signed by the Party against whom the waiver is to be enforced. A waiver made in writing on one occasion is effective only in that instance and only for the purpose that it is given and is not and is not to be construed as a waiver on any future occasion or against the other Party. To the extent any course of dealing, act, omission, failure, or delay in exercising any right or remedy under this Agreement constitutes the election of an inconsistent right or remedy, that election does not constitute a waiver of any right or remedy or limit or prevent the subsequent enforcement of any Agreement provision. No single or partial exercise of any right or remedy under this Agreement precludes

the simultaneous or subsequent exercise of any other right or remedy. The rights and remedies of the Parties set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

32. Entire Agreement. The Program Documents constitute the final agreement between the Parties. The Program Documents are the complete and exclusive expression of the Parties' agreement on the matters contained therein. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in the Program Documents are expressly merged into and superseded by the Program Documents. The provisions of the Program Documents may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into the Program Documents, neither Party has relied upon any statement, representation, warranty, or agreement of the other Party except for those expressly contained in the Program Documents. There are no conditions precedent to the effectiveness of this Agreement other than the execution hereof by the Parties and those conditions expressly stated in this Agreement.

33. Counterparts; Electronic Signatures. This Agreement may be executed and delivered by the Parties in any number of counterparts, and by different parties on separate counterparts, each of which counterpart shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Agreement may be executed and delivered by facsimile, as an attachment to an electronic mail message in .pdf, .jpeg, .TIFF or similar electronic format, or by electronic signature (including DocuSign, AdobeSign, and ContractWorks), which will be considered originals and legally binding for all purposes. Each Party agrees that any such electronically transmitted signature shall be valid and binding on such Party to the same extent as a manual signature.

34. Interpretation. The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments thereto, and the same shall be construed neither for nor against either Party, but shall be given a reasonable interpretation in accordance with the plain meaning of its terms and the intent of the Parties.

35. Force Majeure. If any Party is unable to carry out the whole or any part of its obligations under this Agreement by reason of a Force Majeure Event, then the performance of the obligations under this Agreement of such Party as they are affected by such cause shall be excused during the continuance of the inability so caused, except that should such inability not be remedied within thirty (30) days after the date of such cause, the Party not so affected may at any time after the expiration of such thirty (30) day period, during the continuance of such inability, terminate this Agreement upon giving written notice to the other Party and without payment of a termination fee or other penalty. To the extent that the Party not affected by a Force Majeure Event is unable to carry out the whole or any part of its obligations under this Agreement because a prerequisite obligation of the Party so affected has not been performed, the Party not affected by a Force Majeure Event also is excused from such performance during such period. A "Force Majeure Event" as used in this Agreement shall mean an unanticipated event that is not reasonably within the control of the affected Party or its subcontractors including, but not limited to, acts of God, acts of governmental authorities, strikes, war, riot, pandemic, and any other causes of such nature, and which by exercise of reasonable due diligence, such affected Party or its subcontractors could not reasonably have been expected to avoid, overcome or obtain, or cause to be obtained, a commercially reasonable substitute therefor. No Party shall be relieved of its obligations hereunder if its failure of performance is due to removable or remediable causes which such Party

fails to remove or remedy using commercially reasonable efforts within a reasonable time period. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of a Force Majeure Event shall give prompt notice of such fact to the other Party, followed by written confirmation of notice, and shall exercise due diligence to remove such inability with all reasonable dispatch.

36. Jurisdiction; Venue. Each Party hereby submits to the exclusive jurisdiction of the federal and state courts in Salt Lake City, Utah (and appellate courts thereof) in connection with any dispute related to this Agreement or any matter contemplated hereby. Each Party irrevocably and unconditionally waives any objection to the laying of such venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum.

37. Insurance. Company agrees to maintain customary insurance coverage on the terms and conditions reasonably specified from time to time by Bank at all times during the term of this Agreement, to provide an annual update of all insurance coverages, and to notify Bank promptly of any cancellation or lapse of any such insurance coverage. Insurance policies required to be maintained hereunder shall be procured from insurance companies reasonably acceptable to Bank. Company shall provide evidence of its insurance coverages in the form of certificates of insurance promptly following the Effective Date and at each policy renewal or replacement.

38. Prohibition on Tie-In Fees. Company shall not directly or indirectly impose or collect any fees, charges or remuneration on Applicants or Borrowers relating to the processing or approval of an Application, the establishment of a Loan, or the disbursement of Loan Proceeds, unless such fee, charge or remuneration is set forth in the Finance Materials, or approved in writing by Bank.

39. Headings. Captions and headings in this Agreement are for convenience of reference only, are not to be deemed part of this Agreement, and do not affect the construction or interpretation of this Agreement.

40. Manner of Payments. Unless the manner of payment is expressly provided herein, all payments under this Agreement shall be made by wire or ACH transfer to the bank accounts designated by the respective Parties. Notwithstanding anything to the contrary contained herein, neither Party shall be excused from making any payment required of it under this Agreement as a result of a breach or alleged breach by the other Party of any of its obligations under this Agreement or any other agreement, provided that the making of any payment hereunder shall not constitute a waiver by the Party making the payment of any rights it may have under the Program Documents or by law.

41. Referrals. Neither Party has agreed to pay any fee or commission to any agent, broker, finder, or other person for or on account of such person's services rendered in connection with this Agreement that would give rise to any valid claim against the other Party for any commission, finder's fee or like payment.

42. Financial Covenants, Statements and Reporting.

(a) Company, shall, at all times during the Term, satisfy each of the following financial covenants (the "Financial Covenants"):

(1) *Minimum Tangible Net Worth*. Company shall maintain a Tangible Net Worth at least equal to the greater of [***].

(2) *Maximum Leverage Ratio*. Company shall maintain a Leverage Ratio not to exceed the lesser of [***].

(3) *Net Liquidity Minimum*. Company shall maintain Unrestricted Cash in an amount at least equal to the greater of [***].

(b) Company will report monthly to Bank, in a form and substance reasonably acceptable to Bank, regarding origination and portfolio performance, its performance of services under the Program Documents, including compliance activities, and permit Bank to audit Company with regard to same.

(c) To the extent that such reports are not filed with the U.S. Securities and Exchange Commission and publicly available on the EDGAR system as part of the quarterly or annual reports of Company, Company shall provide Bank the following: (i) an unaudited monthly financial statement (which includes Company, its parent, and their subsidiaries), which shall, at a minimum, include a balance sheet, income statement, and statement of cash flows, within thirty (30) days after the end of each month, certified by the chief executive officer, chief financial officer, treasurer, or controller of Company as fairly presenting the financial condition, results of operations, and cash flows of Company, its parent, and their subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments; (ii) concurrently with the delivery of monthly financial statements, Company shall provide a monthly update on the Merchant Interest Program balance as of the end of each fiscal month; (iii) an unaudited consolidated (which includes Company, its parent, and their subsidiaries) quarterly financial statement, which shall, at a minimum, include a consolidated balance sheet, consolidated income statement, and consolidated statement of cashflows within forty-five (45) days after the end of each fiscal quarter, certified by the chief executive officer, chief financial officer, treasurer or controller of Company as fairly presenting the financial condition, results of operations and cash flows of Company, its parent, and their subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments; (iv) concurrently with the delivery of quarterly financial statements, Company shall provide a list of all merchants in the Merchant Interest Program and their respective outstanding balances at the end of each fiscal quarter; (v) an audited annual financial statement, which shall, at a minimum, include a balance sheet, income statement, statement of cash flows, a statement of stockholders' equity, the accountants' letter to management and an unqualified opinion, within ninety (90) days following the end of Company's fiscal year that is audited by an independent certified public accountant and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP, and with no emphasis of matter or other disclosure regarding Company's ability to continue as a going concern (regardless of whether such accountants conclude that Company management's plans are sufficient to alleviate the determination that substantial doubt exists about the Company's ability to continue as a going concern for a reasonable period of time); (vi) concurrently with the delivery of the financial statements, a completed compliance certificate covering the financial covenants set forth in Section 42(a), signed by the chief executive officer, chief financial officer, treasurer, or controller of Company; (vii) concurrently with the delivery of any annual financial statements, a narrative report of management's discussion and analysis for the reporting period, and setting forth, in reasonable detail, in comparative form the corresponding periods of the previous fiscal year; (viii) by December 1 of each year, annual projections for Company for the subsequent year on a consolidated basis including estimated annual Program volume and the number of Loans

for such year; and (ix) by March 1 of each year, an annual budget approved by Company's Board of Directors for the current year on a consolidated basis.

(d) Company shall provide to Bank, at the same time such materials are provided to Company's lender(s), as applicable, and at such other times as reasonably requested by Bank, a copy of the covenant compliance certificate, reporting packages, borrowing base certificates, and other similar reporting under any Company Credit Facility used to support or that may be used to support the Program ("Supporting Company Credit Facility"). Company shall provide to Bank immediate notice of any amendment to or breach of, failure to comply with the terms, conditions, or covenants of; or event of default under any Supporting Company Credit Facility. Company shall provide to Bank advance notice of, and copies of drafts of, any amendments, loan agreements, promissory notes, security agreements, and other documents or instruments relating to any Supporting Company Credit Facility, and shall provide final signed copies of any such documents or instruments to Bank upon execution thereof.

(e) For any Company Credit Facility that is not a Supporting Company Credit Facility, the Parties shall work in good faith to agree to reporting standards reasonably acceptable to Bank that also address any confidentiality or legal conflicts with Company's existing lender(s).

(f) Company shall provide written notice to Bank of any expected or anticipated Change of Control of Company ("COC Notice") not later than thirty (30) Business Days prior to the anticipated effective date of such Change of Control and such COC Notice shall include the name of the Person acquiring Control of Company.

43. Exclusivity.

(a) Bank shall be the exclusive issuer of Card (including virtual cards) products, on-demand products, "Pay-in-4", and "Pay-in-2" consumer loans that are marketed or serviced by Company or its Affiliates during the Term in the Territory, [***].

(b) [***]

(c) [***]

(d) [***]

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

WEBBANK

By: _____
Name: _____
Title: _____

SEZZLE INC.
By: _____
Name: _____
Title: _____

Schedule 1

I. Definitions

"Accepted Servicing Practices" means the servicing practices as agreed in writing by the Parties and modified from time to time pursuant to Section 13(d).

"ACH" means the Automated Clearinghouse.

"Acquisition" means any transaction or series of transactions in which Company is directly or indirectly acquired by one or more third parties. This definition applies to any circumstance in which Company is acquired by any means, including, without limitation, a transaction or series of transactions in which one or more third parties (i) acquires all or substantially all of Company's assets; (ii) acquires all or substantially all of Company's equity; or (iii) acquires Company by merger.

"Affiliate" means, with respect to a Party, a Person who directly or indirectly controls, is controlled by or is under common control with the Party. For the purpose of this definition, the term "control" (including with correlative meanings, the terms controlling, controlled by and under common control with) means the power to direct the management or policies of such Person, directly or indirectly, through the ownership of twenty-five percent (25%) or more of a class of voting securities of such Person.

"Agreed Minimum Balance" means an amount determined by Bank, after consultation with the Company, from time to time, to be deposited by Bank in the WebBank Issuing Account that is estimated to be at least equal to the maximum amount of Loan Proceeds to be disbursed through virtual cards on a Business Day (and on the subsequent non-Business Days prior to the next Business Day).

"Agreement" shall have the meaning set forth in the introductory paragraph.

"Applicable Laws" means all federal, state and local laws, statutes, regulations, orders and guidance applicable to a Party or relating to or affecting any aspect of the Program including the Loans, the Card, the Marketing Materials, and the Finance Materials, and all requirements of any Regulatory Authority having jurisdiction over a Party, as any such laws, statutes, regulations, orders, requirements and guidance may be amended and in effect from time to time during the term of this Agreement.

"Applicant" means a Person who applies for and requests a Loan from Bank.

"Application" means any request from an Applicant for a Loan in the form required by Bank.

"Bank" shall have the meaning set forth in the introductory paragraph.

"Borrower" means an Applicant or other Person for whom Bank has established a Loan.

"BSA Program" means Company's Bank Secrecy Act, anti-money laundering and OFAC compliance program governing all aspects of the Program, developed by Company and approved by Bank.

"Business Continuity Program" means Company's disaster recovery and business continuity program governing all aspects of the Program, developed by Company and approved by Bank.

"Business Day" means any day, other than (i) a Saturday or Sunday, or (ii) a day on which banking institutions in the State of Utah are authorized or obligated by law or executive order to be closed.

"Card" means a general-purpose credit card, in virtual form branded with the Network marks and which may contain the Company's marks, and noted as issued by Bank, that may be used to access Loans to purchase goods or services from merchants anywhere in the world that participate in the Network.

"Cash Equivalents" means (a) securities with maturities of 90 days or less from the date of acquisition issued or fully guaranteed or insured by the government of the United States or any agency thereof, (b) certificates of deposit and eurodollar time deposits with maturities of 90 days or less from the date of acquisition and overnight bank deposits of any commercial bank having capital and surplus in excess of $500,000,000, (c) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than seven (7) days with respect to securities issued or fully guaranteed or insured by the government of the United States, (d) commercial paper of a domestic issuer rated at least A-1 or the equivalent thereof by S&P and P-1 or the equivalent thereof by Moody's and in either case maturing within 90 days after the day of acquisition, (e) bonds and similar debt instruments that constitute "securities" under the Securities Act of 1933 (as amended), are freely tradable on any nationally recognized securities exchange and can be liquidated within five (5) Business Days, (f) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (e) of this definition or (g) investments in money market or common trust funds having a rating from each of Moody's and S&P in the highest investment category for short-term unsecured debt obligations or certificates of deposit granted thereby.

"Change of Control" means (i) an Acquisition of Control of Company by any person or entity, or (ii) the sale by Company of all or substantially all of its assets to any person or entity.

"Charge Off Policy" the policy for the charge off of Loans included in Company's servicing portfolio, a complete and correct copy of which shall be agreed by the Parties, and which may be modified or amended only at the direction of or with the consent of Bank.

"Charged Off Loan" shall have the meaning set forth in Section 14(b).

"Charge Off Date" shall have the meaning set forth in Section 14(b).

"Claim Notice" shall have the meaning set forth in Section 17(e).

"COC Notice" shall have the meaning set forth in Section 42(f).

"Company" shall have the meaning set forth in the introductory paragraph.

"Company Credit Facility" shall have the meaning set forth in Section 18(c)(8).

"Comparable Guaranty" means with respect to any Person, any agreement of such Person for the benefit of any third party in connection with any indebtedness for borrowed money.

"Complaint" means any expression of dissatisfaction, whether verbal or written, whether justified or not, that might be indicative of a failure to follow established procedures or which suggests a process deficiency that might lead to a regulatory violation.

"Complaint Management Program" means Company's Complaint management program governing all aspects of the Program, in a written form developed by Company and approved by Bank.

"Compliance Management System" or "CMS" means Company's compliance management system governing all aspects of the Program, developed by Company and approved by Bank.

"Confidential Information" means the terms and conditions of this Agreement, and any proprietary information or non-public information of a Party, including a Party's proprietary marketing plans and objectives, that is furnished to the other Party in connection with this Agreement.

"Control" means, with respect to Company, the possession either directly or indirectly of the power to direct or cause the direction of Company's management or policies whether through the ownership of voting securities, by contract or otherwise. Such control shall be presumed in the event that a third party acquires twenty-five percent (25%) or more of a class of voting securities of Company.

"Control Person" means, with respect to Company, (i) any executive officer or director; (ii) any shareholder owning twenty-five percent (25%) or more of a class of voting securities of Company, (iii) any Person participating in the Control of Company's business, and (iv) any Person having the power to direct the management or policies of Company.

"Credit Policy" means the minimum requirements and/or other such considerations that Bank uses (whether in one or more documents) to approve or deny an Application and to establish a Loan, to make a Loan, or to modify the terms of a Loan, and the requirements for the pricing of Loans.

"Critical Vendor" shall have the meaning set forth in Section 8(a).

"Disclosing Party" shall have the meaning set forth in Section 19(a).

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"Elevated Complaint" means any Complaint that is directed or referred to any state attorney general, Regulatory Authority, governmental figure (including a state or federal legislator), or the Better Business Bureau or similar organization, or that alleges a potential UDAP, Fair Lending, or Community Reinvestment Act violation relating to any aspect of the Program.

"Existing Program Agreement" shall have the meaning set forth in the preamble.

"FBO" shall have the meaning set forth in Section 11.

"Finance Materials" shall have the meaning set forth in Section 4.

"Force Majeure Event" shall have the meaning set forth in Section 35.

"Funded Facility Amount" means, on any day, the aggregate principal amount of advances made on or prior to such day, from the Company's secured lender under a Company Credit Facility, reduced from time to time by payments and distributions in respect of principal of such advances.

"Funding Date" means the Business Day on which any pending Loans are funded. For Funding Statements received by Bank by 12:00 PM Mountain Time, the Funding Date shall be the date of the Funding Statement date (i.e., same day).

"Funding Statement" means the statement prepared by Company on a Business Day that contains (i) the computation of the total funding amount for all Loans; (ii) a computation of all fees to be paid to the Network and of all Interchange earned from virtual card transactions; and (iii) such other information as shall be reasonably requested by Bank and mutually agreed to by the Parties.

"Funding Time" means the time identified by the Network for the payment of amounts due to the Network on any day.

"GAAP" means United States generally accepted accounting principles.

"ICA" means an Interbank Card Association number issued by the Network.

"ID Theft Red Flags Program" means Company's identity theft red flags program governing all aspects of the Program, in a written form developed by Company and approved by Bank.

"Indemnifiable Claim" shall have the meaning set forth in Section 17(d).

"Indemnified Parties" shall have the meaning set forth in Section 17(c).

"Indemnifying Party" shall have the meaning set forth in Section 17(c).

"Information Security Incident" means any actual, threatened, or suspected loss of NPI, compromise in the security of NPI, unauthorized access to or use of NPI, or other information security incident.

"Information Security Program" means Company's information security program governing all aspects of the Program, in a written form developed by Company and approved by Bank.

"Insolvent" means the failure to pay debts in the ordinary course of business, the inability to pay its debts as they come due or the condition whereby the sum of an entity's debts is greater than the sum of its assets.

"Interchange" means the revenue paid to Bank by acquiring financial institutions for transactions with Merchants initiated with a Card, as established by a Network, net of amounts due to such acquiring financial institutions, for example, for return credits, chargebacks and the discount rate, if any.

"Leverage Ratio" means, as of the end of each fiscal quarter, the ratio of (a) total consolidated indebtedness for borrowed money for the Company and its subsidiaries on a consolidated basis as of such day to (b) the Tangible Net Worth for the Company and its subsidiaries on a consolidated basis as of such day.

"Licensee" shall have the meaning set forth in Section 20.

"Licensing Party" shall have the meaning set forth in Section 20.

"Lien" means any mortgage, pledge, hypothecation, assignment, encumbrance, lien or security interest (statutory or other), or preference, priority or other security agreement, charge or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing authorized by the Company and/or any of its subsidiaries of any financing statement under the UCC or comparable law of any jurisdiction).

"Liquidated Loan" means a Loan which has been liquidated, whether by way of a payment in full, a disposition, a refinance, a compromise, a sale to a purchaser or any other means of liquidation of such Loan.

"Liquidity Sources" shall have the meaning set forth in Schedule 2.

"Litigation Expenses" means any court filing fee, court cost, arbitration fee or cost, witness fee, fees for transcriptions and recordings, and each and every other fee and cost of investigating and defending or asserting any claim for indemnification pursuant to this Agreement, including, in each case, attorneys' fees, other professionals' fees, and disbursements.

"Loan" means a consumer loan originated by Bank pursuant to the Program, including all rights to payment from or on behalf of the Borrower in respect of the Loan under the Loan Agreement with the related Borrower and otherwise, and each Loan includes any existing, as well as the right to payment of any future, interest charges and fees associated with such Loan.

"Loan Agreement" means the document containing the terms and conditions of a Loan including all disclosures required by Applicable Laws.

"Loan Disbursement" means a disbursement of Loan Proceeds by Bank to a Borrower or a merchant on behalf of the Borrower.

"Loan Documents" means, with respect to any Loan, each of the Loan documents included in the Loan Document Package.

"Loan Document Package" means, with respect to any Loan, all of the Loan Agreements, Applications, periodic statements, and other documents executed and/or delivered in connection with the origination, funding, servicing, and ownership of such Loan.

"Loan Payment" means any payment due on a Loan, including any payment of principal, interest, fees, or other amounts due under the related Loan Agreement.

"Loan Proceeds" means funds disbursed by Bank to a Borrower or a merchant on behalf of a Borrower pursuant to a Loan.

"Loan and Receivables Sale Agreement" means the Amended and Restated Loan and Receivables Sale Agreement, dated as of even date herewith, between Bank and Company, as amended, supplemented or modified from time to time.

"Losses" means any and all causes of action, claims, actions, liabilities, losses, judgments, interest, awards, damages (including punitive damages), settlement payments, diminution in value, fines, fees, penalties, costs and expenses, including Litigation Expenses.

"Marketing Materials" means all promotional and marketing materials, including marketing scripts, press releases, Merchant created content and other marketing materials used in connection with the Program regardless of whether such materials were created by Company or Merchant(s).

"Maximum Loan Amount" shall have the meaning set forth in Section 3.

"Merchant" means retail sellers of products and services in the Company's merchant network.

"Merchant Interest Program" means a program in which certain approved Merchants may have the opportunity to receive interest earnings on their funds that are held by Sezzle.

"Minimum Monthly Bank Fee" shall have the meaning set forth in Schedule 14.

"Moody's" means Moody's Investors Service, Inc., together with its successors.

"Modification" means, with respect to any Loan, any waiver, modification or variance of any term or any consent to the postponement of strict compliance with any term or any other grant of an indulgence or forbearance to the related Borrower.

"Multiple Disbursement Loan" shall have the meaning set forth in Section 3.

"Net Interchange Revenue" means the Interchange less any fees and costs imposed by the Network.

"Network" means Mastercard or Visa.

"NPI" means (a) any information that a Borrower or Applicant provides to Company or Bank relating to the Program, any information about a Borrower or Applicant resulting from the Program, and any information that Company or Bank otherwise obtains about a Borrower or Applicant in connection with providing the Program to that Borrower or Application, and (b) any list, description, or other grouping of Borrowers or Applicants that is derived using any of the foregoing information. NPI does not include information that has been aggregated or de-identified in a manner that complies with Applicable Laws.

"Party" means either Company or Bank and "Parties" means Company and Bank.

"Person" means an individual or a corporation (including a business trust), partnership, trust, incorporated or unincorporated association, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind.

"Program" means the loan program pursuant to which Bank will establish Loans and make Loans on behalf of Borrowers pursuant to the terms of this Agreement.

"Program BIN" means one or more bank identification numbers registered with the Network for purposes of issuing a Card.

"Program Documents" means this Agreement, and the Loan and Receivables Sale Agreement, including any exhibits, addenda, and side letters with respect to each of them.

"Program Governance Committee" means Company's formal governance committee, established or designated by Company and approved by Bank, responsible for ensuring the effectiveness and adequacy of the Required Controls.

"Program Launch Date" means the earlier of either: (i) sixty (60) days after Bank sends Company written confirmation that the UAT Phase for the Program ended and the full production environment for the Program begins; or (ii) the date that Bank, in a full production environment for the Program and takes the first Application.

"Program Threshold Amount" means an amount initially determined by mutual agreement of the Parties and subsequently adjusted by Bank from time to time, with reasonable prior notice provided to Company, based on a monthly evaluation in order to meet the volume requirements of the Program.

"Program Year" means (i) the period from the Program Launch Date through the end of the month that includes the first anniversary of the Program Launch Date, and (ii) each subsequent period of twelve (12) months.

"Proprietary Material" shall have the meaning set forth in Section 20.

"Receivable" means, with respect to any Borrower, any right to payment from or on behalf of any Borrower in respect of any Loan, and includes any existing, as well as the right to payment of any future, finance charges, late fees, returned check fees, and any and all other fees and charges and other obligations of such Borrower with respect to such Loan Account. Each Receivable includes all rights of Bank to payment under the Loan Agreement with such Borrower.

"Regulatory Authority" means any federal, state or local regulatory agency or other governmental agency or authority having jurisdiction over a Party and, in the case of Bank, shall include, but not be limited to, the Utah Department of Financial Institutions, the Federal Deposit Insurance Corporation, and the Financial Crimes Enforcement Network.

"Regulatory Inquiry" means any inquiry, investigation, proceeding or question (whether verbal or written, formal or informal) by any state attorney general, Regulatory Authority, governmental figure (including a state or federal legislator), or the Better Business Bureau or similar organization that is not an Elevated Complaint.

"Reportable Event" has the meaning provided in Section 6(e).

"Required Controls" means the controls programs and controls policies, developed by Company and approved by Bank, to govern all aspects of the Program, including the programs and policies listed in **Exhibit A**.

"Required UAT Collateral Amount" shall have the meaning set forth in Schedule 5(l).

"Restricted Party" shall have the meaning set forth in Section 19(a).

"S&P" means S&P Global Ratings.

"Servicer Physical Address" means Company's address where it maintains its books and records for the Servicing Files and, with respect to Company in its capacity as servicer, is: 700 Nicollet Mall, Suite 640, Minneapolis, MN. 55402.

"Servicing File" means, with respect to each Loan, the items, documents, files and records pertaining to the servicing of such Loan, including to the extent applicable the computer files, data tapes, books, records, notes, copies of the Loan Documents, and all additional documents

generated as a result of or utilized in originating and/or servicing such Loans which are delivered to or generated by Company.

"Servicing Materials" shall have the meaning set forth in Section 13(h).

"Servicing Standard" shall have the meaning set forth in Section 13(a).

"Settlement" and "Settle" means the day the Bank settles with the Network for the then previous day(s) transactions.

"Single Disbursement Loan" shall have the meaning set forth in Section 3.

"Supporting Company Credit Facility" shall have the meaning set forth in Section 42(d).

"Tangible Net Worth" means, with respect to the Company and its subsidiaries on a consolidated basis, the excess of total assets of over total liabilities and reserves, as determined in accordance with GAAP based on the most recent balance sheet of Company delivered pursuant to Section 42 of this Agreement less the consolidated net book value of all assets of Company and its subsidiaries on a consolidated basis (to the extent reflected as an asset in the consolidated balance sheet of Company at such date), which will be treated as intangibles under GAAP.

"Territory" means the fifty states of the United States, the District of Columbia, and the territories of the United States.

"UAT Collateral Account" shall have the meaning set forth in Schedule 5(l).

"UAT Phase" shall have the meaning set forth in Schedule 5(l).

"UAT Virtual Card" shall have the meaning set forth in Schedule 5(l).

"UAT Terms" shall have the meaning set forth in Schedule 5(l).

"UCC" means the Uniform Commercial Code, as from time to time in effect in the State of Utah; provided that if, by reason of any mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of the security interests granted in this Agreement are governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States of America other than the State of Utah, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of such perfection, effect of perfection or non-perfection or priority.

"Unfunded Commitment" shall have the meaning set forth in Section 11.

"Unfunded Commitment Amount" shall have the meaning set forth in Schedule 14(d).

"Unfunded Commitment Rate" shall have the meaning set forth in Schedule 14(d).

"Unrestricted Cash" means, with respect to Company and its consolidated subsidiaries, as of any date of determination, the cash and Cash Equivalents of Company and its consolidated subsidiaries that, in accordance with GAAP, is reflected on the consolidated balance sheet of Company, but only to the extent that such cash and Cash Equivalents (or any deposit account or securities account in which such cash and Cash Equivalents are held) are not controlled by or subject to any Lien or other preferential arrangement in favor of any creditor.

"Vendor Management Program" means Company's third-party service provider risk management program governing all aspects of the management of Company's subcontractors and vendors of the Program, in a written form developed by Company and approved by Bank.

"WebBank Issuing Account" shall have the meaning set forth in Section 11.

II. Construction

As used in this Agreement:

(a) All references to the masculine gender shall include the feminine gender (and vice versa);

(b) All references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation";

(c) the word "or" means both "and" and "or," except where the context clearly indicates that the Parties intend "or" to designate alternatives only, including when the word "either" or similar words or phrases are used;

(d) References to any law or regulation refer to that law or regulation as amended from time to time and include any successor law or regulation;

(e) References to "dollars" or "$" shall be to United States dollars unless otherwise specified herein;

(f) Unless otherwise specified, all references to days, weeks, months or years shall be deemed to be preceded by the word "calendar";

(g) Unless otherwise specified, all references to "quarter" shall be deemed to mean calendar quarter; and

(h) The fact that Bank or Company has provided approval or consent shall not mean or otherwise be construed to mean that: (i) either Party has performed any due diligence with respect to the requested or required approval or consent, as applicable; (ii) either Party agrees that the item or information for which the other Party seeks approval or consent complies with any Applicable Laws; (iii) either Party has assumed the other Party's obligations to comply with all Applicable Laws arising from or related to any requested or required approval or consent; or (iv) except as otherwise expressly set forth in such approval or consent, either Party's approval or consent impairs in any way the other Party's rights or remedies under the Agreement, including indemnification rights for Company's failure to comply with all Applicable Laws.

Schedule 2

Preapproved Marketing

[***]

Schedule 5(l)

UAT

[***]

Schedule 6(a)(1)

Program Governance Committee

The Program Governance Committee shall:

- Operate pursuant to a written charter that explicitly states that the committee is responsible for ensuring the effectiveness and adequacy of the Required Controls
- Be limited in voting membership exclusively to members of Company's senior management
- Approve all Required Controls, and any updates to the Required Controls, agreed by the Parties
- Review and approve the annual budget requirements and technology resource requirements for the staffing and operation of the Required Controls
- Designate the officers or program administrators responsible for developing, implementing and maintaining the Required Controls
- Receive periodic in-person updates and written reports from the designated officers or program administrators for the following Required Controls:
    - CMS
    - BSA
    - Privacy
    - Information Security
    - Information Technology/Technology Governance
    - Vendor Management
    - Business Continuity

The Program Governance Committee's oversight of the Required Controls will include review of the following:

1. Monthly issue management status reporting on all issues and findings identified through:
    (a) Required Controls processes
    (b) Bank oversight
    (c) Independent audits and reviews
    (d) Examination findings and recommendations
    (e) Regulatory Inquiries, Complaints and litigation
2. Quarterly reporting on and review of Bank's oversight of the Program, including:
    (a) Bank control group reviews and reports, including all escalated compliance issues

(b) Independent audits performed pursuant to Section 6(b)
(c) Custom model reviews performed pursuant to Section 6(c)

3. Monthly Complaint reports, including root cause analysis and monitoring and testing of the Complaint Management Program

4. Quarterly reporting on CMS Program monitoring and testing

5. Monthly BSA Program metrics

6. Information Security Program metrics, including:

   (a) Technology enhancements

   (b) Penetration testing

   (c) Information Security Incidents *(immediate escalation where appropriate)*

7. Quarterly employee training completion metrics

8. Review of the following Bank-required annual reports and reviews:

   (a) Information Security

   (b) Vendor Management

   (c) ID Theft Red Flags

   (d) Business Continuity

9. Review of Bank-required annual risk and controls assessments, including:

   (a) Regulatory compliance
   (b) BSA/AML/OFAC
   (c) Information security/technology governance

Schedule 6(a)(2)

Compliance Management System

[***]

Schedule 6(a)(3)

BSA Program

[***]

Schedule 6(a)(4)

ID Theft Red Flags Program

[***]

Schedule 6(a)(5)

Privacy Program

[***]

Schedule 6(a)(6)

Complaint Management Program

[***]

Schedule 6(a)(7)

Information Security Program

[***]

Schedule 6(a)(8)

Business Continuity Program

[***]

Schedule 6(a)(9)

Vendor Management Program

[***]

Schedule 14

Payments

[***]

Schedule 22

Operational Program Expenses

Company shall reimburse Bank for any payment process fees covered under Section 22(b) of the Agreement as set forth in the table below:

[***]

Exhibit A

Required Controls

Programs

- BSA
- Business Continuity
- Complaint Management
- Compliance Management System
- ID Theft Red Flags
- Information Security
- Privacy
- Vendor Management

Policies & Procedures (including related processes)

Marketing

- Marketing (including third party marketing channels/models, as applicable)
- Sales Incentive/Commission

Underwriting & Credit

- Credit Policy (including Implementation and Change Management)
- Model Governance

Servicing & Collections

- Account Servicing
- Re-Age
- Collections (including FDCPA)
- Charge-Off
- Allowance for Loan & Lease Losses (ALLL)

Regulatory Compliance

- Compliance Management System (CMS)
- Bank Secrecy Act/Anti-Money Laundering (BSA/AML)
- Red Flags/Identity Theft
- Complaint Handling
- Electronic Funds Transfer Act (EFTA)
- Electronic Signatures and Electronic Disclosures (E-Sign)
- Fair Credit Reporting Act (FCRA)
- Fair Lending/Equal Credit Opportunity Act (ECOA)
- Record Retention and Data Destruction
- Service Members (SCRA/MLA)
- Privacy
- CAN-SPAM
- Telephone Consumer Protection Act (TCPA)
- Truth in Lending Act (TILA)
- UDAAP (Dodd-Frank) and UDAP (Section 5 FTC Act)
- Policy Management

Information Security/Technology Governance

- Information Security
- Business Continuity Management
- Disaster Recovery
- Incident Response/Data Breach

Vendor Management

- Vendor Management