14 April 2021

ASX ANNOUNCEMENT
Company Announcements Platform

Files General Form for Registration in the US

Sezzle Inc. (ASX: SZL) (Sezzle or Company) attaches herewith a 'Form 10 – General Form for Registration of Securities' filed with the U.S. Securities Exchange (SEC) pursuant to Section 12(g) of the U.S. Securities Exchange Act of 1934 (U.S. Securities Act). As previously announced, in accordance with the provisions of the U.S. Securities Act, the Company has become a reporting company for U.S. SEC purposes and, going forward, is subject to filing annual, quarterly, and current reports on Forms 10-K, 10-Q, and 8-K. These SEC periodic reports will be in addition to Sezzle's periodic filings required by the ASX Listing Rules, copies of which will also be lodged on the ASX platform where required.

This announcement has been approved by the Company's CEO and Executive Chairman, Charlie Youakim, on behalf of the Sezzle Inc. Board.

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About Sezzle Inc.

Sezzle is a rapidly growing fintech company on a mission to financially empower the next generation. Sezzle's payment platform increases the purchasing power for almost 2.4 million Active Consumers by offering interest-free installment plans at online stores and select in-store locations. Sezzle's transparent, inclusive, and seamless payment option allows consumers to take control over their spending, be more responsible, and gain access to financial freedom. When consumers apply, approval is instant, and their credit scores are not affected. The increase in purchasing power for consumers leads to

increased sales and basket sizes for the more than 29,200 Active Merchants that offer Sezzle.

For more information visit sezzle.com.

Sezzle's CDIs are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers of securities which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. As a result of relying on the Regulation S exemption, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the US or to a US person who is not a QIB for the foreseeable future except in very limited circumstances until after the end of the restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a FOR Financial Product designation on the ASX. This designation restricts any CDIs from being sold on ASX to US persons excluding QIBs. However, you are still able to freely transfer your CDIs on ASX to any person other than a US person who is not a QIB. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

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

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or (g) of the Securities Exchange Act of 1934

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.)

Minneapolis, MN 55401, USA
(Address of principal executive offices) (Zip Code)

+1 651 504 5402
(Registrant's telephone number, including area code)

Suite 6.02, Level 6
28 O'Connell Street
Sydney NSW 2000
(Address of principal executive offices)

+61 2 9048 8856
(Registrant's telephone number, including area code)

Securities to be registered pursuant to Section 12(b) of the Act:
None

Securities to be registered pursuant to Section 12(g) of the Act:
Common Stock, par value $0.00001 per share
(Title of class)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" 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 standards provided pursuant to Section 13(a) of the Exchange Act ☐

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EXPLANATORY NOTE

Pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, we are filing this General Form for Registration of Securities on Form 10, or this registration statement, to register our common stock, par value $0.00001 per share, or common stock. The common stock is publicly traded on the Australian Securities Exchange, or the ASX, under the ticker "SZL" in the form of CHESS Depositary Interests, or CDIs. CDIs are units of beneficial ownership in shares of our common stock held by CHESS Depositary Nominees Pty Limited, or CDN, a subsidiary of ASX Limited, the company that operates the ASX. The CDIs entitle holders to dividends, if any, and other rights economically equivalent to shares of our common stock on a 1-for-1 basis, including the right to attend stockholders' meetings. The CDIs are also convertible at the option of the holders into shares of our common stock on a 1-for-1 basis, such that for every CDI converted, a holder will receive one share of common stock. CDN, as the stockholder of record, will vote the underlying shares in accordance with the directions of the CDI holders from time to time.

This registration statement will become effective automatically by lapse of time 60 days from the date of the original filing pursuant to Section 12(g)(1) of the Exchange Act or within such shorter period as the Securities and Exchange Commission, or the SEC, may direct. As of the effective date of the registration statement, we will be subject to the requirements of Regulation 13(a) under the Exchange Act and will be required to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and we will be required to comply with all other obligations of the Exchange Act applicable to issuers filing registration statements pursuant to Section 12(g) of the Exchange Act.

Unless otherwise noted, references in this registration statement to "we," "us," "our," "Company," or "Sezzle" refer to Sezzle Inc.

All dollar amounts contained herein are expressed in United States dollars, or US$, except where otherwise stated. References to "A$" are references to Australian dollars, the lawful currency of the Commonwealth of Australia. Some numerical figures included in this registration statement have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not equal the sum of the figures that precede them.

IMPLICATIONS OF BEING AN EMERGING GROWTH COMPANY

We qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies. These provisions include, but are not limited to:

- being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosure;
- being exempt from compliance with management's assessment of our internal control over financial reporting pursuant to Section 404(a) of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- being exempt from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (the "PCAOB") regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- being exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved by stockholders.

We have elected to take advantage of certain reduced disclosure obligations in this registration statement and may elect to take advantage of other reduced reporting requirements in future filings. In addition, the JOBS Act permits us, as an emerging growth company, to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. As a result, the information that we provide to our stockholders may be different from what you might receive from other public reporting companies in which you hold equity interests.

We will remain an emerging growth company until the earliest of (i) the last day of our fiscal year following the fifth anniversary of the date of our first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), (ii) the first fiscal year after our annual gross revenues exceed $1.07 billion, (iii) the date on which we have, during the immediately preceding three-year period, issued more than $1.00 billion in non-convertible debt securities or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds $700 million as of the end of the second quarter of that fiscal year.

FORWARD-LOOKING STATEMENTS

The information in this registration statement 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 included in this registration statement, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this registration statement, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar 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 this registration statement. 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. 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:

- the adequacy of funds for future operations;
- future expenses, revenue, and profitability;
- trends affecting financial conditions and results of operations;
- general economic conditions and outlook, including those as a result of the recent COVID-19 pandemic;
- the ability of consumers to pay for products and services rendered;
- the impact of changing consumer preferences;
- the availability of terms and additional capital;
- industry trends and the competitive environment:
- the impact of the Company's financial condition upon consumer and prospective merchant and strategic partnership relationships;
- potential litigation and regulatory actions directed toward our industry in general;
- our reliance on certain key personnel in the management of our business; and
- employee and management turnover

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 this registration statement. Should one or more of the risks or uncertainties described in this registration statement 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 registration statement 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 statements in this section, to reflect events or circumstances after the date of this registration statement.

ITEM 1. BUSINESS.

Overview

We are a technology-enabled payments company based in the United States with current operations in the United States and Canada, and exploratory operations in India. Sezzle is incorporated in the state of Delaware as a public benefit corporation, and in March 2021 we became certified as a B Corporation. Sezzle's mission is to financially empower the next generation. This mission is accomplished by enabling merchants to offer consumers a more consumer friendly credit alternative. Many consumers today are locked out of the existing credit system or prefer not to use payment methods that can get them into debt or hurt their credit scores. Sezzle provides a flexible, reliable, transparent, and secure alternative to the incumbent payment options, traditionally available to everyday consumers.

Sezzle provides a payments platform, known as the Sezzle Platform, that facilitates fast, easy payments between merchants (sometimes referred to as "retail merchants") and those merchants' customers (sometimes referred to as "consumers" or "end-customers"). Sezzle's payment product is a short-term, interest-free installment plan that delivers to consumers both a budgeting and financing value proposition. The Sezzle Platform allows consumers to make online purchases and effectively split the payment for the purchase with our base product over four equal, interest-free payments over six weeks. The consumer makes the first payment at the time of checkout and makes the subsequent payments fortnightly (every two weeks). The purchase price is paid to merchants by Sezzle (minus the Merchant Fee) in advance of the collection of the purchase price installments by Sezzle from the consumer. Sezzle offers the payment product in online stores and a select number of brick-and-mortar merchants.

History

Sezzle founders created the Sezzle Platform after observing an increasing trend in the United States of a lack of availability of credit for consumers (particularly younger consumers). A 2018 Bankrate study found that only 33% of persons aged 18-29 owned a credit card in the United States. A separate 2017 study on millennial credit by TransUnion found a 22% decline in credit card adoption when it compared millennials to Generation X at that same age. In addition, Sezzle's founders also felt that traditional short-term consumer finance products were not consumer-friendly and were not effectively structured and designed to facilitate digital commerce. It was understood that technology could have a significant impact by filling both of these gaps by providing access to a platform which: (i) allows consumers to access a flexible, online "pay-by-installment" payment option; (ii) facilitates consumer access to the additional purchasing power sought in a simple, digital way; and (iii) provides an easy-to-use system for first-time credit users, which works without the need for prior credit data. With this in mind, the founders founded Sezzle in 2016, and the Sezzle Platform was launched in August 2017. Since launching, the Company's activities have principally involved raising money to develop its software, products and services (including the Sezzle Platform).

Organizational Structure

Consistent with the Company's ethos—to financially empower the next generation—Sezzle is incorporated in Delaware as a public benefit corporation ("PBC"). PBCs are a relatively new class of corporations that are intended to produce a public benefit and to operate in a responsible and sustainable manner. Under Delaware law, PBCs are required to identify in their certificate of incorporation the public benefit or benefits they will promote, and their directors have a duty to manage the affairs of the corporation in a manner that balances the pecuniary interests of the stockholders, the best interests of those materially affected by the corporation's conduct and the specific public benefit or public benefits identified in the PBC's certificate of incorporation. See "DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED. — Public Benefit Corporation Status."

On March 22, 2021, Sezzle became certified as a B Corporation by B Lab, a global nonprofit, and thereby joined a movement of innovative socially-conscious brands. Meeting rigorous environmental and social standards for transparency, accountability and commitment to improved performance, Sezzle became the first and only Buy-Now-Pay-Later company to earn such a title. As a certified Delaware public benefit corporation, Sezzle commits to pursuing opportunities for positive change in the community and the planet. Sezzle's management team and fiduciary board strongly believe that the Company's long-standing commitment to financial education and helping young adults with their approach to personal finances, as well as creating alternative means for consumers to purchase items they need without incurring high-interest finance charges, benefit the community and serve as a public good. Accordingly, Article II of Sezzle's Third Amended Certificate of Incorporation directs that, "[i]n pursuing any business, trade, or activity which may lawfully be conducted by [Sezzle], [Sezzle] shall promote a specific public benefit of having a material positive effect (or reduction of negative effects) on consumer empowerment, education, and transparency in [Sezzle's] local, national, and global communities." See "DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED. — Public Benefit Corporation Status."

Being a PBC offers advantages to Sezzle, including:

- PBC status is a clear differentiator in an increasingly growing, and sometimes crowded, industry;
- Sezzle is more likely to become an employer of choice as the younger workforce increasingly seek employment from companies which align with their ethical values;
- further opportunities to conduct business with brands that also care about sustainability;
- a potential for Sezzle to have an increased consumer base for conscious consumers;
- added credibility to Sezzle's mission statement and potential to grow capital through impact investing; and
- further opportunities for PR and marketing

Sezzle is referred to as a "foreign company" in Australia, under the Corporations Act, under the name "Sezzle Inc." (ARBN 633 327 358).

Business Model

The Sezzle Platform

The Sezzle Platform allows consumers to pay for products purchased online with interest-free installments over a short duration. This assists consumers by providing a flexible payment option and enables consumers to budget for purchases over time, and provides merchants with a tool to increase sales, increase average order values, and reduce cart/checkout abandonment. Merchants benefit from providing the Sezzle Platform to its consumers because: (i) a proportion of consumers may be more inclined to make a purchase and/or increase the value of their purchase because of affordability and flexibility afforded by the Sezzle Platform; and (ii) Sezzle pays the merchant the entire purchase price upfront (minus Sezzle processing fees) and assumes all costs and risks associated with consumer payment processing, fraud, and non-payment.

The Sezzle Platform is easy to use for both merchants and consumers. First, the Sezzle Platform is integrated into the website of the merchant. Sezzle provides technical integration and onboarding services to the merchant and remains on-call to provide technical support during the initial integration of the merchant. Once integrated, merchants promote Sezzle to their shoppers on product and cart pages to improve sales conversion. The Sezzle Platform is presented alongside other payment options on the merchant's "Checkout" page. The consumer selects Sezzle as its payment option and (if a first-time customer with Sezzle) creates an account. By selecting Sezzle, the consumer agrees to pay one-fourth the purchase price and each installment as they are due over the following six weeks. The consumer inputs their information including the payment information that the consumer wishes to use for future installment payments. The Sezzle Platform assesses the transaction in real-time and either confirms that the order is successful or declines the order. If the order is successful, the merchant ships the items on the same timeline they would be shipped if the consumer had used a credit or debit card as opposed to Sezzle. The consumer will receive a notification via email and SMS two days prior to the date the installment payment is automatically debited by the Sezzle Platform. If the consumer has the Sezzle iOS or Android app installed, they will receive push-notification reminders as well. The consumer is able to review and manage their Sezzle account via the Sezzle Platform's online customer portal. Consumers are entitled to adjust their repayment schedule once per order without incurring fees.

Merchants

Sezzle does not focus on promoting its services to consumers. Instead, the Sezzle Platform is utilized by merchants on their website as a services and sales incentive to consumers. Merchants turn to Sezzle to increase sales by tapping into Sezzle's existing consumer base, improving conversion rates, raising spend per transaction, increasing purchase frequency, and reducing return rates, all without any credit risk to the merchant. Sezzle is a high-growth, networked platform that benefits from a symbiotic and mutually beneficial relationship between merchants and consumers. Merchant fees ("Merchant Fees") are generated on each individual, approved order placed by a consumer through the Sezzle Platform. The fee is predominantly based on a percentage of the consumer order value plus a fixed transaction fee.

In order to utilize the Sezzle Platform, merchants must complete an online application form via the Company's website, or by directly contacting a Sezzle sales representative. The application form requires the merchant to provide the Company with certain information including the details concerning the merchant's business type, the merchant's principal contact information, bank account details and appropriate identification items. Each merchant applying also agrees to be bound by the Sezzle Merchant Agreement. The Sezzle Merchant Agreement provides (among other things): (i) the merchant will accept installment payments for any sales transaction for goods or services processed through merchant's existing processor on the Sezzle Platform; (ii) the merchant will treat Sezzle orders in the same manner as any other order using a different payment tender type; in particular, the merchant agrees to have a public returns policy and to process returns on sales utilizing the Sezzle Platform in accordance with the merchant's published standard policy, and not to apply any surcharge on a Sezzle order; (iii) the merchant will incur Merchant Fees in respect of sales utilizing the Sezzle Platform; and (iv) the merchant agrees to be a party to the Sezzle dispute process, where Sezzle can award a consumer a reversal of payment on a valid dispute.

Sezzle's Technology

A critical component to the Sezzle business model is the ability to effectively manage the repayment risk of providing consumers with the capacity to pay over time. To that end, in-house full time Sezzle engineers built and continue to maintain the following Sezzle Platform systems, which address these risks: (i) Sezzle Application Layer; (ii) Sezzle Fraud Detection System; (iii) Sezzle Underwriting Engine; and (iv) Sezzle Payment Collection System.

The Sezzle Application Layer, in conjunction with the Sezzle Fraud Detection System and Sezzle Underwriting Engine, allows Sezzle to determine whether or not Sezzle should provide a consumer with an installment plan. The Sezzle Application Layer consists of the Sezzle Checkout, Sezzle Merchant Dashboard, and Sezzle Shopping Dashboard. The Sezzle Checkout is a web application used in the consumer checkout process, which includes views for consumer sign-up, approval/denial, and payment method management when placing new orders with merchants. The Sezzle Merchant Dashboard is a web portal used for onboarding merchants and for Active Merchants to manage their Sezzle orders and accounts. The Sezzle Shopping Dashboard is a web portal used by Active Consumers to manage orders, payment methods and payment rescheduling. The Sezzle Application Layer also includes a Sezzle App (available on iOS and Android), built for mobile management of the consumer's account and for future offline payments.

The Sezzle Fraud Detection System is a proprietary system developed by the Company's data sciences team, which utilizes numerous data points from a transaction to identify the likelihood of a fraudulent attempt within the Company's systems. Consumer interactions with the Sezzle Platform are recorded and analyzed along with data points on the consumer and order itself. This data passes through the Sezzle Fraud Detection System, which scores the likelihood of fraud occurring in the transaction.

The Sezzle Underwriting Engine then assigns a score to each new consumer that passes through the Sezzle Fraud Detection System. Sezzle's view is that its product enables the democratization of credit, so unless Sezzle believes there is fraud involved, it gives every consumer access to an amount of credit. Based on data obtained from traditional and non-traditional sources, along with the order data and retailer data, Sezzle is able to give some shoppers a higher initial limit than others. These additional data points allow Sezzle to optimize its initial credit limits for users, enhancing the effectiveness of the Sezzle Platform for its merchants. As consumers use the Sezzle Platform, Sezzle's system learns from the behavior of the individual consumers and adapts the consumer's limit to the appropriate level based on the consumer's success level within the Sezzle Platform.

Once a consumer passes through the Sezzle Fraud Detection System and the Sezzle Underwriting Engine and the order is placed, the Sezzle Payment Collection System is responsible for the collection of the outstanding payments. Payments are automatically scheduled to process on the card used for the initial consumer's payment, though consumers can change this if need be. If a payment fails on the scheduled due date, Sezzle will automatically reschedule their outstanding payments rather than waiting for the consumer to resolve the payment failure. When a payment fails, the Company notifies the consumer, and reschedules the payment as well as all subsequent payments automatically. The due date of a failed payment is moved to the previously scheduled due date of the next payment and the rest of the payments shift accordingly. This allows Sezzle to take advantage of any previous rescheduling performed by the consumer and may help prevent continued failure by ensuring that payments do not become tightly grouped. If a consumer becomes delinquent such that Sezzle determines that it is unlikely to collect outstanding payments, the Company may attempt a less flexible payment schedule and/or attempt to charge another card on file.

Customer Support

Sezzle has an experienced multilingual support team that strives to respond to all concerns, feedback and queries in a personable yet effective manner. This includes, but is not limited to, general questions regarding the Sezzle Platform applicable terms and conditions, technical issues and account set up. If a matter is not resolved to the satisfaction of the customer, the matter will be promptly escalated by the support team to a supervisor on staff. The supervisor will then: (i) explicate the matter, providing a clear path for successful resolution to the support agent; or (ii) expediently resolve the matter with the customer directly, through the customer's preferred contact method.

Income Generation and Funding of the Business

Sezzle's main source of income, Sezzle Income, is based on three key transactions: (i) Merchant Fees; (ii) Reschedule Fees; and (iii) Loan Origination Costs.

Firstly, Merchant Fees are charged to merchants in exchange for Sezzle's processing services. These fees are derived from the underlying sales passing through the Sezzle Platform and are generated on each discrete, approved order placed by a consumer. Merchant Fees are predominantly based on a percentage of the consumer order value plus a fixed fee per sale. Sezzle pays the merchant the value of the underlying sale less the Merchant Fees. For the years ended December 31, 2020 and 2019, Merchant Fees as a percentage of total Underlying Merchant Sales were 5.6% and 5.3%, respectively (unaudited). Sezzle does not charge interest, finance charges or initiation fees for extending credit to its consumers and has no current plans to offer any interest or fee-bearing product to consumers.

Secondly, Reschedule Fees are applied to consumers in cases where the consumer requests to reschedule the dates on which installment payments become payable. The Sezzle Platform permits consumers to reschedule an installment date on one occasion per order without incurring Reschedule Fees. However, a Reschedule Fee of $5.00 is payable in respect of additional reschedules (and the reschedule is dependent upon the consumer agreeing to the payment of the applicable Reschedule Fee). Additionally, Sezzle has a hardship and fee forgiveness program which, dependent on the consumer's situation and at the discretion of customer support, allows consumers to have additional fees waived.

Loan Origination Costs are incurred by Sezzle in assessing whether to approve or not approve consumer funding through the Sezzle Platform. Only direct Loan Origination Costs on approved funding are included in the determination of Sezzle Income. Merchant Fees and Reschedule Fees, net of Loan Origination Costs, collectively "Sezzle Income", are initially deferred in the Company's consolidated balance sheets and then recognized in the Company's consolidated statements of operations over the average duration of the underlying installment payment receivables, using the effective interest rate methods.

In addition, Account Reactivation Fees (which are recognized as consumer Other Income in Sezzle's financial performance) are applied in cases where a consumer's payment fails in the automated payment process. Account Reactivation Fees are waived if the consumer corrects the failure in the first 48 hours after a payment default. However, if the default is not corrected in this 48-hour period, the consumer's account is deactivated, and they have to pay an Account Reactivation Fee that fee must be paid before the consumer is able to use the Sezzle Platform again.

Sezzle's business of funding purchases by consumers requires funding capital to enable Sezzle to pay merchants in advance of collection of the purchase price installments from those consumers. To fund these capital requirements, Sezzle has relied upon, to date: (i) equity capital, (ii) merchant accounts payables, and (iii) debt financing provided under a Revolving Credit and Security Agreement (the "Credit Agreement") executed on February 10, 2021 between Sezzle Funding SPE II, LLC (as borrower) and the senior lender, Goldman Sachs Bank USA, and the mezzanine lender, Bastion Funding IV LLC (the "Lenders"). The Credit Agreement provides Sezzle Funding SPE II, LLC with a revolving credit facility of up to $250,000,000, with a maturity date of June 12, 2023.

International Operations

We have operated in the United States since our inception. We began operations in Canada in 2019, and currently more than 1,000 merchant retailers throughout Canada offer Sezzle's solutions. In 2020, we began offering our services in India on an exploratory basis. We are also exploring expansion into other foreign markets, including Europe, as part of our growth strategy.

Intellectual Property

Sezzle's core intellectual property asset is the Sezzle Platform and the accumulation of transaction data, rules and consumer insights generated from consumers using the Sezzle Platform. Sezzle's intellectual property is protected under the laws of the United States and Canada relating to copyright, trademarks, and contractual confidentiality obligations. Sezzle does not currently hold any patents but continues to consider the most effective methods of protecting its intellectual property.

Sezzle also holds a registered domain name and registered trademarks, which are used for its business in the United States and Canada. However, expansion into certain markets outside the United States and Canada mark risk conflicts with registered trademarks or another unrelated company with a similar name, and in that case Sezzle may have to consider rebranding its offering in those new markets.

Industry& Competitors

The consumer finance landscape continues to evolve in response to changing consumer preferences and the way consumers choose to access credit. The broader consumer finance sector is highly competitive and populated by large, well-resourced participants. The point-of-sale financing market in which Sezzle operates includes several types of products. "Buy-now, pay-later" products, such as the Sezzle Platform, facilitate consumer purchases from retail merchants on installment plans. Credit card providers offer products that allow customers to pay for purchases on pre-existing credit cards in installments, with such loans held on the balance sheet of bank partners (e.g. Visa, Mastercard, American Express). Banks offer products that allow customers to pay for products in installments instead of allowing the purchase to be held fully on a revolving credit line (e.g. JP Morgan Chase). Other products offer customers a line of revolving credit, allowing purchasers to be made online without using a credit card (e.g. PayPal Credit).

Sezzle considers its main competitors to be other "buy-now, pay-later" service providers. In the U.S. market, this includes Affirm, Afterpay, Klarna, PayPal Credit, and QuadPay. Sezzle has also observed that PayBright and Afterpay operate in the Canadian market. Sezzle aims to differentiate its business to consumers by providing a product that is simple to understand and customer friendly. This includes allowing the customer to shift their repayment schedule once per order for free, and waiving Account Reactivation Fees where the consumer corrects a failed payment within 48 hours.

Government Regulation

The "buy-now, pay-later" segment of the point-of-sale financing market in which Sezzle operates is a developing field. The Company is subject to a range of legal and industry compliance requirements that are constantly changing. This includes privacy laws, consumer protections laws and contractual conditions.

There has recently been an increased focus and scrutiny by regulators in various jurisdictions in respect to "buy-now, pay-later" arrangements. There is potential that the Company may become subject to additional legal or regulatory requirements if its business, operations, strategy or geographic reach expand in the future, or if the regulations change in respect to the jurisdictions in which it operates. This may potentially include credit licensing, financial services licensing, or other licensing or regulatory requirements or similar limitations on the conduct of business. There is a risk that additional or changed legal, regulatory and industry compliance standards, may make it uneconomic for the Company to continue to operate, or to expand in accordance with its strategy. This may materially and adversely impact the Company's income and profitability, including by preventing its business from reaching sufficient scale.

There is also a risk that if the Company fails to comply with these laws, regulations and industry compliance standards, this may result in significantly increased compliance costs, cessation of certain business activities or the ability to conduct business, litigation or regulatory enquiry or investigation and significant reputational damage.

Sezzle's business is subject to investigation by regulators, enforcement agencies and offices of state attorneys general, which could lead to enforcement actions, fines and penalties, and qualification to conduct business or the assertion of private claims and lawsuits against Sezzle. The US Federal Trade Commission and the US Consumer Financial Protection Bureau have the authority to investigate consumer complaints against Sezzle, to conduct inquiries at their own insistence and to recommend enforcement actions and seek monetary penalties.

As our operations expand into India and possibly other international markets outside of North America, we will be subject to additional government regulations that could be more restrictive than current governmental regulations and that will involve additional regulatory compliance costs and risks. Changes in the regulatory environment and violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws may negatively impact our business. We are subject to regulations relating to our corporate conduct and the conduct of our business, including securities laws, consumer protection laws, trade regulations, advertising regulations, privacy and cybersecurity laws, wage and hour regulations, anti-money laundering and anti-corruption legislation. Certain jurisdictions have taken aggressive stances with respect to such matters and have implemented new initiatives and reforms, including more stringent regulations, disclosure and compliance requirements. The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Anti-Money Laundering (AML) Laws and related Know-Your-Customer (KYC) laws in other jurisdictions generally require companies to conduct necessary due diligence to prevent and protect against money laundering. Various regulatory agencies demand licensing or other controls in order to operate in the market; such requirements vary country by country and are fact dependent

Employees

As of March 17, 2021, Sezzle had approximately 179 full-time equivalent employees, spanning five countries (United States (including Puerto Rico), Canada, Germany, India and Lithuania) across the operations, sales and marketing and platform development teams. No employees are subject to any collective bargaining agreements at this time.

Human Capital

Sezzle is committed to empowering the next generation through its most valuable resource, people. In order to hire, retain and ensure our employees thrive, we are refining current practices and implementing several new strategies. Sezzle currently has approximately 180 employees, which includes approximately 30 interns.

Sezzle's personnel expenses for 2020 were $108,245 (excluding equity based compensation) per full time equivalent employee, and our 2020 income per full time equivalent employee was $372,640. As we are currently growing globally, we would expect the cost per employee to grow and the revenue per employee to slow until the hiring spree has stabilized. Material changes in our operations, specifically in the area of People Operations (as described below), should reduce long term costs.

In light of our commitment to our employees, Sezzle is currently in the process of upgrading our Human Resources Information Systems (HRIS) to ensure state-of-the-art management, operation and oversight of our workforce. Our goals in this upgrade are to:

- Ensure that People Operations is equipped with the tools, training and motivation to operate in the most efficient and effective manner;
- Continue to promote and recruit the best-qualified people while embracing the value of diversity in the workplace;
- Provide a competitive salary and benefits package and develop the full potential of our workforce by providing training and development for career enhancement; and
- Secure accurate and timely information relating to employee turnover, mobility, retention and the percentage of positions filled internally.

We have recently updated our Diversity Policy and Ethics Policy to renew and refine our commitment to derive strength from a diverse workforce. Our new HRIS system will allow for more accurate measurement and accountability on the diversity front. Sezzle has an active Diversity, Equity and Inclusion group to further ensure communication throughout the organization on issues impacting minorities. Employees are encouraged to participate in Company and community activities to secure an improved quality of life for ourselves, our co-workers and the community.

In addition to updating Sezzle's People Operations' Policies, Sezzle has also updated its Legal Policies, Finance Policies and Information Technology Policies. These foundational changes have prompted a new training regime for the employees whereby each quarter employees will receive training on a different department's policies. Employees sign off on the policies upon hire and upon completion of the required training. In addition to the industry standard training, Sezzle offers a wide and diverse set of training and informational sessions to better educate its employees on the basics of Sezzle, the market, the industry as a whole, various departments roles and responsibilities.

To hold ourselves to a high standard of employee safety, Sezzle has Workplace Safety and Workplace Expectations Policies. That said, the recent COVID-19 pandemic has shifted us to a primarily remote workforce. From an employee health and wellness perspective, we do not count COVID-19 –related sick days against an employee's sick leave. Any employees who elect to come to the office must abide by COVID-19 restrictions such as social distancing, wearing a mask and obtaining permission to bring guests/visitors. We restrict the number of employees who may be present in the workplace at one time. Cleaning of the workplace has been increased in frequency and depth.

In an effort to give our employees a voice, Sezzle conducts frequent employee surveys. Every month, Sezzle issues a survey to measure overall employee happiness. Each monthly survey also includes an additional rotating topic of: Autonomy/Ownership; Management/Team Work; Benefits; Morale/Retention; Learning/Growth; and Recognition/Performance. (Therefore, these latter topics are measured twice a year). Sezzle averages a 93% overall happiness rating by its employees from January 2020 through February 2021 with monthly figures being 90%, 93%, 92%, 96%, 93%, 94%, 92%, 97%, 95%, 95%, 96%, 89%, 82% and 92%, respectively. For 2020, the figures in the other categories were: Autonomy/Ownership 92%; Management/Teamwork 89%; Benefits 78%; Morale/Retention 86%; Learning/Growth 72%; and Recognition/Performance 72%.

Furthermore, Sezzle recently conducted an Inclusivity and Belonging Survey of the 97 employees who took the survey: 81% agreed that Sezzle is committed to Diversity and Inclusion; 16% were neutral; and less than one percent disagreed. 91% of those who responded felt included in the Company.

Sezzle embraces change and the opportunity it brings. We are focused on acting openly, equitably and consistently in our pursuit of uncompromising quality. To meet this goal, we are committed to recruiting, developing, rewarding and retaining our global workforce.

ITEM 1A. RISK FACTORS.

Our business faces many risks. We believe the risks described below are the material risks that we currently face. However, the risks described below are not the only risks that we face. Additional unknown risks or risks that we currently consider immaterial may also impair our business operations. If any of such events or circumstances occurs, our business, financial condition or results of operations could suffer, and the trading price of our securities could decline significantly. You should consider the specific risk factors discussed below, together with the cautionary statements under the caption "Forward-Looking Statements" and the other information and documents that we file from time to time with the SEC.

Risks Related to Our Business

We are an early-stage financial technology company with a limited operating history and investing in us involves risks associated with other early-stage companies.

The Company is an early stage financial technology company with limited trading history. Since launching the Sezzle Platform in August 2017, Sezzle's activities have principally involved raising money to develop its software, products and services (including the Sezzle Platform). Like many early stage companies, the Company has incurred losses since its inception. The reported cumulative losses up to December 31, 2020 are approximately $51.8 million. Given the Company's limited trading history, it is difficult to make an evaluation of Company's business or its prospects and there is a significant risk that the Company is not able to continue its growth at current rate, if at all, or successfully execute on its business plan and strategies.

Our business depends on our ability to increase transaction volumes and to expand our brand and product offerings to increase our consumer and merchant bases, and any failure to do so may have a material adverse effect on our business operations.

The Company is currently in the early stages of establishing its presence in the US and Canadian markets, and its ability to profitably scale its business is reliant on increasing its transaction volumes and its customer and merchant base to increase income and profits. Data from increasing transaction volumes will also better optimize the Company's systems and ability to make real-time consumers repayment capability decisions. Optimizing repayment capacity decisions of our current and future consumer base may reduce our expenses and increase Sezzle Income by providing optimal credit limits to qualified consumers.

The Company considers that establishing, expanding and maintaining the Company's brand is important to growing its merchant and consumer bases. Failure to expand in this way may materially and adversely impact the Company's ability to achieve economies of scale and to optimize its systems and may therefore adversely impact the Company's ability to improve its future profitability. optimize

The Company's growth strategy may also include the introduction of new services or technologies. There is a risk that expansion initiatives may result in additional costs and risks or may not deliver the outcomes intended. The Company's growth strategy depends on increasingly expanding its consumer and merchant bases, which may not occur as intended for a variety of reasons.

Our Net Transaction Margin is currently a positive percentage, and we will not become profitable unless we can maintain and/or increase a positive Net Transaction Margin.

The Company's current Net Transaction Margin, or the amount of money that the Company earns for each transaction divided by the total transaction amount, is currently a positive percentage. The Company's strategy to maintain the Net Transaction Margin as a positive percentage, and to grow that percentage, depends upon the Company effectively managing transaction processing costs, Loan Origination Costs and uncollectible accounts expenses, while efficiently utilizing external debt funding. There is a risk that this strategy may not eventuate as intended, which may adversely impact the Company's ability to improve its future profitability.

The loss of key partners and merchant relationships would adversely affect our business.

The Company depends on continued relationships with its current significant merchants and partners that assist in obtaining and maintaining our relationships with merchants. There can be no guarantee that these relationships will continue or, if they do continue, that these relationships will continue to be successful. The Company's contracts with merchants can be terminated for convenience on relatively short notice by either party, and so the Company does not have long-term contracted income. There is a risk that the Company may lose merchants for a variety of reasons, including a failure to meet key contractual or commercial requirements, or merchants shifting to in-house solutions (including providing a service competitive to us) or competitor service providers. The Company also faces the risk that its key partners could become competitors of our business after our key partners determine how we have implemented our model to provide our services.

Although the Company does not currently depend on any one merchant for more than approximately 2.0% of Sezzle Income (for the year ended December 31, 2020), the Company's business is still at a relatively early stage and merchant income is not as diversified as it might be for a more mature business. The loss of even a small number of the Company's key merchants may materially and adversely impact the Company's income and profitability and increase marketing expenses to sign up new merchants to replace those lost. Depending on the reason for the loss of a key merchant, it may also have a negative impact on the Company's reputation with other merchants and with consumers.

There is also a risk that new agreements formed with merchants in the future may be less favorable to the Company, including in relation to pricing and other key terms, due to unanticipated changes in the market in which the Company operates.

Exposure to consumer bad debts will adversely impact our financial success.

The Company's profitability depends on its ability to put in place and optimize its systems and processes to make predominantly accurate, real-time decisions in connection with the consumer transaction approval process. Consumer non-payment is a major component of the Company's expenses at present, and the Company is currently exposed to consumer bad debts as a normal part of its operations. However, excessive exposure to bad debts through customers failing to meet their repayments to the Company will materially and adversely impact the Company's profitability.

The Company also has exposure, although much more limited, to the potential insolvency of merchants to which the Company has advanced funds. Exposure occurs in the period of time between the advance of funds to a merchant for a customer's purchase of goods, and the retail merchant shipping the goods to the consumer (at which point the Company is entitled to payment from the consumer). However, this period of risk is typically only a few days.

We intend to grow our business and will require additional capital to do so.

As the Company's current business grows and new lines of business are developed, the Company will require additional funding to support the provision of installments plans to consumers and working capital. Although the Directors believe that the Company has sufficient working capital and capacity to carry out its business objectives for the foreseeable future, there can be no assurance that such goals can be met without further financing or, if new funding is necessary, that financing can be obtained on favorable terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of our stockholders.

The Company intends to rely on a combination of fund options including equity, and its current credit facility to finance its operations. An inability to raise capital (through the issue of common stock and CDIs) or secure funding or drawdown on finance facilities, or any increase in the cost of such funding, may adversely impact the performance and financial position of the Company. Failure by the Company or its affiliates to meet financial covenants under its credit agreement, or the occurrence of other specified events, may lead to an event of default under the finance facilities. In an event of default, there may be a requirement to make repayments in advance of the relevant maturity dates and/or termination of the credit facility. An event of default and the requirement to make early repayments and/or the termination of the facility may adversely impact the financial performance and position of the Company and its ability to operate in the ordinary course of business.

On February 10, 2021, Sezzle entered into an agreement with Goldman Sachs Bank USA (the 'Class A' senior lender) and Bastion Funding IV LLC (the 'Class B' mezzanine lender) for a US$250,000,000 receivables funding facility. The funding facility has a maturity date of June 12, 2023 (a 28-month term from the agreement date). The agreement is secured by the Company's consumer notes receivable it chooses to pledge and is subject to covenants. Fifty percent of the total available funding facility (US$125,000,000) is committed while the remaining fifty percent is available to the Company for expanding its funding capacity. The funding facility carries an interest rate of LIBOR+3.375% and LIBOR+10.689% (the LIBOR floor rate is set at 0.25%) for funds borrowed from the Class A and Class B lender, respectively. In the event of a prepayment due to a broadly marketed and distributed securitization transaction with a party external to the agreement, an exit fee of 0.75% of such prepaid balance will be due to the lender upon such transaction. Additionally, the Company paid a US$1,000,000 termination fee to exit the previous Loan Agreement with the Syndicate.

We face competition and may lose our first-to-market advantage in the "buy-now, pay later" space.

The Company considers it has a competitive advantage in being one of the first to provide an interest-free, "buy-now, pay later" service to the U.S. and Canadian online retail market. However, there is always a risk of new entrants in the market, which may disrupt the Company's business and market share. Existing competitors as well as new competitors entering the industry, may engage in aggressive customer acquisition campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. These competitors may also be better capitalized than us. Such competitive pressures may materially erode the Company's market share and income and may materially and adversely impact the Company's income and profitability. A general increase in competition may also require the Company to increase marketing expenditure or offer lower fees to merchants, which would decrease profitability even if the Company's market share does not decrease.

Any failure or disruption of technology systems we use would have a material adverse effect on our operations.

The Company depends on the constant real-time performance, reliability and availability of its technology system and third-party technology and communication networks (including the systems of third-party ecommerce networks). There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of the Company, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking, cyber-attacks or denial-of-service attacks. Events of that nature may cause part or all of the Company's technology system and/or the communication networks used by the Company to become unavailable. The Company's operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow and adversely impact the Company's financial performance and reputation.

There is a risk that repeated failures to keep the Company's technology available may result in a decline in consumer and merchant numbers or merchants terminating their contracts with the Company. This may materially and adversely impact the Company's financial performance, including a reduction in Sezzle Income from completed transactions and an increase in the costs associated with servicing consumers through the disruption, as well as negatively impacting the Company's reputation.

We rely on the accuracy of third-party data, and inaccuracies in such data will lead to reduced Sezzle Income.

The Company purchases data from third parties that is critical to the Company's assessment of the creditworthiness of consumers before they are either approved or denied funding for their purchase from a merchant. The Company is reliant on these third parties to ensure that the data they provide is accurate. Inaccurate data could cause the Company to not approve transactions that otherwise would have been approved, or vice versa, meaning the Company either loses incomes, or earns income that may lead to a higher incidence of bad debts.

Any inability to retain our employees or recruit additional employees could adversely impact the Company's income and profitability.

The Company's ability to effectively execute its growth strategy depends upon the performance and expertise of its staff. The Company relies on experienced managerial and highly qualified technical staff to develop and operate its technology and to direct operational staff to manage the operational, sales, compliance and other functions of its business.

There is a risk that the Company may not be able to attract and retain key staff or be able to find effective replacements in a timely manner. The loss of staff, or any delay in their replacement, could impact the Company's ability to operate its business and achieve its growth strategies, including through the development of new systems and technology. There is a risk that the Company may not be able to recruit suitably qualified and talented staff in a timeframe that meets the growth objectives of the Company. This may result in delays in the integration of new systems, development of technology and general business expansion, which may adversely impact the Company's income and profitability.

There is also a risk that the Company will be unable to retain existing staff, or recruit new staff, on terms of retention that are as attractive to the Company as past agreements. This would adversely impact employment costs and profitability.

Failure to effectively manage growth will adversely affect our financial results.

Sezzle has experienced a period of considerable growth income, employee numbers and customers. A continuation of this growth in the future could place additional pressure on current management, operational and finance resources, and on the infrastructure supporting the Sezzle Platform. Failure to appropriately manage this growth could result in failure to retain existing consumers and attract new consumers, which could adversely affect Sezzle's operating and financial performance.

The Company operates in the "buy-now, pay-later" industry, which may become subject to increased legal scrutiny and the costs to maintain compliance with laws, regulations, and industry standards may be significant.

The Company is subject to a range of legal compliance requirements that change periodically. This includes privacy laws, consumer protection laws and contractual conditions. There has recently been an increased focus and scrutiny by regulators in various jurisdictions in respect to "buy-now, pay-later" arrangements. There is potential that the Company may become subject to additional legal or regulatory requirements if its business, operations, strategy or geographic reach expand in the future, or if the regulations change in respect to the jurisdiction in which it operates. This may potentially include credit licensing, financial services licensing, or other licensing or regulatory requirements or similar limitations on the conduct of business. There is a risk that additional or changed legal, regulatory and industry compliance standards may make it uneconomic for the Company to continue to operate, or to expand in accordance with its strategy. This may materially and adversely impact the Company's income and profitability, including by preventing its business from reaching sufficient scale.

There is also a risk that if the Company fails to comply with these laws, regulations and industry compliance standards, this may result in significantly increased compliance costs, cessation of certain business activities or the ability to conduct business, litigation or regulatory enquiry or investigation and significant reputational damage.

Sezzle's business is subject to investigation by regulators, enforcement agencies and offices of state attorneys general, which could lead to enforcement actions, fines and penalties, and qualification to conduct business or the assertion of private claims and lawsuits with Sezzle. The U.S. Federal Trade Commission and the U.S. Consumer Financial Protection Bureau have the authority to investigate consumer complaints against Sezzle, to conduct inquiries at their own insistence and to recommend enforcement actions and seek monetary penalties.

There are a number of risks associated with international expansion of our operations that could adversely affect our business, including additional regulatory risks.

We are offering our services in India, and exploring expansion into other foreign markets, including Europe, as part of our growth strategy. Our ability to grow in international markets and our future results could be adversely affected by a number of factors, including:

- restrictions on money transfers to, from and between certain countries;
- currency controls, new currency adoptions and repatriation issues;
- changes in regulatory requirements and foreign policy, including the adoption of domestic or foreign laws, regulations and interpretations detrimental to our business;
- possible increased costs and additional regulatory burdens imposed on our business;

- changes in political and economic conditions and potential instability in certain regions, including in particular the recent civil unrest, terrorism, political turmoil and economic uncertainty in Africa, the Middle East and other regions;
- burdens of complying with a wide variety of laws and regulations;
- possible fraud or theft losses, and lack of compliance by international representatives in foreign legal jurisdictions where collection and legal enforcement may be difficult or costly;
- reduced protection of our intellectual property rights;
- unfavorable tax rules or trade barriers; and
- inability to secure, train or monitor international agents.

In particular, as we expand, changes in the regulatory environment and violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws may negatively impact our business. We are subject to regulations relating to our corporate conduct and the conduct of our business, including securities laws, consumer protection laws, trade regulations, advertising regulations, privacy and cybersecurity laws, wage and hour regulations, anti-money laundering and anti-corruption legislation. Certain jurisdictions have taken aggressive stances with respect to such matters and have implemented new initiatives and reforms, including more stringent regulations, disclosure and compliance requirements.

The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity with more frequent and aggressive investigations and enforcement proceedings by both the Department of Justice and the SEC, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with all anti-bribery laws. However, we operate in certain countries that are recognized as having governmental and commercial corruption. Our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees or third-party intermediaries. Violations of these anti-bribery laws may result in criminal or civil sanctions, which could have a material adverse effect on our business and results of operations.

Anti-Money Laundering (AML) laws and related Know-Your-Customer (KYC) requirements generally require companies to conduct necessary due diligence to prevent and protect against money laundering. Enforcement of applicable AML laws could result in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with all applicable AML laws. However, we operate in certain jurisdictions that may be at higher risk of money laundering activities. Our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees or third-party intermediaries. Violations of AML laws may result in criminal or civil sanctions, which could have a material adverse effect on our business and results of operations.

Various regulatory agencies demand licensing or other controls in order to operate in each market; such requirements vary country by country and are fact dependent. Our innovative approach to the market makes interpretations in regulatory requirements speculative. Local authorities may determine that the nature of our offerings may require different licenses or requirements than the licenses that we have obtained or secured. Any delays in securing the necessary licenses or obtaining the necessary approvals could delay our expansion into foreign markets, which would adversely affect our anticipated growth. Further, any violations of the regulations around licensing may result in criminal or civil sanctions, which could have material adverse effects in our operations.

Data security breaches could occur and materially adversely impact the financial performance and prospects of the Company

Through the ordinary course of business, the Company collects a wide range of confidential information. Cyber-attacks may compromise or breach the Sezzle Platform and the protections we use to try to protect confidential information. These risks also reside with third parties service providers we engage. The Company's business could be materially impacted by security breaches of the data and information of merchants and consumers data and information, either by unauthorized access, theft, destruction, loss of information or misappropriation or release of confidential data.

These events may cause significant disruption to the business and operations. This may also expose the Company to reputational damage, legal claims, termination of the Company's contracts with merchants, and regulatory scrutiny and fines, any of which could materially adversely impact the financial performance and prospects of the Company. In addition, any security or data issues experienced by other software companies or third party service providers could adversely impact our potential consumers' trust in providing the Company access to their personal data generally, which could adversely affect the Company's ability to provide its services generally.

Activities of fraudulent parties may result in the Company suffering losses due to fraud, causing a materially adverse impact to the Company's reputation and operations.

The Company is exposed to risks imposed by fraudulent conduct, including the risks associated with consumers attempting to circumvent the Company's system and repayment capability assessments. There is a risk that the Company may be unsuccessful in defeating fraud attempts, resulting in a higher than budgeted cost of fraud and consumer non-payment.

The Company guarantees payment to merchants and accepts the responsibility associated with minimizing fraudulent activity and bears all costs associated with such fraudulent activity. Fraudulent activity may result in the Company suffering losses due to fraud, causing a materially adverse impact to the Company's reputation and heaving to bear certain costs to rectify and safeguard business operations and the Company's systems against fraudulent activity.

Our efforts to protect our intellectual property rights may not be sufficient.

The Company's business depends on its ability to commercially exploit its technology and intellectual property rights, including its technological systems and data processing algorithms. The Company relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. However, there is a risk that unauthorized use or copying of the Company's software, data, specialized technology or platforms will occur. In addition, there is a risk that the validity, ownership or authorized use of intellectual property rights relevant to the Company's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property rights in question, and if an alternative cost-effective solution was not available, it may materially adversely impact the Company's financial position and performance. Such disputes may also temporarily adversely impact the Company's financial position and performance. Such disputes may also temporarily adversely impact the Company's ability to integrate new systems, which may adversely impact the Company's income and profitability.

There is also a risk that the Company will be unable to register or otherwise protect new intellectual property rights it develops in the future, or which is developed on its behalf by contractors. In addition, competitors may be able to work around any of the intellectual property rights used by the Company, or independently develop technologies, or competing payment products or services that are not protected by the Company's intellectual property rights. The Company's competitors may then be able to offer identical or very similar services or services that are otherwise competitive against those provided by the Company, which could adversely affect the Company's business.

Our success depends upon successful integration with merchants.

The Company uses and relies on integration with third-party systems and platforms, particularly websites and other systems of its merchants. The success of the Company's services, and its ability to attract additional consumers and merchants, depends on the ability of its technology and systems to integrate into, and operate with, these various third-party systems and platforms. In addition, as these systems and platforms are regularly updated, it is possible that when such updates occur it could cause the Company's services to not operate as efficiently as previously. This will require the Company to change the way its system operates, which may take time and expense to remedy.

If we cannot keep our products up to date with current technological changes, our income and profitability may be materially and adversely affected.

The Company participates in a competitive technological environment. Technology systems are continuing to develop and are subject to rapid change, while business practices continue to evolve. The Company's success will in part depend on its ability to offer services and systems that remain current with the continuing changes in technology, evolving industry standards and changing consumer preferences. There is a risk that the Company will not be successful in addressing these developments in a timely matter, or that expenses will be greater than expected. In addition, there is risk that new products or technologies (or alternative systems) developed by third parties will supersede the Company's technology. This may materially and adversely impact the Company's income and profitability.

Any actual or alleged violation of third-party intellectual property rights would adversely impact our operations, reputation and financial performance.

There is a risk that third parties may allege that the Company's solutions use intellectual property derived by them or from their products without their consent or permission. The Company may be subject of claims that could result in disputes or litigation and this could require us to incur significant expenses even if the Company is able to successfully defend or settle such claims. If the Company is found to have infringed the third-party's intellectual property rights, this may result in the Company being required to pay monetary compensation to the third party or take other actions that may cause disruption to its service delivery model and increase its costs. This in turn could have an adverse impact on the Company's operations, reputation and financial performance.

Our technology utilizes open source software, and parties may allege that we are required to make available any modifications and derivatives that we have created using such software.

Some of the Company's systems incorporate and are dependent on the use and development of "open source" software. Open source software is generally licensed under open source licenses, which may include a requirement that the Company make available, or grant licenses to, any modifications or derivatives works created using the open source software. If an author or other third party that uses or distributes such open software were to allege that the Company had not complied with the legal terms and conditions of one or more of these licenses, the Company could incur significant legal expenses defending against such allegations and could be subject to significant damages.

Unanticipated transaction volumes may adversely impact the Company's financial performance.

Continued increases in transaction volumes may require the Company to expand and adapt its network infrastructure to avoid interruptions to the Company's systems and technology. Any unanticipated transaction volumes may cause interruptions to the Company's systems and technology, reduce the number of completed transactions, increase expenses, and reduce the level of customer service, and these factors may potentially adversely impact the Company's financial performance.

Our success depends upon continued availability and use of the internet.

The Company depends on the ability of its merchants and consumers to access the internet. Should access to the internet be disrupted or restricted, usage of the Company's services may be adversely impacted.

Any failures or disruptions to payment gateways will impact our financial performance.

The Company relies on online payment gateways, banking and financial institutions for the validation of bank cards, settlement and collection of payments. Any failures or disruptions to such platforms and technology may impact the financial performance of the Company.

Any factors that diminish the Company's reputation could result in customers, consumers or other parties ceasing to do business with the Company, impede its ability to successfully provide its goods and services, negatively affect its future business strategy and materially and adversely impact the Company's financial position and performance.

Maintaining the strength of the Company's reputation is important to retaining and increasing its consumer base and its merchant base, maintaining its relationship with partner companies and other service providers and successfully implementing the Company's business strategy. There is a risk that unforeseen issues or events may adversely impact the Company's reputation. This may adversely impact the future growth and profitability of the Company. The Company's reputation is also closely linked to the timely and accurate provision of services to consumers. There is a risk that the Company's actions and the actions of the Company's suppliers and merchants may adversely impact the Company's reputation.

Our success is subject to macro-economic conditions.

The Company's business depends on consumers transacting with merchants, which in turn can be affected by changes in general economic conditions. For example, the retail sector is affected by such macro-economic conditions as unemployment, interest rates, consumer confidence, economic recessions, downturns or extended periods of uncertainty or volatility, all of which may influence customer spending, and suppliers' retailers' focus and investment in outsourcing solutions. This may subsequently impact the Company's ability to generate income. Additionally, in weaker economic environments, consumers may have less disposable income to spend and so may be less likely to purchase products by utilizing the Company's services and bad debts might increase.

The COVID 19 pandemic may adversely affect our business.

Our business could be adversely affected by the effects of a widespread outbreak of contagious disease, including the recent outbreak of the COVID-19 respiratory illness first identified in Wuhan, Hubei Province, China. At this time our financial results have not been adversely affected by the COVID-19 pandemic, but as the pandemic is ongoing, we believe that it could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could adversely affect consumer spending, demand for our merchants' goods, our ability to collect outstanding payments owed by the consumers and thereby our operating results, all of which may have a material adverse effect on our business.

The Company may become subject to expensive and time-consuming litigation, which could materially and adversely impact the Company's operating and financial performance.

The Company may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims. Litigation is expensive and diverts time and energy away from the Company's business. Even if the Company is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact the Company's operating and financial performance due to the cost of settling such claims and a diversion of our employees' time, and affect the Company's reputation.

We may not have any insurance, or have inadequate insurance, to cover losses and liabilities.

The Company plans to maintain insurance as it considers appropriate for its needs. However, the Company will not be insured against all risks, either because appropriate coverage is not available or because the Directors consider the applicable premiums to be excessive in relation to the perceived benefits that would accrue. Accordingly, the Company may not be fully insured against all losses and liabilities that could unintentionally arise from its operations. If the Company incurs uninsured losses or liabilities, the value of the Company's assets may be at risk.

Risks Related to Ownership of our Stock

The existing major shareholders of the Company own a large percentage of the stock of the Company and can exert significant influence over the Company.

The existing major shareholders of the Company, particularly Charlie Youakim and to a lesser extent, Paul Paradis, together hold 50.02% of the total CDIs outstanding as of March 17, 2021, and can exert significant influence over the Company, including in relation to the election of directors, the appointment of new management and the potential outcome of matters submitted to the vote of shareholders. As a result, other shareholders will have minimal control and influence over any matters submitted to our shareholders. There is a risk that the interests of these existing major shareholders may be different from those of other shareholders.

A large number of shares are held in escrow, and the retention of such shares, and actual or perceived large sales upon their release, may adversely affect the liquidity of the market for the Company's shares or the market value of the Company's shares.

As of March 17, 2021, a total of 94,016,911 shares/CDIs, representing 47.71% of the currently outstanding shares of common stock remain subject to escrow restrictions under restriction agreements required by the Australian Securities Exchange (ASX) in connection with the Company's initial public offering in July 2019. In addition, options to purchase an aggregate of 2,166,667 shares/CDIs, of which 1,118,809 shares/CDIs that are exercisable or will become exercisable within 60 days after March 17, 2021, are subject to the escrow restrictions. See "Item 4. Security Ownership of Certain Beneficial Owners and Management – Escrow Arrangements." These shares include a significant number of shares held by the major shareholders of the Company. All of such securities will be released from such restrictions on July 30, 2021. Until expiration of the escrow period, the holders of the escrowed securities cannot transfer their respective securities without the approval of the ASX. The retention of such escrowed securities through the end of the escrow period may cause or contribute to limited liquidity in the market for the Company's shares, which could affect the market price at which other shareholders are able to sell. There is also a risk that a significant sale of CDIs or shares by existing shareholders after the end of the escrow period, or the perception that such a sale might occur, could adversely affect the market price of the stock.

We are an "emerging growth company," and the reduced public company reporting requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We qualify as an "emerging growth company," as defined in the JOBS Act. For so long as we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These provisions include, but are not limited to: being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosure; an exemption from compliance with the management's assessment of our internal controls over financial reporting pursuant to Section 404(a) of the Sarbanes-Oxley Act; an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act; not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements; reduced disclosure obligations regarding executive compensation arrangements in our periodic reports, registration statements and proxy statements; and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved by stockholders. In addition, the JOBS Act permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We intend to take advantage of the exemptions discussed above. As a result, the information we provide will be different than the information that is available with respect to other public companies. In this Form 10, we have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and the market price of our common stock may be more volatile.

We will remain an emerging growth company until the earliest of (i) the last day of our fiscal year following the fifth anniversary of the date of our first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), (ii) the first fiscal year after our annual gross revenues exceed $1.07 billion, (iii) the date on which we have, during the immediately preceding three-year period, issued more than $1.00 billion in non-convertible debt securities or (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds $700 million as of the end of the second quarter of that fiscal year.

We will incur increased costs and are subject to additional regulations and requirements as a public company, which will lower our profits and may make it more difficult to run our business.

As a public company, we incur significant legal, accounting and other expenses that are not incurred by a private company, including costs associated with public company reporting requirements. We also have incurred and will continue to incur costs associated with the Sarbanes-Oxley Act, and related rules implemented by the Securities and Exchange Commission (the "SEC") and the Australian Securities Exchange ("ASX"). The expenses generally incurred by public companies for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly. These laws and regulations also could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on our board committees or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock on the ASX or other exchange on which our securities may be traded, fines, sanctions and other regulatory action and potentially civil litigation.

Risks Relating to Our Existence as a Public Benefit Corporation

We operate as a Delaware public benefit corporation ("PBC"). As a PBC, we cannot provide any assurance that we will achieve our public benefit purpose.

As a PBC, we are required to produce a public benefit or benefits and to operate in a responsible and sustainable manner, balancing our stockholders' pecuniary interests, the best interests of those materially affected by our conduct, and the public benefit or benefits identified by our Amended Charter. There is no assurance that we will achieve our public benefit purpose or that the expected positive impact from being a PBC will be realized, which could have a material adverse effect on our reputation, which in turn may have a material adverse effect on our business, results of operations and financial condition. See "DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED — Public Benefit Corporation Status."

As a PBC, we are required to publicly disclose a report at least biennially on our overall public benefit performance and on our assessment of our success in achieving our specific public benefit purpose. As we changed our Company charter to become a public benefit corporation in June 2020, we have not yet produced such a report. We intend to include this information in Sezzle's Annual Report, but if we are not timely or are unable to provide this report, or if the report is not viewed favorably by parties doing business with us or regulators or others reviewing our credentials, our reputation and status as a public benefit corporation may be harmed.

As a PBC, our focus on a specific public benefit purpose and producing a positive effect for society may negatively impact our financial performance.

Unlike traditional corporations, which have a fiduciary duty to focus exclusively on maximizing stockholder value, our directors have a fiduciary duty to consider not only the stockholders' interests, but also the Company's specific public benefit and the interests of other stakeholders affected by our actions. See "DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED — Public Benefit Corporation Status." Therefore, we may take actions that we believe will be in the best interests of those stakeholders materially affected by our specific benefit purpose, even if those actions do not maximize our financial results. While we intend for this public benefit designation and obligation to provide an overall net benefit to us and our customers, it could instead cause us to make decisions and take actions without seeking to maximize the income generated from our business, and hence available for distribution to our stockholders. Our pursuit of longer-term or non-pecuniary benefits may not materialize within the timeframe we expect, or at all, yet may have an immediate negative effect on any amounts available for distribution to our stockholders. Accordingly, being a PBC and complying with our related obligations could have a material adverse effect on our business, results of operations and financial condition, which in turn could cause our stock price to decline.

As a PBC, we may be less attractive as a takeover target than a traditional company because our directors have a fiduciary duty to consider not only the stockholders' financial interests, but also the Company's specific public benefit and the interests of other stakeholders affected by our actions and, therefore, our stockholders' ability to realize a return on their investments through an acquisition may be limited. Under Delaware law, a PBC cannot merge or consolidate with another entity if, as a result of such merger or consolidation, the surviving entity's charter "does not contain the identical provisions identifying the public benefit or public benefits," unless the transaction receives approval from two-thirds of the target public benefit corporation's outstanding voting shares. Additionally, PBCs may also not be attractive targets for activists or hedge fund investors because new directors would still have to consider and give appropriate weight to the public benefit along with shareholder value, and shareholders committed to the public benefit can enforce this through derivative suits. Further, by requiring that board of directors of PBCs consider additional constituencies other than maximizing shareholder value, Delaware public benefit corporation law could potentially make it easier for a board to reject a hostile bid, even where the takeover would provide the greatest short-term financial yield to investors.

Our directors have a fiduciary duty to consider not only our stockholders' interests, but also our specific public benefit and the interests of other stakeholders affected by our actions. If a conflict between such interests arises, there is no guarantee such a conflict would be resolved in favor of our stockholders.

While directors of traditional corporations are required to make decisions they believe to be in the best interests of their stockholders, directors of a PBC have a fiduciary duty to consider not only the stockholders' interests, but also the Company's specific public benefit and the interests of other stakeholders affected by the Company's actions. Under Delaware law, directors are shielded from liability for breach of these obligations if they make informed and disinterested decisions that serve a rational purpose. Thus, unlike traditional corporations which must focus exclusively on stockholder value, our directors are not merely permitted, but obligated, to consider our specific public benefit and the interests of other stakeholders. See "DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED — Public Benefit Corporation Status." In the event of a conflict between the interests of our stockholders and the interests of our specific public benefit or our other stakeholders, our directors must only make informed and disinterested decisions that serve a rational purpose; thus, there is no guarantee such a conflict would be resolved in favor of our stockholders, which could have a material adverse effect on our business, results of operations and financial condition, which in turn could cause our stock price to decline.

As a Delaware PBC, we may be subject to increased derivative litigation concerning our duty to balance stockholder and public benefit interest, the occurrence of which may have an adverse impact on our financial condition and results of operations.

Stockholders of a Delaware PBC (if they, individually or collectively, own at least two percent of the Company's outstanding shares) are entitled to file a derivative lawsuit claiming the directors failed to balance stockholder and public benefit interests. This potential liability does not exist for traditional corporations. Therefore, we may be subject to the possibility of increased derivative litigation, which would require the attention our management, and, as a result, may adversely impact our management's ability to effectively execute our strategy. Additionally, any such derivative litigation may be costly, which may have an adverse impact on our financial condition and results of operations.

ITEM 2. FINANCIAL INFORMATION.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

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 registration statement. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. You should review the "Forward-Looking Statements" and "Risk Factors" sections of this registration statement 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

Sezzle is a technology-enabled payments company based in the United States, with operations in the United States, Canada, and startup operations in India and Europe. The Company offers its payment solution at online stores and a select number of brick-and-mortar retail locations, connecting consumers with merchants via a proprietary payments solution that instantly extends credit at point-of-sale, allowing consumers to purchase and receive the items that they need now while paying over time in interest-free installments.

Merchants turn to Sezzle to increase sales by tapping into Sezzle's existing user base, improve conversion rates, raise spend per transaction, increase purchase frequency, and reduce return rates, all without bearing any credit risk. Sezzle is a high-growth, networked platform that benefits from a symbiotic and mutually beneficial relationship between merchants and consumers.

The Company's core product allows consumers to make online purchases and effectively split the payment for the purchase over four equal, interest-free payments over six weeks. The consumer makes the first payment at the time of checkout and makes the subsequent payments every two weeks thereafter. The purchase price, less processing fees, is paid to merchants by Sezzle in advance of the collection of the purchase price installments by Sezzle from the consumer.

The Company is headquartered in Minneapolis, Minnesota. Sezzle is a Delaware Public Benefit Corporation.

KEY OPERATING METRICS (NON-GAAP)

The following discussion of our results of operations includes references to and analysis of EBIT, EBITDA, Gross Margin, and Net Transaction Margin, which are financial measures not recognized in accordance with accounting principles generally accepted in the United States of America (GAAP). These non-GAAP financial measures are used by management to evaluate the Company's operating performance and make strategic decisions, including those related to operating expenses and allocation of internal resources, used by investors to understand and evaluate our operating performance, especially against competitors in our industry, and lenders to measure our ability to incur and service debt. These measures are not intended to serve as an alternative to U.S. GAAP measures of performance and may not be comparable to similarly titled measures presented by other companies. A reconciliation of these non-GAAP measures to their most directly comparable measure under U.S. GAAP is included below.

- EBIT is defined as earnings before interest and taxes.
- EBITDA is defined as earnings before interest, taxes, depreciation, and amortization.
- Net Transaction Margin is expressed as a percentage of Underlying Merchant Sales (UMS) and is calculated as:
    - Sezzle Income earned;

- Less the cost of consumer communications and the total fees paid by Sezzle to process transactions;
- Less net interest expense;
- Less the expected provision and actual losses against notes receivable and reschedule fee losses to be incurred; and
- Plus account reactivation fee income

Sezzle's management uses a variety of non-GAAP key operating metrics to analyze the Company's performance. These non-GAAP operating metrics include: (i) volume of Active Merchants and Active Consumers; (ii) Underlying Merchant Sales (UMS); (iii) Net Transaction Margin; (iv) EBITDA; and (v) EBIT.

The Company's key operating metrics continue to show signs of rapid growth during the financial year due to the continued success of onboarding and retaining Active Merchants and Active Consumers. A summary of the key operating metric results (non-GAAP) as of and for the years ended is shown below:

	For the years ended December 31,	
	2020	**2019**
Active Merchants	26,690	10,010
Active Consumers	2,231,089	914,886
Underlying Merchant Sales (UMS) (US$)	$ 856,381,590	$ 244,125,603
Net Transaction Margin (NTM) (% of UMS)	1.4%	0.2%

Active Merchants and Active Consumers (non-GAAP Metrics)

Active Merchants is defined as merchants who have had transactions with Sezzle in the last 12 months. As of the year ended December 31, 2020, Active Merchants increased by 167% to 26,690 compared to the year ended December 31, 2019. Active Consumers is defined as end users who have used Sezzle within the last two months. Active Consumers increased by 144% to 2,231,089 as of the year ended December 31, 2020.

Underlying Merchant Sales (UMS) (non-GAAP Metrics)

Underlying Merchant Sales (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. For the year ended December 31, 2020, UMS totaled US$856.4 million compared to US$244.1 million in the prior comparative period, representing an increase of 251% year over year. The growth in UMS is driven by the Company's continued improvements in growing its Active Merchant and Active Consumer base, year over year.

Net Transaction Margin (non-GAAP Metrics)

Below is a reconciliation of the following GAAP measures to non-GAAP measures:

	For the years ended December 31,	
US$	**2020**	**2019**
Loss before taxes	$ (32,361,776)	$ (13,049,372)
Selling, general, and administrative expenses	44,643,039	13,156,891
Other income and expense, net	126,291	20,085
Interest expense on beneficial conversion feature	—	470,268
Net Transaction Margin	$ 12,407,554	$ 597,872

The Company's NTM for the year ended December 31, 2020 improved by 1.2%, as a percentage of UMS, compared to the year ended December 31, 2019, driven primarily by improved efficiencies in Sezzle income, reductions in processing costs, and overall improvements in collections on consumer notes receivable. Summarized below, Net Transaction Margin for the years ended December 31, 2020 and 2019 is as follows:

	For the years ended December 31,			
	2020		2019	
Net Transaction Margin (NTM)	**US$**	**% of UMS**	**US$**	**% of UMS**
Sezzle income	$ 49,659,042	5.8%	$ 13,319,218	5.5%
Cost of income	(22,489,626)	(2.6)	(7,660,276)	(3.1)
Net interest expense	(4,303,175)	(0.5)	(1,307,143)	(0.5)
Provision for uncollectible accounts	(19,587,918)	(2.3)	(6,235,820)	(2.6)
Account reactivation fee income	9,129,231	1.1	2,481,893	1.0
Net Transaction Margin	$ 12,407,554	1.4%	$ 597,872	0.2%

Sezzle income relative to UMS was 5.8% and 5.5% for the years ended December 31, 2020 and 2019, respectively. The 0.3pp improvement in Sezzle income relative to UMS is due to lower promotional rates and efficiencies in direct loan origination costs, partially offset by the onboarding of large enterprise merchants.

Cost of income relative to UMS was (2.6%) and (3.1%) for the years ended December 31, 2020 and 2019, respectively. The 0.5pp improvement was primarily driven by reductions in fees incurred for processing payments of consumer transactions.

During the year ended December 31, 2020 the Company had improved collections on consumer notes receivable as a result of building its repeat usage and Active Consumer bases, along with refinements in the Company's underwriting processes. In the first half of the year, the various stimulus measures enacted by the U.S. government pertaining to the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act) contributed to the Company's improved collections, in addition to underwriting changes made in anticipation of the COVID-19 impact. In the second half of the year, Sezzle saw higher loss rates on consumer notes receivables primarily due to seasonality and universe expansion testing.

Account reactivation fee income as a percentage of UMS remained relatively flat year over year.

As a percentage of Total income, Account Reactivation Fees were 15.5% and 15.7% for the years ended December 31, 2020 and 2019, respectively. The 0.2pp reduction, as a percentage of Total income, was a result of improved collections on consumer notes receivable and the expansion of the Company's fee forgiveness and payment flexibility programs offered to consumers as a response to COVID-19.

Financial Results

Below is a reconciliation of the GAAP measures to non-GAAP EBIT and EBITDA measures:

	For the years ended December 31,	
US$	**2020**	**2019**
Operating loss	$ (27,932,310)	$ (11,251,876)
Other income and expense, net	(126,291)	(20,085)
Earnings before interest and taxes (EBIT)	(28,058,601)	(11,271,961)
Depreciation and amortization expense	428,374	245,496
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	$ (27,630,227)	$ (11,026,465)

RESULTS OF OPERATIONS

A summary of Sezzle's financial results for the years ended December 31, 2020 and 2019 is as follows:

Total Income

Sezzle income totaled US$49.7 million for the year ended December 31, 2020, compared to US$13.3 million for the year ended December 31, 2019, an increase of 273% year over year driven by growth in Underlying Merchant Sales throughout the United States and Canada, including the addition of a number of enterprise merchants. Merchant fees and consumer reschedule fees, less direct financing origination costs, collectively comprise Sezzle income and are initially recorded as a deduction from notes receivable in the consolidated balance sheets. Deferred fees and expenses are recognized in the consolidated statements of operations over the average duration of the underlying notes receivable. Together, total consumer reschedule fees and note origination costs were US$1.9 million, or 3.9% of total Sezzle income recognized during the year ended December 31, 2020 compared to US$0.4 million and 2.6% of Sezzle income during the year ended December 31, 2019, driven by an improvement in note origination costs year over year.

Account reactivation fee income was US$9.1 million for the year ended December 31, 2020, compared to US$2.5 million for the year ended December 31, 2019. Account reactivation fee income made up 15.5% of Total income for the year ended December 31, 2020, compared to 15.7% for the year ended December 31, 2019. The relative reduction in this metric was driven by improvement in the Company's collections of consumer notes receivable, as well as an expansion of fee forgiveness and payment flexibility programs offered to consumers as a response to COVID-19. We expect trends in Total income to move in line with future changes in Active Merchants, Active Consumers, and UMS on a go forward basis.

Cost of Income

Cost of income primarily comprises payment processing costs paid to third-party payment processors, consumer communication costs, and merchant affiliate program and partnership fees. Payment processing costs as a percentage of UMS were 2.0% and 2.4% for the years ended December 31, 2020 and 2019, respectively. The 2020 results included the full benefit of Sezzle's change in card processing service providers, executed in April 2019, as well as 0.1pp year over year reduction, as a percentage of UMS, in consumer communication expenses. As a percentage of UMS, short-term referral fee costs stipulated by agreements with partners and merchants of Sezzle remained consistent year over year. Gross margin increased by 10.2 percentage points to 61.7% for the year ended December 31, 2020, compared to 51.5% for the year ended December 31, 2019 as a result of the events mentioned above. The activity recorded through cost of income for the year ended December 31, 2020 was consistent with the Company's expectations.

Selling, General, and Administrative Expenses

Overall, selling, general, and administrative expenses increased 239% year over year as a result of the Company's continued investment in its personnel, marketing, and other various third party service provider and professional service expenses. Selling, general, and administrative expenses for the years ended December 31, 2020 and 2019 were comprised of the following:

	2020		2019	
	US$	% of Total	US$	% of Total
Compensation-related expenses	$ 17,076,853	38.3%	$ 7,420,215	56.4%
Equity and incentive–based compensation expenses	13,612,609	30.5	1,167,265	8.9
Third-party service provider costs	2,464,113	5.5	1,283,815	9.8
Marketing, advertising, and tradeshows	4,274,929	9.6	839,298	6.4
Professional services	2,357,439	5.3	720,409	5.5
Rent	540,046	1.2	368,664	2.8
Depreciation, amortization, and impairment	436,224	1.0	261,120	2.0
Other	3,880,826	8.6	1,096,105	8.2
Selling, general, and administrative expenses	$ 44,643,039	100.0%	$ 13,156,891	100.0%

Compensation related expenses increased to US$17.1 million for the year ended December 31, 2020, from US$7.4 million for the year ended December 31, 2019. Sezzle continued to invest in its employees throughout 2019 and 2020. Total employees were 279 as of December 31, 2020, compared to 122 as of December 31, 2019.

Stock and incentive–based compensation expenses increased to US$13.6 million for the year ended December 31, 2020, from US$1.2 million for the year ended December 31, 2019, due to the increase in number of employees, increase in fair value of awards issued in 2020 (driven by the appreciation of the Company's share price), as well as the introduction of new incentive plans. In 2020, Sezzle introduced new short-term and long-term stock based incentive programs to attract, motivate and retain talented employees. The expenses for the new incentive plans totaled US$8.1 million for the year ended December 31, 2020.

Third-party service provider costs consisted primarily of costs incurred to obtain data used in underwriting consumers and fraud prevention. These costs increased to US$2.5 million for the year ended December 31, 2020, compared to US$1.3 million for the year ended December 31, 2019, driven by growth in Active Consumers.

Marketing, advertising, and tradeshow costs increased to US$4.3 million for the year ended December 31, 2020, compared to US$0.8 million for the year ended December 31, 2019, as a result of the Company's increased initiatives to co-market the Sezzle brand with its merchants.

Professional services included legal, consultation, recruiting, financial audit, and tax compliance related costs. Costs increased by US$1.6 million year over year as a result of costs associated with the Company's status of being publicly listed on the ASX, as well as additional financial statement audit, tax, and legal costs.

Other selling, general, and administrative expenses increased US$2.8 million year over year primarily due to implementation incentives entered into with merchants during 2020.

Selling, general, and administrative expenses as a percent of UMS decreased to 5.2% for the year ended December 31, 2020 from 5.4% for the year ended December 31, 2019, primarily related to reductions in costs in response to COVID-19. Most notably, the Company rolled out a work-from-home program for its employees beginning in mid-March 2020. In addition, the Company implemented restrictions in travel and attendance of group events, including industry-related conferences. These COVID-19 related measures resulted in lower than anticipated operating expenses, offset against expenses related to the Company's new short and long–term incentive plans, for the year ended December 31, 2020. We expect our future selling, general, and administrative expenses to continue to increase as a result of the Company's planned efforts to continue to invest in its people as well as future growth and expansion opportunities.

Provision for Uncollectible Accounts

Provisions for uncollectible accounts on the notes receivable were calculated on an expected loss basis. The total provision for uncollectible accounts was US$19.6 million or 2.3% of UMS for the year ended December 31, 2020, compared to US$6.2 million or 2.6% of UMS for the year ended December 31, 2019. For the 2020 year, overall the Company saw improved loss rates driven by several factors, including increased repeat usage among consumers, continuous improvements in Sezzle's proprietary underwriting processes, tightening of credit to consumers as an initial respond to COVID-19, and overall improved collections driven in part by U.S. government stimulus offered to many of Sezzle's consumers through the CARES Act. These improvements are offset by higher loss rates as a result of universe expansion testing of its underwriting processes and seasonality of loss rate patterns noted in the second half of 2020.

Net Interest Expense

Net interest expense was US$4.3 million for the year ended December 31, 2020, driven by the Company's continued utilization of both its revolving line of credit and its Merchant Interest Program to facilitate the growth in UMS and related consumer notes receivable, consistent with the Company's growth in 2020.

Interest expense on the beneficial conversion feature was incurred on the Company's Initial Public Offering date and resulted from the conversion of US$5.8 million of notes issued in the first half of 2019.

Income Taxes

The Company's effective income tax rate for the year ended December 31, 2020 was 0.1%, consistent with the prior year and comprised of minimum income taxes owed to state and local jurisdictions. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2020. Such objective evidence limits the ability to consider other subjective evidence, such as the Company's projections for future growth. On the basis of this evaluation, a full valuation allowance is recorded against the Company's net deferred tax assets as of December 31, 2020.

Other Comprehensive Income

The Company has US$0.5 million of foreign currency translation adjustments recorded within other comprehensive income for the year ended December 31, 2020 as a result of the financial statements of the Company's non-U.S. subsidiaries being translated into U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". The Company expects to record foreign currency translation adjustments in future years and changes will be dependent on fluctuations in foreign currencies of countries in which the Company has operations.

Financial Position Activity

Sezzle's total assets increased to US$174.1 million as of December 31, 2020 from US$64.5 million as of December 31, 2019. The year over year growth of US$109.6 million was primarily driven by increases in both cash and cash equivalents and consumer notes receivable.

Sezzle's consumer notes receivables before expected losses and deferred net loan origination fees increased to US$95.4 million as of December 31, 2020 compared to US$29.7 million as of December 31, 2019, an increase of 221%, driven by increases in UMS and Active Consumers. Sezzle's notes receivable had a weighted average days outstanding of 34 days, consistent with the prior year's duration.

Merchant accounts payable increased to US$60.9 million as of December 31, 2020 compared to US$13.3 million as of December 31, 2019. The increase was related to the growth in Underlying Merchant Sales and Active Merchants during 2020, in addition to increased merchant participation in the Merchant Interest Program, a program Sezzle offers its merchants whereby merchants may defer payment from the Company in exchange for interest.

Line of credit, net of unamortized debt issuance costs, increased to US$39.8 million compared to US$20.9 million in the prior year. The year over year increase is due to the Company's further utilization of its revolving line of credit in order to support the overall growth in UMS.

In aggregate, total liabilities increased to US$114.2 million as of December 31, 2020 compared to US$37.2 million in the prior year primarily as a result of the increases in merchant accounts payable and line of credit, net discussed above, as well as increases in short and long term incentive plan compensation accruals and other general accrued liabilities.

Stockholders' equity increased to US$60.0 million as of December 31, 2020 from US$27.3 million as of December 31, 2019, primarily as a result of the proceeds from the Company's capital raise in the third quarter of 2020.

Capital Management

To help manage the increase in UMS, Sezzle signed an agreement with the Syndicate to increase its debt facility to US$100 million in November 2019. As of December 31, 2020, Sezzle had drawn US$40.0 million from its revolving line of credit and had US$23.9 million in additional borrowing capacity.

On July 15, 2020, Sezzle raised US$55,316,546 of proceeds via an institutional placement. On August 10, 2020, the Company raised an additional US$5,140,710 of proceeds via a Securities Purchase Plan offered to existing investors. The total costs of the capital raise were US$2,484,504, resulting in overall net proceeds of US$57,972,752. In exchange for the capital raise, Sezzle issued 16,289,935 Chess Depository Interests (CDIs) at a price of A$5.30 (approximately US$3.82). The issued CDIs are equivalent to common shares on a 1:1 basis.

Liquidity and Capital Resources

Sezzle incurred net losses from operating activities for the years ended December 31, 2020 and 2019. For the years ended December 31, 2020 and 2019 Sezzle incurred a net loss of US$32.4 million and US$13.1 million, respectively. As of December 31, 2020, Sezzle had cash and cash equivalents of US$84.3 million and working capital of US$104.6 million.

We believe our existing cash, cash equivalents, and restricted cash, along with cash flow from operations, will be sufficient to meet our working capital and investment requirements beyond the next 12 months.

Operating Activities

Net cash used for operating activities was US$24.8 million and US$19.9 million for the years ended December 31, 2020 and 2019, respectively. Net cash used for operating activities for the year ended December 31, 2020 is comprised of Sezzle's net losses totaling US$32.4 million, non-cash adjustments of US$30.2 million, and changes in operating assets and liabilities of (US$22.6) million. Significant non-cash adjustments includes provisions for uncollectible notes and other receivables of US$22.3 million and equity based compensation totaling US$7.0 million. Significant changes in operating assets and liabilities includes increases in consumer notes receivable of US$75.0 million, due to increased Active Consumers and UMS, and increases in merchant accounts payable of US$47.5 million, due to increased Active Merchants and their participation in the Merchant Interest Program. Net cash used for operating activities for the year ended December 31, 2019 was primarily driven by increases in notes receivable due from consumers.

Investing Activities

Net cash used for investing activities during the year ended December 31, 2020 increased slightly to US$0.7 million, compared to US$0.5 million during the year ended December 31, 2019. Cash outflows for investing activities were primarily used for purchasing computer equipment, as well as payments of salaries to employees who create capitalized internal-use software.

Financing Activities

Net cash provided by financing activities during the year ended December 31, 2020 was US$77.6 million, compared to US$50.0 million during the year ended December 31, 2019. The increase was related to the Company's capital raise, as well as additional funds drawn on the Company's line of credit facility.

Critical Accounting Policies and Estimates

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

Sezzle evaluates its significant estimates on an ongoing basis, including, but not limited to, estimates related to its allowance for uncollectible accounts, equity based compensation, income taxes, and internally developed intangible assets. Sezzle believe these estimates have the greatest risk of affecting its consolidated financial statements; therefore, Sezzle considers these to be its critical accounting policies and estimates.

Off Balance Sheet Arrangements

Sezzle does 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, Sezzle is not exposed to any financing, liquidity, market or credit risk that could arise if the Company had engaged in those types of relationships. Sezzle enters into guarantees in the ordinary course of business related to the guarantee of its performance and the performance of its subsidiaries.

ITEM 3. PROPERTIES.

On November 30, 2019, we entered into an agreement with McKesson Building, LLC, as landlord for the lease of approximately 14,740 square feet located at 251 N 1st Ave N, Suite 200, Minneapolis, MN 55401 that we occupy and use for our principal place of business in the United States. The term of the lease expires on June 30, 2022. We believe that these premises are suitable and adequate for our needs now and for the foreseeable future.

On November 30, 2019, we entered into an agreement with McKesson Building, LLC, as landlord for the lease of approximately 14,929 square feet located at 251 N 1st Ave N, Suite 400, Minneapolis, MN 55401. The term of the lease expires on June 30, 2022. On July 21, 2020, Sezzle exercised its right to terminate the lease effective June 30, 2021. Due to COVID-19, we never occupied this space.

In addition to the leases noted above, during the year 2019, the Company entered into two new operating leases for corporate office spaces, one within the United States and one in Canada. Total lease expense incurred for the year ended December 31, 2020 and 2019 was US$513,248 and US$348,246, respectively, and is recorded within selling, general, and administrative expenses on the consolidated statements of operations. Additionally, total cash paid for rent for the years ended December 31, 2020 and 2019 was US$558,631 and US$350,722, respectively.

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of March 17, 2021, information regarding beneficial ownership of shares of our common stock, including common stock held as CDIs, by the following:

- each person, or group of affiliated persons, who is known by us to beneficially own 5% or more of any class of our voting securities;
- each of our directors;
- each of our Named Executive Officers; and
- all current directors and executive officers, as a group.

Beneficial ownership is determined according to the rules of the SEC. Beneficial ownership generally includes voting or investment power of a security and includes shares underlying options that are currently exercisable or exercisable within 60 days of March 17, 2021. The officers, directors and principal stockholders supplied the information for this table. Except as otherwise indicated, we believe that the beneficial owners of the CDIs and common stock listed below, based on the information given to us by each of them, have sole investment and voting power with respect to their shares, except where community property laws may apply.

Percentage of ownership is based on 197,070,685 shares of our common stock, or common stock equivalent CDIs, outstanding on March 17, 2021. Unless otherwise indicated, we deem shares subject to options that are exercisable within 60 days of March 17, 2021 to be outstanding and beneficially owned by the person holding the options for the purpose of computing percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the ownership percentage of any other person. CDIs represent one share of our common stock.

Unless otherwise indicated on the table, the address of each of the individuals named below is: c/o Sezzle Inc., 251 1st Ave N, Suite 200, Minneapolis, MN 55401, USA.

Name of Beneficial Owner	Number of Shares of Common Stock	Percentage of Common Stock
5% Stockholders		
J P Morgan Nominees Australia Pty Limited[(1)]	12,042,609	6.11%
Directors and Executive Officers		
Mike Cutter[(2)]	145,833	*
Karen Hartje[(3)]	1,577,104	*
Paul Lahiff[(4)]	165,770	*
Paul Paradis[(5)]	10,218,750	5.18
Kathleen Pierce-Gilmore[(6)]	243,056	*
Paul Purcell[(7)]	9,739,407	4.94
Charles Youakim[(8)]	88,578,559	44.90
All directors and executive officers	**110,668,479**	**56.09%**

* Less than 1.0%.

(1) 9,553,571 of Mr. Charles Youakim's shares are held through J P Morgan Nominees Australia Pty Limited, who is noted as a substantial shareholder of the Company. Please see Note 8 for more detail.

(2) Mr. Cutter serves as an Independent Non-Executive Director. Shares include options to purchase 145,833 shares of common stock that are currently exercisable or will become exercisable within 60 days after March 17, 2021

(3) Ms. Hartje serves as the Company's Chief Financial Officer. Shares include options to purchase 1,556,145 shares of common stock that are currently exercisable or will become exercisable within 60 days after March 17, 2021. Shares also include 20,959 RSUs that have vested or vest within 60 days after March 17, 2021.

(4) Mr. Lahiff serves as an Independent Non-Executive Director. Shares include options to purchase 145,833 shares of common stock that are currently exercisable or will become exercisable within 60 days after March 17, 2021. All of such options are held in escrow until July 30, 2021 as described under "Escrow Arrangements" below.

(5) Mr. Paradis serves as an Executive Director and President. Shares include 625,000 common shares vesting in equal installments over the next 10 months. Shares include options to purchase 218,750 shares of common stock that are currently exercisable or will become exercisable within 60 days after March 17, 2021. All of Mr. Pardis' shares and options are held in escrow until July 30, 2021 as described under "Escrow Arrangements" below.

(6) Ms. Pierce-Gilmore serves as an Independent Non-Executive Director. Shares include options to purchase 243,056 shares of common stock that are currently exercisable or will become exercisable within 60 days after March 17, 2021. All of such options are held in escrow until July 30, 2021 as described under "Escrow Arrangements" below.

(7) Mr. Purcell serves as an Independent Non-Executive Director. All shares are owned by Continental Investment Partners, LLC. Mr. Purcell may be deemed to beneficially own such shares as the sole manager of Continental Investment Partners, LLC. 350,000 of such shares and are held in escrow until July 30, 2021, as described under "Escrow Arrangements" below.

(8) Mr. Youakim serves as an Executive Chairman and Chief Executive Officer. Shares include 78,806,238 shares held by Mr. Youakim directly or through family trusts which are held in escrow until July 30, 2021, as described under "Escrow Arrangements" below. Shares also include 9,553,571 shares that are held by a trust for the benefit of direct current and future family members of Mr. Youakim. Mr. Youakim shares the power to dispose of these shares. These shares have been pledged to J P Morgan Nominees Australia Pty Limited ("J P Morgan") in connection with a loan made to Mr. Youakim by J P Morgan. In addition, shares include options to purchase 218,750 shares of common stock that are exercisable or will become exercisable within 60 days after March 17, 2021; all of such options are held in escrow until July 30, 2021, as described under "Escrow Arrangements" below.

Escrow Arrangements

In connection with the Company's initial public offering, as of March 17, 2021, the holders of 94,016,911 shares/CDIs, representing 47.71% of the currently outstanding shares of common stock, remain subject to restriction agreements with respect to their shares (including in the form of CDIs), pursuant to the listing rules of the ASX. In addition, options to purchase an aggregate of 2,166,667 shares/CDIs, of which 1,111,809 shares/CDIs that are exercisable or will become exercisable within 60 days after March 17, 2021, are subject to the escrow restrictions. The restriction agreements restrict the ability of the holder from disposing of, creating any security interest in, or transferring effective ownership or control of the securities until July 31, 2021. ASX may consent to the removal of the restrictions prior to July 31, 2021, subject to the satisfaction of certain conditions, to enable escrowed securities to be transferred or cancelled in connection with a merger or other specified transactions.

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS.

Our directors and executive officers and their respective ages as of March 26, 2021 are as follows:

Name	Age	Position
DIRECTORS:		
Charles Youakim	44	Executive Chairman and Chief Executive Officer
Paul Paradis	37	Executive Director and President
Paul Lahiff	68	Independent Non-Executive Director
Kathleen Pierce-Gilmore	43	Independent Non-Executive Director
Mike Cutter	54	Independent Non-Executive Director
Paul Purcell	46	Independent Non-Executive Director
EXECUTIVE OFFICERS:		
Karen Hartje	63	Chief Financial Officer

Charles ("Charlie") Youakim – Executive Chairman and Chief Executive Officer

Charlie is a co-founder, Executive Chairman, and Chief Executive Officer of Sezzle. Charlie is a serial technology entrepreneur with nearly ten years of experience in growing fintech companies from inception to large-scale businesses. Charlies began his career as an engineer and software developer. After successfully advancing in his early career, he returned to business school where he was able to focus on expanding his knowledge of finance, marketing, and business strategy.

In 2010, after completing business school, Charlie founded his first payments company, Passport Labs, Inc. ("Passport"). Passport became a leader in software and payments for the transportation industry. At Passport, Charlie led the construction and the original technology and led the company as it disrupted the industry through the introduction of white label systems and payment wallets. Passport is the technology behind enterprise transportation installations like ParkChicago, ParkBoston, and the GreenP in Toronto.

Charlie co-founded Sezzle in 2016 and also planned much of the business' technology architecture. Charlie has a degree in Mechanical Engineering from the University of Minnesota and an MBA from the Carlson School of Management at the University of Minnesota. Charlie does not currently hold any other directorships.

Paul Paradis – Executive Director and President

Paul is co-founder, Executive Director, and President at Sezzle. Paul has extensive experience in sales and marketing. He began his career in sales with the Minnesota Timberwolves. He left the Timberwolves to attain his MBA from the Carlson School of Management at the University of Minnesota, where he focused on marketing and strategy. After graduating from the Carlson School of Management, Paul spent six years leading sales and marketing at Dashe & Thomson and the Abreon Group, which are boutique management consultancies focus on IT transportation adoption. Paul left the Abreon Group in 2016 when he co-founded Sezzle. At Sezzle, Paul oversees sales, marketing, partnerships, and merchant development.

Paul has a BA in Political Science from Davidson College and an MBA from the University of Minnesota. Paul does not currently hold any other directorships.

Paul Lahiff – Independent Non-Executive Director

Paul Lahiff was previously Chief Executive Officer of Mortgage Choice and prior to this, Chief Executive Officer of Permanent Trustee and Heritage Bank. He also held senior management roles for Westpac Banking Corporation in Sydney and London. He previously held Board roles with Sunsuper, Thorn Group, New Payments Platform Australia and Cancer Council NSW. Paul holds a BSC degree from the University of Sydney, is a graduate of the Australian Institute of Company Directors. Paul is a Non-Executive Director of AUB Holdings and NESS Superannuation. Paul is a Senior Non-Executive Director at 86400.

Kathleen Pierce-Gilmore – Independent Non-Executive Director

Kathleen has been a payments and fintech executive for 20+ years across firms, including American Express, Capital One, PayPal, and most recently startup companies Raise Marketplace and Flexa Technologies. She has held leadership positions from leading Strategy to COO, President, and CEO roles. In addition to her deep expertise in customer experience, consumer lending, product development, and P&L management, she has also led businesses on the merchant side of the payments ecosystem. She is currently the Head of Global Payments at Silicon Valley Bank.

Kathleen graduated with a BA from the Integrated Sciences Program at Northwestern University and has recently completed the Non-Executive Director Diploma program through the Financial Times. Kathleen also serves as a Director for Tala.

Paul Purcell – Independent Non-Executive Director

Paul Purcell has invested in financial services companies (public and private markets) for nearly 20 years. He retains a specific specialization in emerging financial innovation as well as non-bank financial services. He has been the Chief Investment Officer of Jupiter Management since January 1, 2019 and prior to assuming that position led the sourcing and origination of investments at Continental Investors. Paul is a frequent panelist at industry conferences and has published several articles on the trends and developments in the emerging commerce and financial services marketplaces.

Before joining Continental Investors, Paul was a co-founder of Continental Advisors, a manager of two sector-based hedge funds. He was also Manager of Internet marketing at the Chicago Board Options Exchange (CBOE), a department he helped found.

Paul is a graduate of the University of San Diego where he is a member of the Board of Trustees. He currently serves on the Board of Directors of Align Income Share Funding, Listo!, Veritec Solutions, Drizly, Winestyr Pearachute, Intuition LLC, CarHop, and What's Next Media.

Mike Cutter – Independent Non-Executive Director

Mike has more than 33 years' experience in a wide range of financial services businesses in Australia, New Zealand, Asia and Europe.

Most recently he served as the Group Managing Director for the information services business Equifax ANZ. Prior that he held various CEO, CRO, Product and Operations roles with GE, ANZ, Wesfarmers, Halifax/BankOne and NAB.

Mike is a Graduate of the Australian Institute of Company Directors (GAICD) and a Senior Fellow of the Financial Services Institute of Australia and has previously served on the Board of Directors of the Women's Cancer Foundation, Ovarian Cancer Institute, the Australian Finance Congress, the National Insurance Brokers Association and the Australian Retail Credit Association.

In addition to his role with Sezzle, Mike is currently a Board Advisor to PNO Insurance. Mike has a BSc (Hons) from Hertfordshire University.

Executive Officers

Set forth below is biographical information for our Executive Officer, other than Messrs. Youakim and Paradis:

Karen Hartje — Chief Financial Officer

Karen is the Chief Financial Officer at Sezzle. Before her role with Sezzle, Karen occupied finance and credit management roles at Bluestem Brands, a retail finance company that was a reboot of Fingerhut Direct Marketing. Bluestem Brands generated well over US$1 billion in retail sales. Karen was on the founding team of Bluestem Brands, where she led the finance department reporting to the President of Bluestem Brands. During her tenure, Karen led financial planning and analysis, management of credit policies, and forecasting. Bluestem Brands was acquired in 2014. After the acquisition, Karen left Bluestem Brands to pursue her own financial consulting business.

Karen started her career with KPMG and has held senior leadership positions at US Bank and Lenders Trust.

A graduate of the University of Minnesota, Karen has a degree in accounting as well as her CPA (expired).

ITEM 6. EXECUTIVE COMPENSATION.

Our named executive officers for the fiscal year ended 2020 were: Charles Youakim, Paul Paradis, and Karen Hartje. Details of their employment arrangements are as follows:

Charlie Youakim

Charlie serves as Executive Chairman and Chief Executive Officer. Charlie's agreement commenced June 21, 2019, and he receives an annual US$250,000 salary. He is entitled to participate in the Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP) and is entitled to severance upon termination of employment in some circumstances as described below. His employment may be terminated: (i) at an time upon mutual written agreement of the parties; (ii) by the Company immediately and without prior notice for cause; (iii) immediately upon Charlie's death or disability; (iv) by the Company other than for cause with advance written notice of at least 12 months; or (v) by Charlie, other than due to Charlie's death or disability, with advance written notice of at least 12 months.

Paul Paradis

Paul serves as Executive Director and President. Paul's agreement commenced on June 21, 2019, and he receives an annual salary of US$250,000. He is entitled to participate in the STIP and LTIP and is entitled to severance upon termination of employment in some circumstances as described below. His employment may be terminated: (i) at an time upon mutual written agreement of the parties; (ii) by the Company immediately and without prior notice for cause; (iii) immediately upon Paul's death or disability; (iv) by the Company other than for cause with advance written notice of at least 12 months; or (v) by Paul, other than due to Paul's death or disability, with advance written notice of at least 12 months.

Karen Hartje

Karen serves as Chief Financial Officer. Her agreement commenced June 21, 2019, and she receives an annual base salary of US$250,000. She is entitled to participate in the STIP and LTIP and is entitled to severance upon termination of employment in some circumstances as described below. Her employment may be terminated: (i) at an time upon mutual written agreement of the parties; (ii) by the Company immediately and without prior notice for cause; (iii) immediately upon Karen's death or disability; (iv) by the Company other than for cause with advance written notice of at least 6 months; or (v) by Karen, other than due to Karen's death or disability, with advance written notice of at least 6 months.

Remuneration Philosophy

The performance of Sezzle depends upon the Company's ability to attract and retain key management personnel. To prosper, the Company must attract, motivate, and retain highly skilled directors and executives. To that end, Sezzle embraces the following principles in its remuneration framework:

- Offer competitive rewards to attract high caliber executives, while still being within market norms;
- Align remuneration with strategic objectives;
- Create sustained shareholder value;
- Place a significant portion of remuneration at risk, and aligned with shareholder interests; and
- Ensure merit-based remuneration commensurate with contribution to overall results and according to individual accountability, performance, and potential.

For 2020, the Remuneration and Nomination Committee of the Board (the "Committee") has approved the short-term and long-term compensation programs for key management personnel as described below.

Short-Term Incentive Plan (STIP)

Executive officers and other key personnel are entitled to participate in the STIP, which provides an annual bonus opportunity based on a STIP %, representing the employee's bonus potential. The payout is based on a combination of the Company Performance Score (CPS) and individual performance. CPS is determined each year by metrics within four weighted categories: Growth (50%), Stakeholder Satisfaction (20%), Optimization (15%), Innovation (15%), with the metrics including Revenue, Underlying Merchant Sales, Active Customers, Stakeholder Satisfaction and Net Transaction Margin. Individual performance is based on outcomes achieved by the employee and how those outcomes are achieved (i.e., exemplifying Sezzle's values).

Each executive officer named above is participating in the STIP for the year ending December 31, 2020. Short Term Incentives awarded are settled as Restricted Stock Units (RSUs) in the Company that vest immediately upon the grant date to reflect goals met in the prior year. The RSUs awarded are, at a maximum, 50% of the base salary for the executive in question. Payout for each individual depends on achievement of the goals for corporate and individual performance. For Messrs. Youakim and Paradis, the grants of the RSUs are subject to prior shareholder approval.

Long-Term Incentive Plan (LTIP)

The use of long-term incentive awards (LTIs) is to reward senior executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants go to certain executives who influence the generation of shareholder wealth and thus have a direct impact on the Company's performance against the relevant long-term performance hurdle. The formal LTIP comprises grants of market priced stock options under the 2019 Equity Incentive Plan, with vesting subject to formal long-term performance hurdles tested over three years, and subject to continued employment for a three-year period.

LTIs issued are subject to vesting conditions comprising both performance and time-based hurdles, and both hurdles must be satisfied for vesting to occur. Stock options will automatically vest in full upon certain circumstances including a sale, merger, or consolidation. Grants must be exercised within 10 years of the beginning of the performance period or they will lapse. Unvested options will automatically lapse.

The three-year performance period for vesting of the initial grants is from January 1, 2020 through December 31, 2022. Subject to the satisfaction of the performance hurdles and continued employment, options issued under the LTIP will vest and become capable of exercise three years from the beginning of the performance period. Performance for vesting purposes for each of the three years within the performance period will be tested against Comparative Total Shareholder Return (TSR). For each year, the Comparative TSR encompasses share price appreciation, measured against the S&P/ASX All Technology Index (excluding materials and energy companies). For comparative purposes, Sezzle's Volume Weighted Average Price (VWAP) over a 30-day period up to the end of the relevant performance period will be used and compared to the average S&P/ASX All Technology Index price over that same period.

The shares vesting for each year in the performance period are determined as follows based on TSR for the year:

Comparative TSR Target	**Percentage of shares available in the given year satisfying conditions**
Less than 51st percentile of companies in S&P/ASX All Technology Index	0%
Greater than or equal to 51st percentile but less than the 90th percentile of companies in S&P/ASX All Technology Index	Pro rata between 1% and 100%
Greater than or equal to 90th percentile of companies in S&P/ASX All Technology Index	100%

The Board has the discretion to amend the Comparative TSR performance condition at any time during the relevant performance period applicable to those LTI grants if the Board believes it is appropriate to do so to reflect the Company's circumstances.

On May 22, 2020, each of Mr. Youakim, Mr. Paradis and Ms. Hartje, the executive officers of the Company, received an option from the LTIP to purchase 1,171,875 shares at an exercise price of US$1.37 (using a conversion rate of A$1.53 to US$1.00) per share, based on the closing sale price of CDIs on the ASX on May 21, 2020 (the "LTIP Options"). The amount of shares subject of the LTIP Options were calculated so that the Monte Carlo value of each Option was equal to 300% of the individual's salary in effect at the time (i.e., 100% for each of the three years in the performance period). Subsequently, on October 22, 2020, the LTIP Options to Messrs. Youakim and Paradis were rescinded in exchange for a promise by the Company to provide to each such executive officer with comparable compensation through payments in cash and/or the issuance of incentive compensation, subject to any required stockholder approvals. As of March 26, 2021, no comparable compensation has been issued.

Clawback Policy

All compensation under the STIP and LTIP are subject to the provisions of the 2019 Incentive Plan, which gives the Board discretion to reduce an incentive payment based on conduct that is inconsistent with the Company's values, irrespective of performance. Any conduct that is inconsistent with the Company's values can fully nullify all performance awards. This clawback can be applied at the full discretion of the Board.

Summary Compensation Table

The following table shows the total compensation paid during the fiscal years ended December 31, 2020 and 2019 to each named executive officer.

Name and principal position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock awards ($) (e)	Option awards (1) ($) (f)	Nonequity incentive plan compensation ($) (g)	Nonqualified deferred compensation earnings ($) (h)	All other compensation ($) (i)	Total ($) (j)
Charles Youakim, Executive Chairman and Chief Executive Officer	2019	212,228	-	-	298,172(2)	-	-	-	510,400
	2020	250,000	-	-	-	-	-	-	250,000
Paul Paradis, Executive Director and President	2019	174,455	-	-	298,172(2)	-	-	-	472,627
	2020	250,000	-	-	-	-	-	-	250,000
Karen Hartje, Chief Financial Officer	2019	209,673	-	-	298,172(2)	-	-	-	507,845
	2020	250,000	-	59,579	750,000(3)	-	-	-	1,059,579

(1) Amounts reported represent the grant date fair value, computed in accordance with FASB ASC Topic 718, of option awards granted each fiscal year.

(2) On July 27, 2019, the named executive officer was issued options to purchase 500,000 shares of common stock at US$0.84 per share. 25% of the shares vest on the one-year anniversary of issuance (July 27, 2020), and the remaining shares vest in equal monthly installments over a 36-month period thereafter.

(3) On May 22, 2020, the named executive officer was issued options to purchase 1,171,875 shares of common stock at US$1.37 (using a conversion rate of A$1.53 to US$1.00) per share under the Company's LTIP. Vesting of the options is subject the conditions set forth in the '*Long-Term Incentive Plan'* discussion above.

Outstanding Equity Awards at Fiscal Year-End 2020

	Option Awards						Stock Awards			
Name (a)	Number of securities underlying unexercised options (#) exercisable (b)	Number of securities underlying unexercised options (#) unexercisable (c)	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#) (d)	Option exercise price ($) (e)	Option expiration date (f)	Number of shares or units of stock that have not vested (#) (g)	Market value of shares or units of stock that have not vested ($) (h)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#) (i)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($) (j)
Charlie Youakim	177,083	322,917	500,000	$ 0.84	July 26, 2029	-	$ -	-	$ -
Paul Paradis	177,083	322,917	500,000	$ 0.84	July 26, 2029	-	$ -	-	$ -
Karen Hartje	177,083	322,917	500,000	$ 0.84	July 26, 2029	-	$ -	10,651	$ 50,608
	1,156,666	578,334	1,735,000	$ 0.05	August 25, 2028				
	-	1,171,875	1,171,875	$ 1.37[(1)]	January 1, 2030				

(1) Amounts converted from AUD to U.S. Dollars using a conversion rate of A$1.53 to US$1.00, representing the exchange rate on the May 22, 2020 grant date.

Director Compensation

Under the Company's by-laws, the Board of Directors establishes the fees for Non-Executive Directors based on recommendations of the Renumeration and Nomination Committee. The Board's policy is to reward Non-Executive Directors at competitive market rates to attract and retain individuals of high caliber and quality, having regard to fees paid and/or options granted for comparable companies and the size, complexity, and spread of the Company's operations..

In general, the Company's compensation structure for Non-Executive Directors is to compensate, either in cash or options, in an amount of US$41,379 for serving as a member of the Board of Directors, US$13,793 each for serving as the Chair of the Remuneration and Nomination Committee and Audit and Risk Committee, and US$6,897 each for serving as a member of the Remuneration and Nomination Committee and Audit and Risk Committee (using a conversion rate of A$1.45 to US$1.00). Arrangements with each individual vary based on any equity based compensation historically granted.

The Company has entered into an appointment letter or agreement with each of its Non-Executive Directors. The Non-Executive Director's fees currently agreed to be paid by the Company under the appointment letters or agreements for the year ending December 31, 2020 are as set out below:

Director Compensation

Name (a)	Fees earned or paid in cash ($)(1) (b)	Stock awards ($) (c)	Option awards ($) (d)	Non-equity incentive plan compensation ($) (e)	Nonqualified deferred compensation earnings ($) (f)	All other compensation ($) (g)	Total ($) (h)
Mike Cutter	55,172	-	-	-	-	-	55,172
Paul Lahiff	68,966	-	-	-	-	-	68,966
Kathleen Pierce-Gilmore	55,172	-	-	-	-	-	55,172
Paul Purcell	13,793	-	-	-	-	-	13,793

(1) Amounts converted from AUD to U.S. Dollars using a conversion rate of A$1.45 to US$1.00, representing the average exchange rate during the year ended December 31, 2020.

In addition, the following arrangements for equity based compensation were originated with the noted directors below during 2019.

- Mr. Cutter was issued ten-year options to purchase 250,000 shares of common stock on July 27, 2019 at US$0.84 per share. The options vest in equal monthly installments over 36 months, with a one-year cliff. These options were issued to Mr. Cutter before he became a director of the Company, as compensation for advisory services.

- Mr. Lahiff was issued ten-year options to purchase 250,000 shares of common stock on July 27, 2019 at US$0.84 per share. The options vest in equal monthly installments over 36 months, with a one-year cliff.

- Ms. Pierce-Gilmore was issued ten-year options to purchase 350,000 shares of common stock on March 29 2019 at US$0.05 per share. The options vest in equal monthly installments over 36 months, with one-year cliff vesting.

- In accordance with Paul Purcell's director appointment agreement, 350,000 shares of restricted stock were issued to Continental Investment Partners, LLC on March 29, 2019, which comprises compensation for Paul Purcell's services as Director. Those shares have all vested. Mr. Purcell is a manager of Continental Investment Partners, LLC and exercises voting power over such shares.

There are no anticipated changes to the structure of compensation for Non-Executive Directors in 2021.

Compensation Committee Interlocks and Insider Participation

The Remuneration and Nomination Committee consists of Paul Lahiff (Chair), Kathleen Pierce-Gilmore and Paul Purcell. No member of the Remuneration and Nomination Committee has ever been an executive officer or employee of ours. None of our officers currently serves, or has served during the last completed year, on the compensation or remuneration and nomination committees or the Board of Directors of any other entity that has one or more officers serving as a member of the Board of Directors or the Remuneration and Nomination Committee.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Certain Relationships and Related Party Transactions

Other than the current employment agreements between the Company and each of its executive officers described in the "Executive Compensation" section of this Registration Statement, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, in which the amount involved exceeded or will exceed US$120,000 and in which any current director, executive officer, beneficial owner of more than 5% of our Common Stock, or entities affiliated with them, had or will have a material interest.

Policies and Procedures for Review and Approval of Related Party Transactions

Our Board Charter includes a written policy and procedure for related party transactions, which requires prompt disclosure of any circumstances giving rise to a reasonable possibility of conflict between a director's personal or business interests, the interests of any person associated with them, or their duties to any other company on the one hand, and the interests of the Company or their duties to the Company on the other hand. Our Audit and Risk Committee is responsible for reviewing and approving all transactions in which we are a participant and in which any parties related to us, including our executive officers, directors, beneficial owners of more than 5% of our Common Stock, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Company, has or will have a direct or indirect material interest. Transactions with related parties will also be subject to shareholder approval to the extent required by the ASX Listing Rules.

Corporate Governance

Our Board currently consists of six members: Charlie Youakim, Paul Paradis, Paul Lahiff, Kathleen Pierce-Gilmore, Paul Purcell and Mike Cutter. Our Board has determined that each of Mike Cutter, Paul Lahiff, Kathleen Pierce-Gilmore and Paul Purcell are "independent." We consider that a director is an "independent" director where that director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the director's judgment. While we are not currently seeking a listing on the Nasdaq Stock Market ("Nasdaq"), or any other U.S. securities exchange, we have assessed the independence of our directors with respect to the definition of independence prescribed by Nasdaq and the SEC.

ITEM 8. 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.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Market Information

Our CDIs, each representing one share of our Common Stock, have been listed on the Australian Securities Exchange ("ASX") under the trading symbol "SZL" since July 30, 2019. Prior to such time there was no public market for our securities. There is no principal market in the United States for our CDIs or shares of our common stock. The following table sets forth the high and low sales prices for our CDIs as reported on the ASX for the periods indicated since the common began public trading and are reported in Australian dollars and as converted into U.S. Dollars. All currency conversions are based on the prevailing Australian dollar to U.S. Dollar rate on the last day of each respective quarter.

	Common Stock			
	Low (A$)	High (A$)	Low (US$)	High (US$)
Fiscal 2021				
First Quarter (through April 1, 2021)	A$6.15	A$11.63	US$4.68	US$8.86
Fiscal 2020				
Fourth Quarter	A$5.38	A$8.39	US$4.15	US$6.47
Third Quarter	A$4.07	A$11.34	US$2.92	US$8.13
Second Quarter	A$0.80	A$4.28	US$0.55	US$2.95
First Quarter	A$0.37	A$2.01	US$0.23	US$1.23
Fiscal 2019				
Fourth Quarter	A$2.07	A$2.72	US$1.46	US$1.91
Third Quarter (starting July 30, 2019)	A$2.03	A$2.73	US$1.37	US$1.84

Rule 144

Under applicable U.S. securities laws, all of the shares of our common stock that were outstanding prior to our initial public offering are "restricted securities" as that term is defined in Rule 144 under the Securities Act. Restricted securities may be resold in the public market to U.S. persons as defined in Regulation S only if registered or if they qualify for an exemption from registration under the Securities Act, each as described in more detail below. We have not agreed to register any of our common stock for resale by security holders.

Because there is no public trading market for the shares in the United States, no sales in the United States under Rule 144 other than Rule 144(b)(1)(i) are likely to occur. Under Rule 144(b)(1)(i)), a person who is not deemed to have been an affiliate of ours at any time during the 90 days preceding a sale, and who has beneficially owned the shares proposed to be sold for at least one year, is entitled to sell the shares without having to comply with the manner of sale, public information, volume limitation or notice filing provisions of Rule 144.

We believe that 158,231,529 shares of our common stock outstanding were eligible for resale under Rule 144 as of March 17, 2021, subject to applicable volume and manner of sale restrictions. Of these shares, 94,016,911 shares are held in escrow in connection with the initial public offering of our shares in Australia and quotation of our shares in the form of CDIs on the ASX and will be released on July 30, 2021, at which time they will be eligible for resale under Rule 144.

Holders

As of March 17, 2021, the Company had 16,636 record holders of its common stock.

Dividends

Payment of dividends by the Company is at the discretion of the Directors and the Directors do not provide any assurance of the future amounts of dividends. In determining whether to declare future dividends, the Directors will consider the general business environment, the operating results and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by the Company and any other factors the Directors may consider relevant. Sezzle's credit facilities have covenants that limit its ability to pay dividends during the term of the agreement to November 14, 2021 to no more than 50% of retained earnings at the end of the previous December 31, provided retained earnings is a positive number.

No dividends on common stock were declared or issued during the year ended December 31, 2019. On June 23, 2019, the Board of Directors declared and issued a 15% stock dividend resulting in the issue of 909,451 Series A preferred stock to the existing holders of Series A-1 through A-5 preferred stock, valued at US$0.8 million. All preferred stock was converted into common stock on July 24, 2019 in conjunction with the Company listing on the Australian Securities Exchange (ASX).

The Company has no current intent to pay cash dividends in the foreseeable future.

Equity Compensation Plan Information

The Company maintains stock compensation plans which provides the offering of incentive and non-statutory stock options and restricted stock to employees, directors, and advisors of the Company. Equity-based compensation expense reflects the fair value of awards measured at the grant date and recognized over the relevant vesting period. The Company estimates the fair value of each stock option on the measurement date during Black-Scholes option valuation model which incorporates assumptions as to stock price volatility, the expected life of the options, risk-free interest rate and dividend yield. Equity-based compensation recorded totaled US$7,010,844 and US$1,167,265 for the years ended December 31, 2020 and 2019, respectively.

2016 Employee Stock Option Plan

The Company adopted the 2016 Employee Stock Option plan on January 16, 2016 (the "2016 Incentive Plan"). The purpose of the plan is to encourage stock ownership among employees, Directors and consultants of the Company, to provide additional incentives for such individuals, and to assist Sezzle in attracting and retaining the best personnel. The number of shares authorized for issuance under the 2016 Incentive Plan is 10,000,000 shares. The Company had 6,844,170 shares subject to options issued and outstanding as of December 31, 2020. Additionally, the Company had 156,556 shares of restricted stock awards issued and outstanding as of December 31, 2020. The weighted-average exercise price of the outstanding options was US$0.05.

The 2016 Incentive Plan was superseded upon the adoption of the 2019 Incentive Plan (discussed below) by the Company, although the terms of the 2016 Incentive Plan continue to apply to awards granted under that plan.

2019 Equity Incentive Plan

The Company adopted the 2019 Equity Incentive Plan on June 25, 2019 (the "2019 Incentive Plan") and the 2019 Incentive Plan was amended by the shareholders on June 1, 2020 to increase the number of shares authorized for issuance to 26,000,000 shares. The Company had 17,671,374 shares subject to options and 2,680,259 shares of restricted stock issued and outstanding as of December 31, 2020. The weighted-average exercise price of the outstanding options was US$1.85.

The purpose of the 2019 Incentive Plan is to help the Company (a) attract and retain the best available personnel for positions of substantial responsibility; (b) to provide additional incentive to key employees, prospective employees and consultants; (c) to align the interests of such persons with the shareholders; and (d) promote the success of the Company's business. The 2019 Incentive Plan is further intended to provide Sezzle with flexibility in its ability to motivate, attract, and retain the services of members of the Board of Directors, key employees, prospective employees and consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. The 2019 Incentive Plan is administered by the Remuneration and Nomination Committee. Subject to the provisions of the 2019 Incentive Plan, the administrator generally has the power to:

- determine who will receive awards under the 2019 Incentive Plan;

- the number of securities to be covered by each award;

- the terms and conditions (not inconsistent with the terms of the 2019 Incentive Plan) or any award granted under the 2019 Incentive Plan, including, without limitation, the exercise or purchase price (if any) applicable to the award, the time or times when awards may be granted, may vest, may be exercised, and/or may be terminated or forfeited and any restriction or limitation regarding any award or the shares underlying any award;

- Specifically in the case of options: (i) the exercise price of any options granted, which will generally not be less than fair market value of the Company's shares on the date the option is granted; (ii) the number of shares into which an option is exercisable, provided that such options may not be exercisable over a percentage of the Company's share capital; (iii) the terms on which the options will become exercisable, and (iv) the termination or cancellation provisions application to the options which are granted, provided that the expiry date is, in most cases, not more than 10 years from the date the option was granted; and

- To construe and interpret the terms of the 2019 Incentive Plan and any award agreement.

Employees and consultants of the Company and its subsidiaries and Directors of the Company are eligible to receive awards under the 2019 Incentive Plan. As of March 19, 2021, the Company had approximately 138 employees, 3 non-employee directors, and a limited number of outside consultants were eligible to participate in the 2019 Incentive Plan.

26,000,000 shares are reserved for issuance under awards granted under the plan. Awards under the 2019 Incentive Plan are subject to the following additional limits:

- The aggregate dollar value of awards granted to any non-employee director (based on the fair market value of each award on the grant date) in any calendar year will not exceed US $250,000; and

- The aggregate fair market value (determined as of the time of grant) of the shares with respect to which an incentive stock option ("ISO") is exercisable for the first time by an eligible employee in any calendar year will not exceed US$100,000.

The 2019 Incentive Plan provides for a grant of stock options, ISOs and nonqualified stock options ("NSOs") restricted stock, dividend equivalents, restricted stock units ("RSUs"), performance-based award, other incentive awards and stock appreciation rights ("SARs"). Certain awards under the plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto (the "Code"), which may impose additional requirements on the terms and conditions of such awards. All awards under the 2019 Incentive Plan will be set forth an award agreement, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards may be settled in shares, cash, CDIs, other securities, other awards, or other property.

A brief description of each award type follows:

- Stock options, including ISOs, as defined under Section 422 of the Code, and NSOs, may be granted pursuant to the 2019 Incentive Plan. Stock options provide for the purchase of shares or CDIs in the future at an exercise price set on the grant date; provided, however, that ISOs shall only be issued with respect to shares (not CDIs). ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding periods and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant shareholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant shareholders). Vesting conditions determined by the plan administrator and set forth in the award agreement may apply to stock options and may include continued service, performance and/or other conditions.

- SARS may be granted pursuant to the plan. SARs entitle their holder, upon exercise, to receive from the Company an amount equal to the appreciation of the shares or CDIs subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share or CDI, as applicable, on the date of grant and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator and set forth in the award agreement may apply to SARs and may include continued service, performance and/or other conditions.

- Restricted shares, restricted CDIs, RSUs, and performance-based awards may be granted pursuant to the 2019 Incentive Plan. Restricted shares and CDIs is an award of non-transferable shares of CDIs, as applicable, that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs represent the right to receive CDIs, shares, cash or other securities or property in the future, at such times, and subject to such conditions as the plan administrator shall determine. Performance-based awards are contractual rights to receive and equity-based, equity-related or cash-based awards in the future based on the attainment of specified performance goals, in addition to other conditions which may apply to these awards. Stock options, SARs, restricted shares, restricted CDIs and RSUs may constitute performance-based awards. Conditions applicable to restricted shares, restricted CDIs, RSUs and performance-based awards may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine. In addition, with respect to a share of restricted stock or a restricted CDI, dividends which are paid prior to vesting shall only be paid out to the holder upon the release of restrictions on such share or CDI and, if such share or CDI is forfeited, the grantee shall have no right to dividends.

- Dividend equivalents may be granted pursuant to the 2019 Incentive Plan. Dividend equivalents represent the right to receive the equivalent value of dividends that would be paid on shares or CDIs covered by such award if such shares or CDIs had been delivered pursuant to such award. The grantee of a dividend equivalent right will have only the rights of a general unsecured creditor of the Company until payments of such amounts are made as specified in the applicable award agreement.

All awards are subject to the provisions of any claw-back policy implemented by the Company to the extent set forth in the 2019 Incentive Plan and/or in the applicable award agreement. Other than by will or the laws of descent and distribution, awards under the 2019 Incentive Plan are generally non-transferable, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the plan, the plan administrator may, in its discretion, accept cash, check, or any other form of consideration approved by the Company and permitted by applicable law including a deduction or withholding from any payment or distribution to a grantee.

In the event of a sale of substantially all of the Company's assets, merger or other change in control, as defined under the 2019 Incentive Plan, unless otherwise set forth in the applicable award agreement, each outstanding award will be treated as the administrator determines, including, but not limited to, settling the awards for an amount of cash or securities, providing for the adoption or substitution of the outstanding award, modifying the terms of such awards to add events, conditions, or circumstances upon which the vesting of such awards, or lapse of restrictions, will accelerate, deem and performance conditions satisfied at target, maximum or actual performance through closing or provide for the performance conditions to continue, accelerate the vesting of awards in full or on a pro-rata basis, the cancellation of the outstanding award if not exercised prior to the change in control on such terms and conditions as it deems appropriate, including providing for the cancellation of such outstanding award for no consideration.

Subject to compliance with applicable law or ASX Listing Rules, the Board may from time to time suspend, discontinue, revise, or amend the plan in any respect whatsoever provided no such amendment shall materially adversely impair the rights of any participant under any outstanding award, without his or her consent. Pursuant to the ASX listing Rules and the Code, certain amendments may require the approval of our stockholders. The 2019 Incentive Plan will automatically terminate in 2029, unless terminated prior to such date.

The 2016 Incentive Plan has not been approved by the Company's stockholders. In June 2020, the Company's stockholders approved an increase in the number of shares to be issued under the 2019 Incentive Plan from 10,000,000 to 26,000,000.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES.

For the years ended December 31, 2018 and 2017, the Company entered into various Simple Agreement for Future Equity (SAFE) agreements with investors in exchange for proceeds of US$30,000 and US$2,316,000, respectively. The SAFE agreements have no maturity date and bear no interest. The agreements provide the rights of the investors to preferred stock in the Company upon an equity financing event as defined in the agreements. The agreements are subject to valuation caps ranging from US$8,000,000 to US$12,000,000 and have conversion discount rates ranging from 15% to 25%. Based on the terms of the SAFE agreements, if there is a liquidity event before the termination of the SAFE agreements, the investors will, at their option, either: 1) receive a cash payment equal to the purchase amount or 2) automatically receive from the Company a number of shares of common stock equal to the purchase amount divided by the liquidity price. In a dissolution event, the SAFE agreement holders will be paid out of remaining assets prior to holders of the Company's common stock.

On April 10, 2018, the Company issued 19,655,605 shares of A-1 through A-3 preferred stock in exchange for converted SAFE agreements issued in prior years. The exchange of the SAFE agreements resulted in issuance of preferred stock valued at US$2,794,247.

During 2018 the Company issued 49,881,235 of A-4 and A-5 preferred shares in exchange for cash proceeds of US$8,368,386, net of costs to issue.

In July 2020, the Company sold CDIs yielding gross proceeds of US$55,316,546 to institutional investors at a per-CDI price of A$5.30 per share. In August 2020, the Company sold CDIs to its existing CDI holders yielding gross proceeds of US$5,192,310. The costs of the offer were US$2,484,504, resulting in overall net proceeds of US$57,972,752. Ord Minnett Limited acted as sole lead manager, bookrunner and underwriter for the placement of the CDIs.

In connection with the foregoing issuances of securities, the Company relied upon Regulation S of the Securities Act on the basis that none of the offerees in such offerings made outside the United States.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED.

General description of Common Stock

The following description summarizes certain important terms of our common stock. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section, you should refer to our certificate of incorporation and bylaws, which are included as exhibits to this registration statement, and to the applicable provisions of Delaware law, including the Delaware General Corporation Law (the "DGCL").

Shares — The Company is authorized to issue up to 300,000,000 shares, par value US$0.00001 per share, of common stock.

Voting

At a meeting of the Company, every holder of common stock present in person or by proxy, is entitled to one vote for each share of common stock held on the record date for the meeting on all matters submitted to a vote of our stockholders. Holders of our common stock do not have cumulative voting rights, and our preferred stock that may have voting rights that permit its holders to vote with our common stockholders on an as-converted to common stock basis.

Dividends

Holders of common stock are entitled to receive such dividends, if any, as may be declared from time to time by the Board out of funds legally available for dividend payments.

Rights attaching to Common Stock

Other than existing stockholders who are subject to mandatory escrow agreements whose common stock will be subject to conversion into Common Prime stock upon breach of applicable restrictions, our common stockholders have no preferences or rights of conversion, exchange, pre-emption or other subscriptions rights. There are no redemption or sinking fund provisions applicable to the common stock.

Removal of directors — The Company's bylaws provide that any Director may be removed either with or without cause at a special meeting of stockholders duly called and held for such purpose.

Amendment — The Company's by-laws provide that the bylaws may be adopted, amended or repealed by the stockholders entitled to vote, but the Company may confer the power to adopt, amend or repeal its bylaws upon its Directors in its certificate of incorporation. The Company's certificate of incorporation provides that the Board of Directors is expressly authorized to adopt, amend, alter, or repeal the Company's by-laws.

Size of the Board and Board vacancies — The Company's by-laws provide that the number of Directors shall consist of not less than one and not more than five Directors affixed from time to time by resolution or vote of the Board of Directors. Any vacancy in the office of a Direct occurring for any reason including any newly created directorships resulting from any increase in the authorized number of Directors, may be filled by a majority of the Directors then in office or by a sole remaining Director. Directors so chosen or elected shall hold office until the next annual meeting of Shareholders or until their respective successors are duly elected and qualified.

Special shareholder meetings — The Company's by-laws provide that special meetings of our stockholders may be called, according to the applicable law, by the Board, the Chairperson of the Board, the Chief Executive Officer, the President, and the Shareholders of the Company that are entitled to cast not less than ten percent (10%) of the total number of votes entitled to be cast by all stockholders at such meeting.

Requirements for advance notification of shareholder nominations and proposals — The Company's by-laws establish advance notice procedures with respect to nomination of candidates for election as Directors and other business to be properly brought before an annual stockholder meeting.

No cumulative voting — The DGCL provides that shareholders are denied the right to cumulative votes in the election of Directors unless the Company's certificate of incorporation providers otherwise. The Company's certificate of incorporation does not provide for cumulative voting.

Authorized but unissued shares — Subject to the limitation on the issue of securities under the Listing Rules and DGCL, the Company's authorized but unissued Shares will be available for future issue without stockholder approval. The Company may use additional shares of common stock for a variety of purposes, including future offerings to raise additional capital, to fund acquisitions and as employee compensation.

Takeovers

As a foreign company registered in Australia, the Company will not be subject to Chapters 6A, 6B and 6C of the Corporations Act dealing with the acquisition of Shares (i.e. substantial holders and takeovers). Provisions of the DGCL, the Company's certificate of incorporation and the Company's by-laws could make it more difficult to acquire the Company by means of a tender offer (takeover), a proxy contest or otherwise, or to remove incumbent officers and Directors of the Company. These provisions (summarized below) could discourage certain types of coercive takeover practices and takeover bids that the Board may consider inadequate, and encourage persons seeking to acquire control of the Company to first negotiate with the Board. The Company believes that the benefits of increased protection of its ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

DGCL prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested shareholder" for a period of three years following the time the person became an interested shareholder, unless the business combination or the acquisition of shares meets an exception under Delaware law. Such exceptions include the receipt of Board of Directors or Shareholders approval of the business combination in a manner prescribed by the DGCL. A "business combination" can include a merger, asset or share sale or other transaction resulting in financial benefit to an interested shareholder. Generally, an interested shareholder is: (i) a person who beneficially owns, has the right to acquire, or right to control, 15% or more of a corporation's voting shares; or (ii) is an affiliate or association of the corporation and owned 15% or more of a corporation's voting shares any time within the three-year period prior to the determination of interested shareholder status. The existence of this provision would be expected to have an anti-takeover effect with respect to transaction not approved in advance by the Board.

Rights on liquidation or winding up

In the event of any liquidation, dissolution or winding-up of the Company's affairs, our stockholders will be entitled to share ratably in the Company's assets that are remaining after payment or provision for payment of all of the Company's debts and obligations.

Public Benefit Corporation status

We are incorporated in Delaware as a PBC as a demonstration of our Company's long-standing commitment to financial education and helping young adults with their approach to personal finances, as well as creating alternative means for consumers to purchase items they need without incurring high-interest finance charges. Our status as a PBC compels the Company's leadership to manage against the aligned goals of creating a positive impact on the community at large and serving the public good in addition to maximizing profit for shareholders. PBCs are a relatively new class of corporations that are intended to produce a public benefit and to operate in a responsible and sustainable manner. Under Delaware law, PBCs are required to identify in their certificate of incorporation the public benefit or benefits they will promote and their directors have a duty to manage the affairs of the PBC in a manner that balances the pecuniary interests of its stockholders, the best interests of those materially affected by the PBC's conduct, and the specific public benefit or public benefits identified in the PBC's certificate of incorporation. PBCs are also required to publicly disclose at least biennially a report that assesses their public benefit performance and may elect in their certificate of incorporation to measure that performance against an objective third-party standard. Sezzle did not elect to measure performance against an objective third-party standard, and we instead expect that our board of directors will measure our benefit performance against the objectives and standards determined appropriate by our board of directors.

When determining the objectives and standards by which our board of directors will measure our public benefit performance, our board of directors may consider, among other factors, whether the objectives and standards:

(i) adequately assess the effect of our operations upon the interests of our employees, customers, merchants, local communities in which our offices are located, and the local and global environment;

(ii) are comparable to the objectives and standards created by independent third parties who evaluate the public benefit performance of other PBCs; and

(iii) are appropriately transparent for public disclosure, including disclosing the process by which revisions to the objectives and standards are made and whether such objectives and standards present real or potential conflicts of interests.

We do not believe that an investment in a PBC differs materially from an investment in a corporation that is not designated as a PBC. Holders of our common stock will have voting, dividend, and other economic rights that are the same as the rights of stockholders of a corporation that is not designated as a PBC.

Our public benefit, as provided in our Third Amended Certificate of Incorporation, is, "in pursuing any business, trade, or activity which may lawfully be conducted by Sezzle, Sezzle shall promote a specific public benefit of having a material positive effect (or reduction of negative effects) on consumer empowerment, education, and transparency in Sezzle's local, national, and global communities." Delaware law provides that the holders of at least two-thirds of our outstanding stock entitled to vote must approve any amendment of our certificate of incorporation to delete or amend the requirements of our public benefit purpose; or any merger or consolidation with an entity that would result in the Company losing its status as a PBC or with an entity that does not contain identical provisions identifying the public benefits of the Company.

Stockholders of the Company owning individually or collectively, as of the date of instituting a derivative suit, at least 2% of the Company's outstanding shares may maintain a derivative lawsuit to enforce the requirements that the board of directors will manage or direct the business and affairs of the Company in a manner that balances the pecuniary interests of the stockholders, the best interests of those materially affected by the Company's conduct, and the specific public benefits identified in our certificate of incorporation. If the Company's securities trade on a U.S. national securities exchange, Delaware law provides that stockholders owning at least 2% of the Company's outstanding shares or US$2 million in market value on the date of instituting a derivative suit may institute such a claim.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company's certificate of incorporation and By-laws provide for the indemnification of its Directors, officers, employees, and other agents to the maximum extent permitted by the DGCL. The Company has entered into indemnification agreements with each Director. Under these indemnification agreements, the Company has agreed to indemnify, to the extent permitted by the law, each Director in respect of certain liabilities that the Director may incur as a result of, or by reason of, being or acting as a Director of the Company.

These liabilities included losses or liabilities incurred by the Director to any other person as a director of the Company, including legal expenses to the extent such losses or liabilities relate to actions taken in good faith by the Director and in a manner the Director reasonably believed to be in, or not opposed to, the best interests of the Company and in the case of criminal proceedings where the Director has no reasonable cause to believe that his conduct was unlawful. To the extent that the Company maintains a Directors' and Officers' policy of insurance, it must ensure that the directors are covered for the period that they are Directors.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Our consolidated financial statements, together with the report of our independent registered public accounting firm, appear on pages F-1 through F-26 of this registration statement.

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Sezzle has no disclosable events relating to changes in its auditors during the two most recent fiscal years or any subsequent interim period, disagreements with the auditors about any of its accounting or financial disclosure.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements

Our consolidated financial statements appear at the end of this Form 10. Please see the index to the consolidated financial statements on page F-1.

(b) Exhibits

Exhibit	Description
3.1	Third Amended and Restated Certificate of Incorporation
3.2	Second Amended and Restated Bylaws
10.1	Form of Indemnification Agreement between Company and Directors
10.2	Form of Director Agreement
10.3	Lease Agreement by and between McKesson Building, LLC and Sezzle, Inc. for McKesson Building, LLC, Suite 200, dated November 30, 2019
10.4	Sezzle 2019 Equity Incentive Plan
10.5	Form of Option Agreement under Sezzle 2019 Equity Incentive Plan
10.6	Form of Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement
10.7	Form of Sezzle Equity Incentive Plan Notice of Award for RSUs
10.8	Common Stock Purchase Agreement, dated December 22, 2017, by and between Sezzle, Inc. and Paul Paradis
10.9	Common Stock Purchase Agreement, dated October 13, 2016, by and between Sezzle, Inc. and Paul Paradis
10.10	Common Stock Purchase Agreement, dated May 25, 2016, by and between Sezzle, Inc. and Paul Paradis
10.11	Revolving Credit and Security Agreement dated as of February 10, 2021 among Sezzle Funding SPE II, LLC, lenders party thereto and Goldman Sachs Bank USA.
10.12	Limited Guaranty and Indemnity Agreement dated as of February 10, 2021 by Sezzle Inc. for the benefit of Goldman Sachs Bank USA., in its capacity as administrative agent.
10.13	Pledge and Guaranty Agreement dated as of February 10, 2021 by and between Sezzle Funding SPE II Parent, LLC, and Goldman Sachs Bank USA, in its capacity as administrative agent.
14	Sezzle Code of Conduct
21.1	Subsidiaries of Registrant
23.1	Consent of Baker Tilly US, LLP

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

SEZZLE INC.
(Registrant)

By: /s/ Charles Youakim
Name: Charles Youakim
Title: Chief Executive Officer

Date: April 12, 2021

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INSERT B

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of Sezzle Inc. and Subsidiaries:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Sezzle Inc. and Subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for the years ended December 31, 2020 and 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years ended December 31, 2020 and 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Baker Tilly US, LLP

We have served as the Company's auditor since 2019.

Minneapolis, Minnesota

March 31, 2021

Sezzle Inc. and Subsidiaries
Consolidated Balance Sheets

US$	As of December 31, 2020	As of December 31, 2019
Assets		
Current Assets		
Cash and cash equivalents	$ 84,285,383	$ 34,965,069
Restricted cash, current	4,798,520	1,639,549
Notes receivable, net	80,807,300	25,189,135
Other receivables, net	1,403,306	315,502
Prepaid expenses and other current assets	1,705,919	882,939
Total current assets	173,000,428	62,992,194
Non-Current Assets		
Internally developed intangible assets, net	537,046	480,098
Property and equipment, net	375,186	134,400
Right-of-use assets	145,576	867,272
Restricted cash	20,000	20,000
Other assets	32,537	49,171
Total Assets	**$ 174,110,773**	**$ 64,543,135**
Liabilities and Stockholders' Equity		
Current Liabilities		
Merchant accounts payable	$ 60,933,272	$ 13,284,544
Lease liabilities	142,743	389,257
Accrued liabilities	6,680,870	1,677,780
Other payables	615,839	267,934
Total current liabilities	68,372,724	15,619,515
Long Term Liabilities		
Long term debt	1,470,332	250,000
Lease liabilities	—	500,131
Line of credit, net of unamortized debt issuance costs of $173,773 and $590,827, respectively	39,826,227	20,859,173
Other non-current liabilities	4,483,073	—
Total Liabilities	**114,152,356**	**37,228,819**
Stockholders' Equity		
Common stock, $0.00001 par value; 300,000,000 shares authorized; 197,078,709 and 178,931,312 shares issued, respectively; 196,926,674 and 178,931,312 shares outstanding, respectively	1,970	1,789
Additional paid-in capital	112,640,974	47,154,147
Stock subscriptions; 64,000 and no shares subscribed, respectively	(69,440)	—
Treasury stock, at cost; 152,035 and no shares, respectively	(875,232)	—
Accumulated other comprehensive income	494,505	—
Accumulated deficit	(52,234,360)	(19,841,620)
Total Stockholders' Equity	**59,958,417**	**27,314,316**
Total Liabilities and Stockholders' Equity	**$ 174,110,773**	**$ 64,543,135**

The accompanying notes are an integral part of these consolidated financial statements.

Sezzle Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss

US$	For the years ended December 31, 2020	December 31, 2019
Income		
Sezzle income	$ 49,659,042	$ 13,319,218
Account reactivation fee income	9,129,231	2,481,893
Total income	58,788,273	15,801,111
Cost of Income	22,489,626	7,660,276
Gross Profit	**36,298,647**	**8,140,835**
Operating Expenses		
Selling, general, and administrative expenses	44,643,039	13,156,891
Provision for uncollectible accounts	19,587,918	6,235,820
Total operating expenses	64,230,957	19,392,711
Operating Loss	**(27,932,310)**	**(11,251,876)**
Other Income (Expense)		
Net interest expense	(4,303,175)	(1,307,143)
Interest expense on beneficial conversion feature	—	(470,268)
Other income and expense, net	(126,291)	(20,085)
Loss before taxes	(32,361,776)	(13,049,372)
Income tax expense	30,964	11,981
Net Loss	**(32,392,740)**	**(13,061,353)**
Other Comprehensive Income		
Foreign currency translation adjustment	494,505	—
Total Comprehensive Loss	**$ (31,898,235)**	**$ (13,061,353)**
Net losses per share:		
Basic and diluted net loss per common share	$ (0.17)	$ (0.12)
Basic and diluted weighted average shares outstanding	186,842,646	111,576,824

The accompanying notes are an integral part of these consolidated financial statements.

Sezzle Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

US$	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Stock Subscriptions	Treasury Stock, At Cost	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance at January 1, 2019	**59,416,666**	**$ 594**	**$ 143,713**	**$ —**	**$ —**	**$ —**	**$ (6,016,328)**	**$ (5,872,021)**
Equity based compensation	—	—	1,034,578	—	—	—	—	1,034,578
Stock option exercises	882,914	8	37,099	—	—	—	—	37,107
Restricted stock issuances and vesting of awards	407,000	4	132,683	—	—	—	—	132,687
Preferred stock dividend	—	—	—	—	—	—	(763,939)	(763,939)
Conversion of preferred stock to common stock	70,446,291	705	11,925,866	—	—	—	—	11,926,571
Conversion of notes to common stock	12,064,155	121	6,370,877	—	—	—	—	6,370,998
Proceeds of initial public offering, net of issuance costs	35,714,286	357	27,509,331	—	—	—	—	27,509,688
Net loss	—	—	—	—	—	—	(13,061,353)	(13,061,353)
Balance at December 31, 2019	**178,931,312**	**1,789**	**47,154,147**	**—**	**—**	**—**	**(19,841,620)**	**27,314,316**
Equity based compensation	—	—	6,528,356	—	—	—	—	6,528,356
Stock option exercises	1,672,476	16	436,190	—	—	—	—	436,206
Restricted stock issuances and vesting of awards	464,736	5	482,483	—	—	—	—	482,488
Stock subscriptions receivable related to stock option exercises	64,000	1	69,439	(69,440)	—	—	—	—
Repurchase of common stock	(152,035)	—	—	—	(875,232)	—	—	(875,232)
Retirement of common stock	(343,750)	(3)	(2,231)	—	—	—	—	(2,234)
Proceeds from issuance of common stock, net of issuance costs	16,289,935	162	57,972,590	—	—	—	—	57,972,752
Foreign currency translation adjustment	—	—	—	—	—	494,505	—	494,505
Net loss	—	—	—	—	—	—	(32,392,740)	(32,392,740)
Balance at December 31, 2020	**196,926,674**	**$ 1,970**	**$112,640,974**	**$ (69,440)**	**$ (875,232)**	**$ 494,505**	**$ (52,234,360)**	**$ 59,958,417**

The accompanying notes are an integral part of these consolidated financial statements.

Sezzle Inc. and Subsidiaries
Consolidated Statements of Cash Flows

US$	For the years ended December 31, 2020	December 31, 2019
Operating Activities:		
Net loss	$ (32,392,740)	$ (13,061,353)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	428,374	245,496
Provision for uncollectible notes receivable	19,587,918	6,235,820
Provision for uncollectible other receivables	2,723,853	1,188,201
Equity based compensation and restricted stock vested	7,010,844	1,167,265
Amortization of debt issuance costs	417,054	72,379
Impairment losses on long-lived assets	7,850	15,623
Loss and accrued interest on conversion of convertible notes	—	579,216
Changes in operating assets and liabilities:		
Notes receivable	(74,983,119)	(26,494,339)
Other receivables	(3,810,392)	(1,470,923)
Prepaid expenses and other assets	(795,884)	(788,428)
Merchant accounts payable	47,467,731	11,007,664
Other payables	84,962	171,682
Accrued liabilities	9,469,738	1,190,018
Operating leases	(25,050)	22,116
Net Cash Used for Operating Activities	**(24,808,861)**	**(19,919,563)**
Investing Activities:		
Purchase of property and equipment	(410,896)	(125,885)
Internally developed intangible asset additions	(322,015)	(406,333)
Net Cash Used for Investing Activities	**(732,911)**	**(532,218)**
Financing Activities:		
Proceeds from issuance of long term debt	1,220,332	5,812,500
Costs incurred for convertible note issuance	—	(25,000)
Proceeds from line of credit	85,650,000	24,200,000
Payments to line of credit	(67,100,000)	(6,950,000)
Proceeds from stock option exercises	436,206	37,107
Payments of debt issuance costs	—	(592,750)
Proceeds from initial public offering	—	30,286,785
Costs incurred for initial public offering	—	(2,777,097)
Retirement of common stock	(2,234)	—
Proceeds from issuance of common stock	60,457,256	—
Costs incurred from issuance of common stock	(2,484,504)	—
Repurchase of common stock	(611,215)	—
Net Cash Provided from Financing Activities	**77,565,841**	**49,991,545**
Effect of exchange rate changes on cash	455,216	—
Net increase in cash, cash equivalents, and restricted cash	52,024,069	29,539,764
Cash, cash equivalents, and restricted cash, beginning of year	36,624,618	7,084,854
Cash, cash equivalents, and restricted cash, end of year	**$ 89,103,903**	**$ 36,624,618**
Noncash investing and financing activities:		
Withholding of restricted stock units to cover employee tax withholding	$ 264,017	$ —
Conversion of notes to common stock	—	6,370,998
Conversion of preferred stock to common stock	—	11,926,571
Issuance of preferred stock dividend	—	763,939
Noncash lease liabilities arising from obtaining right-of-use assets	—	872,210
Supplementary disclosures:		
Interest paid	3,770,838	1,153,730
Income taxes paid	8,326	—

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Principal Business Activity

Sezzle Inc. (the "Company" or "Sezzle") is a technology-enabled payments company based in the United States with operations in the United States, Canada, and startup operations in India and Europe. The Company is a Delaware Public Benefit Corporation formed on January 4, 2016. The Company offers its payment solution at online stores and a select number of brick-and-mortar retail locations, connecting consumers with merchants via a proprietary payments solution that instantly extends credit at point-of-sale, allowing consumers to purchase and receive the items that they need now while paying over time in interest-free installments.

Merchants turn to Sezzle to increase sales by tapping into Sezzle's existing user base, increase conversion rates, increase spend per transaction, increase purchase frequency, and reduce return rates, all without bearing any credit risk. Sezzle is a high-growth, networked platform that benefits from a symbiotic and mutually beneficial relationship between merchants and consumers.

The Company's core product allows consumers to make online purchases and split the payment for the purchase over four equal, interest-free payments over six weeks. The consumer makes the first payment at the time of checkout and makes the subsequent payments every two weeks thereafter. The purchase price, less processing fees, is paid to merchants by Sezzle in advance of the collection of the purchase price installments by Sezzle from the consumer.

The Company is headquartered in Minneapolis, Minnesota.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared and presented under accounting principles generally accepted in the United States of America (U.S. GAAP). All amounts are reported in U.S. dollars, unless otherwise noted. It is the Company's policy to consolidate the accounts of subsidiaries for which it has a controlling financial interest. The accompanying consolidated financial statements include all the accounts and activity of Sezzle Inc. and Sezzle's wholly-owned subsidiaries: Sezzle Canada Corp; Sezzle Funding SPE, LLC; Sezzle Holdings I, Inc.; Sezzle Holdings II, Inc.; Sezzle Holdings III B.V.; Sezzle Payments Private Limited; Sezzle FinTech Private Limited; Sezzle Germany GmbH; and Sezzle Lithuania UAB. All significant intercompany balances and transactions have been eliminated in consolidation.

Concentrations of Credit Risk

Cash and Cash Equivalents

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company maintains its cash in depository accounts that, at times, may exceed limits established by the Federal Deposit Insurance Corporation (FDIC) and equivalent foreign institutions. As of the date of this report, the Company has experienced no losses on such accounts.

Foreign Currency Risk

The Company holds funds and settles payments that are denominated in currencies other than US dollars. Changes in foreign currency exchange rates expose the Company to fluctuations on its consolidated balance sheets and statements of operations and comprehensive loss. Currency risk is managed through limits set on total foreign deposits on hand that the Company routinely monitors.

Notes Receivable

The Company is exposed to the risk of credit losses as a result of extending credit to consumers. Changes in economic conditions may result in higher credit losses. The Company has a policy for establishing credit lines for individual consumers that helps mitigate credit risk. The allowance for uncollectible accounts is adequate for covering any potential losses on outstanding notes receivable.

Cash and Cash Equivalents

The Company had cash and cash equivalents of US$84,285,383 and US$34,965,069 as of December 31, 2020 and 2019, respectively. The Company considers all money market funds and other highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The Company accepts debit and credit cards from consumers as a method to settle its receivables, and these transactions are generally transmitted through third parties. The payments due from the third parties for debit and credit card transactions are generally settled within three days. The Company considers all bank, debit, and credit card transactions initiated before the end of the period to be cash and cash equivalents.

Restricted Cash

The Company is required to maintain cash balances in a bank account in accordance with the lending agreement executed on November 29, 2019 between Sezzle Funding SPE, LLC, Sezzle Inc, and their third party line of credit providers Bastion Consumer Funding II, LLC, Atalaya Asset Income Fund IV LP, and Hudson Cove Credit Opportunity Master Fund, LP ("the Syndicate"). The bank account is the property of Sezzle Funding SPE, LLC, but access to consumer payments is controlled by the Syndicate. On a regular basis, cash received from consumers is deposited to the bank account and subsequently made available to Sezzle through daily settlement reporting with the Syndicate. Cash deposits to the bank account represent cash received from consumers not yet made available to Sezzle, as well as a minimum balance consisting of the sum of US$20,000, accrued interest on the drawn credit facility, and accrued management fees charged by the Syndicate. The Company is also required to maintain a minimum balance of US$25,000 in a deposit account with a third-party service provider to fund notes receivable. The Company has funds on deposit with foreign banking institutions as part of their respective local licensing processes that are restricted until the processes are completed. The amount on deposit within the current restricted bank accounts totaled US$4,798,520 and US$1,639,549 as of December 31, 2020 and 2019, respectively.

As of December 31, 2020 and 2019, the Company was required to maintain a US$20,000 cash balance held in a reserve account to cover Automated Clearing House (ACH) transactions. The cash balance within this account is classified as non-current restricted cash on the consolidated balance sheets.

Receivables and Credit Policy

Notes receivable represent amounts from uncollateralized consumer receivables generated from the purchase of merchandise. The original terms of the notes for the Company's core product are to be paid back in equal installments every two weeks over a six-week period. The Company does not charge interest on the notes to consumers. Sezzle defers direct note origination costs over the average life of the notes receivable using the effective interest rate method. These net deferred costs are recorded within notes receivable, net on the consolidated balance sheets. Notes receivable are recorded at net realizable value and are recorded as current assets. The Company evaluates the collectability of the balances based on historical performance, current economic conditions, and specific circumstances of individual notes, with an allowance for uncollectible accounts being provided as necessary.

Other receivables represents the net realizable value of consumer account reactivation fees receivable, merchant accounts receivable, and merchant processing fees receivable. Consumer account reactivation fees receivable, less an allowance for uncollectible accounts, represents the amount of account reactivation fees the Company reasonably expects to receive from consumers. Receivables from merchants represent amounts merchants owe Sezzle relating to transactions placed by consumers on their sites.

All notes receivable from consumers, as well as related fees, outstanding greater than 90 days past due are charged off as uncollectible. It is the Company's practice to continue collection efforts after the charge-off date. Refer to Note 4 and Note 5 for further information about receivable balances, allowances, and charge-off amounts.

Sezzle Income

Sezzle receives its income primarily from fees paid by merchants in exchange for Sezzle's payment processing services. These fees are applied to the underlying sales to consumers passing through the Company's platform and are predominantly based on a percentage of the consumer order value plus a fixed fee per transaction. Consumer installment payment plans typically consist of four installments, with the first payment made at the time of purchase and subsequent payments coming due every two weeks thereafter. Additionally, consumers may reschedule their initial installment plan by delaying payment for up to two weeks, for which Sezzle generally earns a rescheduled payment fee. The total of merchant fees and rescheduled payment fees, less note origination costs, are collectively referred to as Sezzle income within the consolidated statements of operations and comprehensive loss.

Sezzle income is initially recorded as a reduction to notes receivable, net within the consolidated balance sheets. Sezzle income is then recognized over the average duration of the note using the effective interest rate method. Total Sezzle income to be recognized over the duration of existing notes receivable outstanding was US$3,458,222 and US$1,049,626 as of December 31, 2020 and 2019, respectively. Total Sezzle income recognized was US$49,659,042 and US$13,319,218 for the years ended December 31, 2020 and 2019, respectively.

Account Reactivation Fee Income

Sezzle also earns income from consumers in the form of account reactivation fees. These fees are generally assessed to consumers who fail to make a timely payment. Sezzle allows a 48-hour waiver period where fees are dismissed if the installment is paid by the consumer. Account reactivation fees are recognized at the time the fee is charged to the consumer, less an allowance for uncollectible amounts. Account reactivation fee income recognized totaled US$9,129,231 and US$2,481,893 for the years ended December 31, 2020 and 2019, respectively.

Debt Issuance Costs

Costs incurred in connection with originating debt have been capitalized and are classified in the consolidated balance sheets as a reduction of the notes payable or line of credit balance to which those costs relate. Debt issuance costs are amortized over the life of the underlying debt obligation utilizing the straight-line method, which approximates the effective interest method. Amortization of debt issuance costs is included within interest expense in the consolidated statements of operations and comprehensive loss.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided using either the straight-line or double-declining balance method, based on the useful lives of the assets:

	Years	Method
Computers and computer equipment	3	Double-declining balance
Office equipment	5	Double-declining balance
Furniture and fixtures	7	Straight-line

Maintenance and repairs are expensed as incurred. See Note 2 for further information.

Internally Developed Intangible Assets

The Company capitalizes costs incurred for web development and software developed for internal use. The costs capitalized primarily relate to direct labor costs for employees and contractors working directly on software development and implementation. Projects are eligible for capitalization once it is determined that the project is being designed or modified to meet internal business needs; the project is ready for its intended use; the total estimated costs to be capitalized exceed US$1,000; and there are no plans to market, sell, or lease the project.

Amortization is provided using the straight-line method, based on the useful lives of the intangible assets as follows:

	Years	Method
Internal use software	3	Straight-line
Website development costs	3	Straight-line

See Note 3 for further information.

Research and Development Costs

Research expenditures that relate to the development of new processes, including internally developed software, are expensed as incurred. Such costs were approximately US$490,000 and US$517,000 for the years ended December 31, 2020 and 2019, respectively. Research expenditures are recorded within selling, general, and administrative expenses within the consolidated statements of operations and comprehensive loss.

Impairment of Long-Lived Assets

The Company reviews the carrying value of long-lived assets, which includes property, equipment, and internally developed intangible assets, for impairment whenever events and circumstances indicate that the assets' carrying value may not be recoverable from the future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends, and prospects; the manner in which the asset is used; and the effects of obsolescence, demand, competition, and other economic factors. Impairment losses for the years ended December 31, 2020 and 2019 totaled US$7,850 and US$15,623, respectively.

As of December 31, 2020 and 2019, the Company had not renewed or extended the initial determined life for any of its recognized internally developed intangible assets.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of receivables, property and equipment, 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. A full valuation allowance is recorded against the Company's deferred tax assets as of December 31, 2020 and 2019.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2020 and 2019, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred. Refer to Note 8 for more information.

Advertising Costs

Advertising costs are expensed as incurred and consist of traditional marketing, digital marketing, sponsorships, and promotional product expenses. Such costs were US$3,883,936 and US$368,235 for the years ended December 31, 2020 and 2019, respectively.

Equity Based Compensation

The Company maintains stock compensation plans that offer incentives in the form of non-statutory stock options and restricted stock to employees, directors, and advisors of the Company. Equity based compensation expense reflects the fair value of awards measured at the grant date and recognized over the relevant vesting period. The Company estimates the fair value of stock options without a market condition on the measurement date using the Black-Scholes option valuation model. The fair value of stock options with a market condition is estimated, at the date of grant, using the Monte Carlo Simulation model. The Black-Scholes and Monte Carlo Simulation models incorporate assumptions about stock price volatility, the expected life of the options, risk-free interest rate, and dividend yield. For valuing the Company's stock option grants, significant judgment is required for determining the expected volatility of the Company's common stock and is based on the historical volatility of both its common stock and its defined peer group. The fair value of restricted stock awards and restricted stock units is based on the fair market value of the Company's common stock on the date of grant. The expense associated with equity based compensation is recognized over the requisite service period using the straight-line method. The Company issues new shares upon the exercise of stock options and vesting of restricted stock units. Refer to Note 14 and Note 16 for further information around the Company's equity based compensation plans.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. The Company's estimates and judgments are based on historical experience and various other assumptions that it believes are reasonable under the circumstances. The amount of assets and liabilities reported on the Company's consolidated balance sheets and the amounts of income and expenses reported for each of the periods presented are affected by estimates and assumptions, which are used for, but not limited to, determining the allowance for uncollectible accounts recorded against outstanding receivables, the useful life of property and equipment and internally developed intangible assets, determining impairment of property and equipment and internally developed intangible assets, valuation of equity based compensation, leases, and income taxes.

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.

The Company measures the value of its money market securities on a regular basis. The fair value of its money market securities was US$9,996,155 and US$7,282,946 as of December 31, 2020 and 2019, respectively, and are Level 1 on the fair value hierarchy. The cost of these securities equate to their fair values.

Cost of Income and Selling, General, and Administrative Expenses

The primary costs classified in each major expense category are:

Cost of Income:

- Payment processing costs

- Consumer communication expenses
- Merchant affiliate program fees
- International payment processing costs
- Partner revenue share fees

Selling, general, and administrative expenses:

- All compensation related costs for employees and contractors
- Third-party service provider costs
- Depreciation and amortization
- Advertising costs
- Rent expense
- Legal and regulatory compliance costs

Segments

The Company's operations consist primarily of lending to consumers located in the United States who purchase goods from its affiliated merchants. During the year ended December 31, 2019, the Company began operations in Canada. Additionally, during the year ended December 31, 2020, Sezzle began operations in India. While distinct geographic locations, the operations in both countries are still in an early growth stage. As of December 31, 2020, management has not found any significant difference in the economic performance of each operating segment; therefore, management has concluded that the Company has one reportable segment on a consolidated basis.

Foreign Currency Exchange Gains (Losses)

Sezzle works with international merchants, creating exposure to gains and losses from foreign currency exchanges. Sezzle's income and cash can be affected by movements in the Canadian Dollar, Euro, and Indian Rupee. Sezzle has transactional currency exposures arising from merchant fees and payouts to Canadian and Indian merchant partners. Gains (losses) from foreign exchange rate fluctuations that affect Sezzle's net gain (loss) totaled (US$125,292) and US$20,729 for the years ended December 31, 2020 and 2019, respectively. Foreign currency exchange gains and losses are recorded within other income and expenses on the consolidated statements of operations and comprehensive loss.

The financial statements of the Company's non-U.S. subsidiaries are translated into U.S. dollars in accordance with ASC 830, "Foreign Currency Matters". Under ASC 830, if the assets and liabilities of the Company are recorded in certain non-U.S. functional currencies other than the U.S. dollar, they are translated at current rates of exchange. Revenue and expense items are translated at the average monthly exchange rates. The resulting translation adjustments are recorded directly into accumulated other comprehensive income.

Reclassifications

Certain amounts in the 2019 consolidated financial statements have been reclassified to conform with the 2020 presentation format. These classifications had no effect on operating loss or net loss.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") No. 2016-13, "Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments" which requires reporting entities estimate credit losses expected to occur over the life of the asset. Expected losses will be recorded in current period earnings and recorded through an allowance for credit losses on the consolidated balance sheet. During November 2018, April 2019, May 2019, October 2019 and November 2019, the FASB also issued ASU No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses"; ASU No. 2019-04, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses"; ASU No. 2019-05 "Targeted Transition Relief"; ASU No. 2019-10 "Financial Instruments—Credit Losses (Topic 326): Effective Dates"; and ASU No. 2019-11, "Codification Improvements to Topic 326, Financial Instruments – Credit Losses." ASU No. 2018-19 clarifies the effective date for nonpublic entities and that receivables arising from operating leases are not within the scope of Subtopic 326-20, ASUs Nos. 2019-04 and 2019-05 amend the transition guidance provided in ASU No. 2016-13, ASU No.2019-10 delayed the effective date for applying this standard and ASU No. 2019-11 amends ASU No. 2016-13 to clarify, correct errors in, or improve the guidance. ASU No. 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022. Early adoption is permitted for annual and interim periods beginning after December 15, 2018. Sezzle plans to adopt this standard beginning January 1, 2023 and is currently evaluating the impact of the standard on its consolidated financial statements.

During August 2018, the FASB issued ASU No. 2018-13, "Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement." ASU No. 2018-13 modifies the disclosure requirements for fair value measurements in Topic 820, Fair Value Measurement. The amendments are based on the concepts in the FASB Concepts Statement, *Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements*, which the Board finalized on August 28, 2018. Sezzle adopted this standard beginning January 1, 2020 with no material impact to the consolidated financial statements for the year ended December 31, 2020.

In August 2018, the FASB issued ASU No. 2018-15, "Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40)" which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software and hosting arrangements that include an internal use software license. Sezzle adopted this standard beginning January 1, 2020 with no impact to the consolidated financial statements for the year ended December 31, 2020.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" which requires franchise taxes calculated based on income are included in income tax expense. To the extent that the franchise taxes not based on income exceed the franchise taxes based on income, the excess is recorded outside of income tax expense. ASU No. 2019-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 for public entities. Sezzle plans to adopt this standard beginning January 1, 2021 and does not expect adoption to have a material impact on its consolidated financial statements.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting" which provides optional expedients and exceptions if certain criteria are met when accounting for contracts or other transactions that reference LIBOR. Application of the guidance is optional until December 31, 2022 and varies based on the practical expedients elected. The Company has not elected any expedients to date and is currently evaluating any potential future impacts on the Company's consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" which simplifies the accounting for convertible debt by eliminating the beneficial conversion feature and cash conversion feature models from the guidance and instead requires entities to record convertible debt at amortized cost. Application of the guidance is optional starting in fiscal years beginning after December 15, 2020 and required for public entities after December 15, 2021. The Company is not expecting this standard to have any potential future impacts on the Company's consolidated financial statements.

NOTE 2 – PROPERTY AND EQUIPMENT

As of December 31, property and equipment, net, consists of the following:

US$	2020	2019
Computer and office equipment	$ 636,950	$ 225,186
Furniture and fixtures	28,393	28,394
Property and equipment, gross	665,343	253,580
Less accumulated depreciation	(290,157)	(119,180)
Property and equipment, net	**$ 375,186**	**$ 134,400**

Depreciation expense relating to property and equipment was US$170,949 and US$74,151 for the years ended December 31, 2020 and 2019, respectively, and is recorded within selling, general, and administrative expenses on the consolidated statements of operations and comprehensive loss.

NOTE 3 – INTERNALLY DEVELOPED INTANGIBLE ASSETS

As of December 31, internally developed intangible assets, net, consists of the following:

US$	2020	2019
Internal use software and website development costs	$ 825,018	$ 682,848
Works in process	109,155	13,672
Internally developed intangible assets, gross	934,173	696,520
Less accumulated amortization	(397,127)	(216,422)
Internally developed intangible assets, net	**$ 537,046**	**$ 480,098**

Amortization expense relating to internally developed intangible assets was US$257,425 and US$171,345 for the years ended December 31, 2020 and 2019, respectively, and is recorded within selling, general, and administrative expenses on the consolidated statements of operations and comprehensive loss.

NOTE 4 – NOTES RECEIVABLE

As of December 31, Sezzle's notes receivable, related allowance for uncollectible accounts, and deferred net origination fees are recorded within the consolidated balance sheets as follows:

US$	2020	2019
Notes receivable, gross	$ 95,398,668	$ 29,700,598
Less allowance for uncollectible accounts:		
Balance at start of period	(3,461,837)	(645,332)
Provision	(19,587,918)	(6,235,820)
Charge-offs, net of recoveries	11,916,609	3,419,315
Total allowance for uncollectible accounts	(11,133,146)	(3,461,837)
Notes receivable, net of allowance	84,265,522	26,238,761
Deferred origination fees, net of costs	(3,458,222)	(1,049,626)
Notes receivable, net	**$ 80,807,300**	**$ 25,189,135**

Sezzle maintains an allowance for uncollectible accounts at a level necessary to absorb estimated probable losses on principal and reschedule fee receivables from consumers. Any amounts delinquent after 90 days are charged-off with an offsetting reversal of the allowance for doubtful accounts through the provision for uncollectible accounts. Additionally, amounts identified as no longer collectible—such as when a consumer becomes deceased or bankrupt—are charged off immediately. Included in charge-offs, net of recoveries, are recoveries of US$648,799 and US$170,231 for the years ended December 31, 2020 and 2019, respectively.

Sezzle uses its judgment to evaluate the allowance for uncollectible accounts based on current economic conditions and historical performance of consumer payments. The historical vintages are grouped into monthly populations for purposes of the allowance assessment. The balances of historical cumulative charge-offs by vintage support the calculation for estimating the allowance for uncollectible accounts for vintages outstanding less than 90 days.

Deferred origination fees, net of costs are comprised of unrecognized merchant fees and consumer reschedule fees net of direct note origination costs, which are recognized over the duration of the note with the consumer and are recorded as an offset to Sezzle income on the consolidated statements of operations and comprehensive loss.

Sezzle estimates the allowance for uncollectible accounts by segmenting consumer accounts receivable by the number of days balances are delinquent. Balances that are at least one day past the initial due date are considered delinquent. Balances that are not delinquent are considered current. Consumer notes receivable are charged-off following the passage of 90 days without receiving a qualifying payment, upon notice of bankruptcy, or death. Consumers are allowed to reschedule a payment one time without incurring a reschedule fee and the principal of a rescheduled payment is not considered to be delinquent. If consumers reschedule a payment more than once in the same order cycle they are subject to a reschedule fee. Alternatively, account reactivation fees are applied to any missed payments for which an consumer did not reschedule within 48 hours of the original payment date. Any account reactivation fees associated with a delinquent payment are considered to be the same number of days delinquent as the principal payment.

The following table summarizes Sezzle's gross notes receivable and related allowance for uncollectible accounts as of December 31, 2020 and 2019:

	2020			2019		
	Gross Receivables US$	**Less Allowance US$**	**Net Receivables US$**	**Gross Receivables US$**	**Less Allowance US$**	**Net Receivables US$**
Current	$ 79,673,073	$ (2,692,254)	$ 76,980,819	$ 25,695,723	$ (1,014,888)	$ 24,680,835
Days past due:						
1–28	9,574,902	(3,616,327)	5,958,575	2,251,591	(923,396)	1,328,195
29–56	3,576,255	(2,646,627)	929,628	919,177	(719,910)	199,267
57–90	2,574,438	(2,177,938)	396,500	834,107	(803,643)	30,464
Total	**$ 95,398,668**	**$ (11,133,146)**	**$ 84,265,522**	**$ 29,700,598**	**$ (3,461,837)**	**$ 26,238,761**

Principal payments recovered after the 90 day charge-off period are recognized as a reduction to the allowance for uncollectible accounts in the period the receivable is recovered.

NOTE 5 – OTHER RECEIVABLES

As of December 31, the balance of other receivables, net, on the consolidated balance sheets is comprised of the following:

US$	**2020**	**2019**
Account reactivation fees receivable, net	804,060	307,334
Receivables from merchants	599,246	8,168
Other receivables, net	$ 1,403,306	$ 315,502

As of December 31, Sezzle's account reactivation fees receivable and related allowance for uncollectible accounts are recorded within the consolidated balance sheets as follows:

US$	2020	2019
Account reactivation fees receivable, gross	1,875,648	790,852
Less allowance for uncollectible accounts:		
Balance at start of period	(483,518)	(62,430)
Provision	(2,347,733)	(945,320)
Charge-offs, net of recoveries	1,759,663	524,232
Total allowance for uncollectible accounts	(1,071,588)	(483,518)
Account reactivation fees receivable, net	$ 804,060	$ 307,334

Sezzle maintains the allowance at a level necessary to absorb estimated probable losses on consumer account reactivation fee receivables. Any amounts delinquent after 90 days are charged-off with an offsetting reversal of the allowance for doubtful accounts through the provision for uncollectible accounts. Additionally, amounts identified as no longer collectible—such as when a consumer becomes deceased or bankrupt—are charged off immediately. Included in charge-offs, net of recoveries, are recoveries of US$71,110 and US$14,965 for the years ended December 31, 2020 and 2019, respectively.

Receivables from merchants primarily represent merchant fees charged, not yet paid to the Company as of year end. Additionally, during the years ended December 31, 2020 and 2019, the Company recorded direct write-downs of US$376,120 and US$242,881 for uncollectible receivables from merchants against the provision for uncollectible other receivables.

NOTE 6 – LEASES

The Company holds operating leases for its corporate office spaces in the United States and Canada. Total lease expense incurred for the years ended December 31, 2020 and 2019 was US$513,248 and US$348,246, respectively. Lease expense is recognized within selling, general and administrative expenses on the consolidated statements of operations and comprehensive loss. Additionally, total cash paid for rent was US$558,631 and US$350,722 for the years ended December 31, 2020 and 2019, respectively.

Right-of-use assets and lease liabilities are recognized as of the commencement date based on the present value of the remaining lease payments over the lease term which include renewal periods that the Company is reasonably certain to exercise. Right-of-use assets and lease liabilities are recorded within current assets and current liabilities, respectively, on the consolidated balance sheets.

The expected maturity of the Company's operating leases as of December 31, 2020 is as follows:

	US$
2021	$ 144,584
Less interest	(1,841)
Present value of lease liabilities	**$ 142,743**

The weighted average remaining term of the Company's operating leases is 0.49 years. During the year ended December 31, 2020, the Company revised the estimated lease term for its corporate headquarters and terminated two other leases, resulting in a reduction in the Company's right-of-use asset and lease liability. The weighted average discount rate of all operating leases is 4.75%. As of December 31, 2020, Sezzle has not entered into any lease agreements that contain residual value guarantees or financial covenants.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Company has entered into several agreements with third-parties in which Sezzle will reimburse the third-parties for co-branded marketing and advertising costs. For the years ended December 31, 2020 and 2019, the Company entered into agreements that stipulate that Sezzle will commit to spend up to US$2,906,500 and US$1,085,000 in marketing and advertising spend. Absent a termination of the noted agreements, the Company is committed to spend up to an additional US$500,000 on an annual basis in future years. Sezzle had approximately US$211,000 and US$495,000 recorded as a prepaid expense in the consolidated balance sheets as of December 31, 2020 and 2019, respectively.

Expenses incurred relating to these agreements totaled US$3,220,959 and US$34,760 for the years ended December 31, 2020 and 2019, respectively. These expenses are included within selling, general, and administrative expenses in the consolidated statements of operations and comprehensive loss.

NOTE 8 – INCOME TAXES

The income tax expense components for the years ended December 31, 2020 and 2019 are as follows:

US$	2020	2019
Current tax expense		
Federal	—	—
Foreign	—	—
State	30,964	11,981
Deferred tax expense		
Federal	—	—
Foreign	—	—
State	—	—
Income tax expense	$ 30,964	$ 11,981

A reconciliation of the Company's provision for income taxes at the federal statutory rate to the reported income tax provision for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
Computed "expected" tax benefit	(21.0)%	(21.0)%
State income tax benefit, net of federal tax effect	(1.7)	—
Nondeductible equity-based compensation	0.1	1.6
Nondeductible interest expense on beneficial conversion feature	—	0.8
Other permanent differences	—	0.7
Change in valuation allowance	23.4	19.1
Foreign rate differentials and other	(0.7)	(1.1)
Income tax expense (benefit)	0.1%	0.1%

The components of the net deferred tax assets and liabilities as of December 31, 2020 and December 31, 2019 are as follows:

US$	2020	2019
Deferred tax assets:		
Net operating loss carryforwards	$ 5,849,989	$ 2,686,878
Allowance for uncollectible accounts	2,822,803	861,239
Equity based compensation	773,546	42,384
Depreciation and amortization	—	7,482
Lease liability	31,855	184,788
Startup costs	10,857	11,488
Accruals	1,722,143	45,421
Other	144,194	539
Total net deferred tax assets:	11,355,387	3,840,219
Valuation allowance	(11,227,262)	(3,660,295)
Deferred tax liabilities:		
Depreciation and amortization	(93,439)	—
Equity based compensation	(1,664)	—
Right-of-use asset	(33,022)	(179,924)
Total net deferred tax liabilities:	(128,125)	(179,924)
Net deferred tax asset/(liability):	$ —	$ —

As of December 31, 2020, the Company has federal, state and foreign net operating loss carryforwards of approximately US$23,303,218, US$5,790,498, and US$2,047,797 respectively. The federal net operating loss carryforwards that originated after 2017 have an indefinite life and may be used to offset 80% of a future year's taxable income. The federal net operating loss carryforwards that originated prior to 2018 have expiration dates between 2036 and 2037. The state net operating losses will carryforward for between 15-20 years and begin to expire in 2031.

The Company's ability to utilize a portion of its net operating loss carryforwards to offset future taxable income is subject to certain limitations under Section 382 of the Internal Revenue Code due to changes in the equity ownership of the Company. An ownership change under Section 382 has not been determined at this time.

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2020. Such objective evidence limits the ability to consider other subjective evidence, such as the Company's projections for future growth.

On the basis of this evaluation, as of December 31, 2020, a valuation allowance of US$11,227,262 has been recorded to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The amount of the deferred tax asset considered realizable, however, could be adjusted if estimates of future taxable income during the carryforward period are reduced or increased or if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth. The change in valuation allowance was approximately US$7,567,000 and US$2,495,000 for the years ended December 31, 2020 and 2019, respectively.

The Tax Cuts and Jobs Act, signed into U.S. legislation on December 22, 2017, introduced a new Global Intangible Low-Taxed Income ("GILTI") provision. Under U.S. GAAP, the Company is allowed to make an accounting policy choice of either 1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period cost when incurred, or 2) factoring such amounts into the Company's measurement of its deferred taxes. GILTI depends not only on the Company's current structure and estimated future income, but also on intent and ability to modify the structure or business. The Company has chosen to treat GILTI as a current-period cost when incurred.

In November 2018, US Treasury issued proposed regulations for the new section 163(j), which generally limits business interest deductions to 30% of adjusted taxable income ("ATI"). Any disallowed business interest can be carried forward on an indefinite basis. The March 2020 Coronavirus Aid, Relief and Economic Security Act ("CARES Act") increased the limitation to 50% of adjusted taxable income. For the year ended December 31, 2020, the Company was not subject to the business interest limitation.

Management's intention is to reinvest foreign earnings into the Company's foreign operations. To date, Sezzle's various foreign subsidiaries do not have any earnings.

NOTE 9 – STOCKHOLDERS' EQUITY

Preferred Stock Dividend

On June 23, 2019, the Board of Directors declared and issued a preferred stock dividend of 909,451 shares of Series A preferred shares to existing to preferred stockholders, valued at US$763,939. The preferred stock dividend was subject to the same rights as all other series of preferred stock. All preferred stock converted to common stock in July 2019 in conjunction with the Company's initial public offering on the Australian Securities Exchange (ASX).

Conversion of Preferred Stock to Common Stock

On July 24, 2019, the Company restructured its share capital in anticipation of listing on the ASX. Each share of Series A preferred stock was converted into common stock. The Company issued 70,446,291 common shares upon conversion of 70,446,291 Series A preferred stock, converted on a 1:1 basis in accordance with the terms of the preferred stock agreements.

Conversion of Convertible Notes to Common Stock

On July 24, 2019, the Company issued 12,064,155 common shares following the conversion of the US$5,812,500 of convertible notes outstanding, along with accrued interest, at a conversion price of US$0.49 per common share. Refer to Note 13 for further information on the convertible note issuance.

Initial Public Offering of Common Stock

On July 29, 2019, the Company listed on the ASX. The initial public offer of 35,714,286 CHESS Depository Interests (CDIs) over shares of common stock (one CDI equates to one common share) were offered at an issuance price of A$1.22 (approximately US$0.84) per CDI to raise approximately A$43.6 million (US$30,286,785) Total costs of the offer incurred during the year ended December 31, 2019 totaled US$2,777,097, resulting in overall net proceeds of US$27,509,688.

Repurchase and Retirement of Common Stock

On June 3, 2020, the Company repurchased 343,750 common shares from an existing stockholder. The purchase was made at the original cost basis, totaling US$2,234, and is recorded as a reduction in common stock and additional paid-in capital within the consolidated statements of stockholders' equity as of December 31, 2020. The repurchased shares were retired upon purchase by the Company.

Sezzle retains a portion of vested restricted stock units to cover withholding taxes for employees. For the year ended December 31, 2020, Sezzle withheld 152,035 shares at a value of US$875,232. Sezzle recognizes this amount as treasury stock, reported within the consolidated balance sheets at cost as a reduction to stockholders' equity.

Issuance of Common Stock

On July 15, 2020, Sezzle raised US$55,316,546 of proceeds via an institutional placement. On August 10, 2020, the Company raised an additional US$5,140,710 of proceeds via a Securities Purchase Plan offered to existing investors. In exchange for the capital raise, Sezzle issued 16,289,935 Chess Depository Interests (CDIs) at a price of A$5.30 (approximately US$3.82) per CDI. The issued CDIs are equivalent to common shares on a 1:1 basis. The total costs of the capital raise were US$2,484,504, resulting in overall net proceeds of US$57,972,752.

NOTE 10 – EMPLOYEE BENEFIT PLAN

The Company sponsors a defined contribution 401(k) plan for eligible U.S. employees. Plan assets are held separately from those of the Company in funds under the control of a third-party trustee. Participants in the plan may elect to defer a portion of their eligible compensation, on a pre- or post-tax basis, subject to annual statutory contribution limits. The Company does not offer matching contributions. There have been no Company contributions made to the plan through December 31, 2020.

NOTE 11 – REVOLVING LINE OF CREDIT

On November 14, 2018, Sezzle Funding SPE, LLC and Sezzle Inc. entered into an agreement with Bastion Consumer Funding II, LLC ("Bastion") that provided for a credit facility of US$30,000,000. On November 29, 2019, Sezzle Funding SPE, LLC, Sezzle Inc. and Bastion amended and restated the original agreement and entered into a new Loan and Security Agreement (the "Loan Agreement") with Bastion, Atalaya Asset Income Fund IV LP, and Hudson Cove Credit Opportunity Master Fund, LP (the "Syndicate") for a credit facility of US$100,000,000 with a maturity date of May 29, 2022.

The Company had an outstanding revolving line of credit balance of US$40,000,000 and US$21,450,000 as of December 31, 2020 and 2019, respectively, recorded within line of credit, net as a non-current liability on the consolidated balance sheets. The new line of credit agreement bears interest at a floating per annum rate equal to the 3-month LIBOR + 7.75% (minimum 9.50%) on the US$100,000,000 (9.50% as of December 31, 2020). Beginning May 27, 2020, any daily unused amounts incur a facility fee due to the Syndicate from Sezzle at a rate of .50% per annum.

Under the Loan Agreement, interest on borrowings is due monthly and all borrowings are due at maturity. Borrowings subsequent to May 1, 2019 are based on 90% of eligible notes receivable from both the United States and Canada, defined as past due balances outstanding less than 30 days originating from the United States. For the years ended December 31, 2020 and 2019, interest expense relating to the utilization of the line of credit was US$2,238,740 and US$908,309, respectively. As of December 31, 2020 and 2019, Sezzle had pledged US$70,989,536 and US$23,757,188, respectively, of its notes receivable to Sezzle Funding SPE, LLC.

The Company's obligations under the Loan Agreement are secured by its consumer notes receivable. The collateral does not include the Company's intellectual property, but the Company has agreed not to encumber its intellectual property without the consent of the Syndicate.

The Company must maintain a drawdown from the credit facility of at least US$20,000,000 beginning November 29, 2019 and of at least US$40,000,000 beginning November 29, 2020. Sezzle will pay a termination fee and make-whole fee to the Syndicate in the event of early termination. Fees differ based on termination timing differences.

For the years ended December 31, 2020 and 2019, amortization expense recorded for debt issuance costs on the line of credit totaled US$417,054 and US$68,098, respectively. Total cumulative cash payments to date for debt issuance costs were US$663,649 as of December 31, 2020 and 2019.

NOTE 12 – LONG TERM DEBT

Minnesota Department of Employment and Economic Development Loan

On July 26, 2018, the Minnesota Department of Employment and Economic Development (DEED) funded a US$250,000 seven-year interest-free loan due in June 2025 to Sezzle under the State Small Business Credit Initiative Act of 2010 (the Act). The Act was created for additional funds to be allocated and dispersed by states that have created programs to increase the amount of capital made available by private lenders to small businesses. The loan proceeds are used for business purposes, primarily start-up costs and working capital needs. The loan may be prepaid in whole or in part at any time without penalty. If more than fifty percent of the ownership interest in Sezzle is transferred during the term of the loan, the loan will be required to be paid in full, along with a penalty in the amount of thirty percent of the original loan amount.

Paycheck Protection Program Loan

On April 14, 2020, the Company received loan proceeds in the amount of US$1,220,332 under the U.S. Small Business Administration's Paycheck Protection Program (PPP). The PPP, established as part of the CARES Act, provides loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. PPP loans are uncollateralized and guaranteed by the SBA, and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. PPP loan terms provide for customary events of default including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, the PPP loan terms do not include prepayment penalties.

The Company met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness as of December 31, 2020. When legal release is received, the Company will record the amount forgiven as forgiveness income within the other income (expense) section of its consolidated statements of operations and comprehensive loss. If any portion of the Company's PPP loan is not forgiven, the Company will be required to repay that portion, plus unpaid interest, on April 14, 2022. Additionally, the Company will be required to make semiannual payments of all accrued, unpaid interest, with the repayment term beginning at the time that the SBA remits the amount forgiven to the Company's lender. The Company has not received legal release from the SBA to date. As of December 31, 2020, the Company has accrued US$8,526 of interest expense for this note.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

NOTE 13 – CONVERTIBLE NOTES

On March 29, 2019, the Company issued US$5,662,500 of convertible notes to a group of investors. The promissory notes had a stated maturity date of March 29, 2021 and paid an annual interest rate of 4% on the unpaid principal balance through June 30, 2019. Subsequent to June 30, 2019, the notes paid an annual interest rate of 8% on the unpaid principal balance. The notes were issued at a US$25,000 discount, comprising of debt issuance costs, which is amortized over the life of the convertible notes. Any unamortized discount is expensed upon the conversion of the notes. Amortization of the discount totaled US$25,000 for the year ended December 31, 2019 and is recorded within interest expense within the consolidated statements of operations and comprehensive loss.

Additionally, the notes carried a conversion feature whereby they would automatically convert upon either (a) a change in control of the Company; (b) a reorganization, merger, or consolidation of the Company; (c) the sale of the Company's assets; or (d) an initial public offering of the Company's common stock. The notes also would have converted in the event the Company consummated an equity financing arrangement with an aggregate sales price of no less than US$10,000,000. Upon the occurrence of one of the aforementioned events, the notes would have converted into 80% of the price per share value of common stock applicable at the time of the event. The notes also carried an optional conversion feature whereby the notes may convert into common stock.

On June 6, 2019, the Company issued two separate convertible notes totaling US$150,000. The promissory notes had a stated maturity date of June 6, 2021 with the option of individual 1-year renewable periods for up to 5 years should no conversion event occur. The notes paid an annual interest rate of 10% on the unpaid principal balance through June 6, 2021.

The first convertible note of US$75,000 carried a conversion feature where it would automatically convert upon either (a) a change in control of the Company; (b) a reorganization, merger, or consolidation of the Company; (c) the sale of the Company's assets; or (d) an initial public offering of the Company's common stock (or a security representing common stock). The note also would have converted in the event the Company consummated an equity financing arrangement with an aggregate sales price of no less than US$500,000. Upon the occurrence of one of the aforementioned events, the note would convert into 80% of the price per share value of common stock applicable at the time of the event. The note also carried an optional conversion feature whereby the note may convert into common stock.

The second convertible note of US$75,000 carried a conversion feature where it would automatically convert upon either (a) a change in control of the Company; (b) a reorganization, merger, or consolidation of the Company; (c) the sale of the Company's assets; or (d) an initial public offering of the Company's common stock (or a security representing common stock). The note also would have converted in the event the Company consummated an equity financing arrangement with an aggregate sales price of no less than US$500,000. Upon the occurrence of one of the aforementioned events, the note would convert into 80% of the price per share value of common stock applicable at the time of the event. The note also carried an optional conversion feature whereby the note may convert into common stock.

The contingent conversion features of the notes issued on March 29, 2019 and June 6, 2019 were triggered on July 24, 2019 as a result of the Company's initial public offering of common stock on the ASX. The total non-cash impact of the beneficial conversion feature was US$579,216, comprised of US$470,268 of expense incurred on the date of conversion, and accumulated interest incurred on the convertible notes of US$88,229. The impacts of the conversion are recorded within interest expense on beneficial conversion feature and interest expense, respectively, in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2019.

NOTE 14 – EQUITY BASED COMPENSATION

The Company issues incentive and non-qualified stock options, restricted stock units, and restricted stock awards to employees and non-employees with vesting requirements varying from six months to four years (the typical vesting is a one-year cliff vesting and monthly vesting after the first year of service). The Company utilizes the Black-Scholes model for valuing stock option issuances and the grant date fair value for valuing the restricted stock issuances.

Equity based compensation expense, including vesting of restricted stock units, totaled US$7,010,844 and US$1,167,265 for the years ended December 31, 2020 and 2019, respectively. Equity based compensation expense is recorded within selling, general, and administrative expenses within the consolidated statements of operations and comprehensive loss.

2016 Employee Stock Option Plan

The Company adopted the 2016 Employee Stock-Option Plan on January 16, 2016. The number of options authorized for issuance under the plan is 10,000,000. The Company had 6,844,170 and 8,336,253 options issued and outstanding under the plan as of December 31, 2020 and 2019, respectively. Additionally, the Company had 155,556 and 350,000 of restricted stock awards issued and outstanding as of December 31, 2020 and 2019. During the years ended December 31, 2020 and 2019, 1,344,145 and 882,914 options were exercised into 1,344,145 and 882,914 shares of common stock, respectively.

2019 Equity Incentive Plan

The Company adopted the 2019 Equity Incentive Plan on June 25, 2019. The number of options authorized for issuance under the plan is 26,000,000. The Company had 17,671,374 and 8,716,250 options issued and outstanding as of December 31, 2020 and 2019, respectively; and 2,680,259 and 557,000 restricted stock units issued and outstanding as of December 31, 2020 and 2019, respectively. During the year ended December 31, 2020, 392,331 options were exercised into 392,331 shares of common stock.

The following tables summarize the options issued, outstanding, and exercisable as of December 31, 2020 and 2019:

	For the year ended December 31, 2020			
	Number of Options	Weighted Average Exercise Price	Intrinsic Value	Weighted Average Remaining Life
Outstanding, beginning of year	17,052,503	$ 0.624	$ 14,895,996	—
Granted	10,105,163	0.826	—	—
Exercised	(1,736,476)	0.305	5,917,834	—
Canceled	(905,646)	0.096	—	—
Outstanding, end of year	24,515,544	1.343	84,731,639	8.65
Exercisable, end of year	7,064,077	0.522	29,883,424	8.04
Expected to vest, end of year	17,451,467	$ 1.675	$ 54,848,215	8.90

	For the year ended December 31, 2019			
	Number of Options	Weighted Average Exercise Price	Intrinsic Value	Weighted Average Remaining Life
Outstanding, beginning of year	7,430,000	$ 0.044	$ 1,307,849	—
Granted	11,971,250	0.891	—	—
Exercised	(882,914)	0.042	1,108,483	—
Canceled	(1,465,833)	0.215	—	—
Outstanding, end of year	17,052,503	0.624	14,895,996	9.18
Exercisable, end of year	3,396,325	0.071	4,731,629	8.40
Expected to vest, end of year	13,656,178	$ 0.762	$ 10,164,367	9.37

The following table represents the assumptions used for estimating the fair values of stock options granted to employees, contractors, and non-employees of the Company under the Black-Scholes method. The risk-free interest rate is based on the U.S. Treasury yield curve in effect on the grant date:

	2020	2019
Risk-free interest rate	0.37% – 0.56%	1.59% – 2.61%
Expected volatility	91.30% – 93.83%	65.00% – 82.88%
Expected life (in years)	6.00	6.00
Weighted average estimated fair value of options granted	$ 2.23	$ 0.66

The following table represents the assumptions used for estimating the fair values of stock options granted to executives under the Long Term Incentive Plan (LTIP) of the Company under the Monte Carlo Simulation valuation model. Refer to Note 16 for further information around the Company's LTIP plan. The risk-free interest rate is based on the U.S. Treasury yield curve in effect on the grant date:

	2020	2019
Risk-free interest rate	0.68%	—
Expected volatility	93.0%	—
Expected life (in years)	6.1	—
Weighted average estimated fair value of options granted	$ 0.64	—

Restricted stock award and restricted stock unit transactions during the years ended December 31, 2020 and 2019, respectively, are summarized as follows:

	Number of Shares	Weighted Average Grant Date Fair Value US$
Unvested shares, January 1, 2020	772,222	$ 1.12
Granted	2,659,094	3.48
Vested	(581,402)	1.02
Forfeited or surrendered	(16,171)	1.35
Unvested shares, December 31, 2020	**2,833,743**	**$ 3.37**

	Number of Shares	Weighted Average Grant Date Fair Value US$
Unvested shares, January 1, 2019	—	$ —
Granted	907,000	1.15
Vested	(134,778)	0.95
Forfeited or surrendered	—	—
Unvested shares, December 31, 2019	**772,222**	**$ 1.13**

During the year ended December 31, 2020, employees and non-employees received restricted stock units totaling 2,659,094. Vesting of restricted stock units and restricted stock awards totaled 464,736 and 116,666, respectively. The shares underlying the restricted stock units granted in 2020 were assigned a weighted average fair value of US$3.48 per share, for a total value of US$9,250,511. The restricted stock issuances are scheduled to vest over a range of one to four years.

For the year ended December 31, 2019, employees and non-employees received restricted stock grants totaling 907,000 shares, inclusive of 557,000 restricted stock units and 350,000 restricted stock awards. Vesting of restricted stock units and restricted stock awards are totaled 57,000 and 77,778, respectively. The shares underlying the awards were assigned a weighted average fair value of US$1.15 per share, for a total value of US$1,043,050. The restricted stock issuances are scheduled to vest over a range of three to four years.

As of December 31, 2020, the total compensation cost related to non-vested awards not yet recognized is US$23,912,268 and is expected to be recognized over the weighted average remaining recognition period of approximately 3.1 years.

As of December 31, 2019, the total compensation cost related to non-vested awards not yet recognized is US$8,160,309 and is expected to be recognized over the weighted average remaining recognition period of approximately 3.6 years.

NOTE 15 – MERCHANT INTEREST PROGRAM

Sezzle offers its merchants an interest bearing program whereby merchants may defer payment from the Company in exchange for interest. Merchant accounts payable in total were US$60,933,272 and US$13,284,544 as of December 31, 2020 and 2019, respectively, as disclosed on the consolidated balance sheets. Of these amounts, US$53,528,501 and US$10,053,570 were recorded within the merchant interest program balance as of December 31, 2020 and 2019, respectively.

Deferred payments retained in the program bear interest at the LIBOR daily (3 month) rate plus three percent (3.0%) on an annual basis, compounding daily. The weighted average annual percentage yield for the year ended December 31, 2020 was 5.43%. Interest expense associated with the program totaled US$1,475,554 and US$293,461 for the years ended December 31, 2020 and 2019, respectively.

Deferred payments are due on demand (up to US$250,000 during any seven day period) at the request of the merchant; however, Sezzle reserves 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 16 – SHORT AND LONG TERM INCENTIVE PLANS

In May 2020, the Company adopted a short term incentive compensation program for its employees and executives. The program is based on achievements where individuals will be compensated for Company-wide and individual and/or team performance for the fiscal year. Measurement of compensable amounts is determined at the end of the year and payouts to individuals will be made in the form of restricted stock units in the following year. As of December 31, 2020, the Company has accrued a total of US$2,133,806 for this program, which is recorded in accrued liabilities on the consolidated balance sheets and offset by an expense recognized in selling, general, and administrative expenses within the consolidated statements of operations and comprehensive loss.

The Company also adopted the LTIP plan for its executive team in May 2020. The LTIP comprises grants of market priced stock options under the 2019 Equity Incentive Plan, with vesting subject to required levels of Comparative Total Shareholder Return (TSR) tested over three years, and subject to continued employment for a three-year period ending January 1, 2023. Both the market and service vesting conditions must be met in order for the grantee to vest at the end of the three year measurement period.

Each of the executive and designated senior officers of the Company was awarded a long term incentive stock option grant to purchase shares on May 22, 2020. The stock options have an exercise price of A$2.10 per share, based on the closing sale price of CDIs on the ASX on May 21, 2020, the trading day prior to the date of grant. The amount of each award is equal to 300% of the individual's salary in effect as of May 22, 2020 (100% for each of the three years in the performance period and pro-rated for start date).

The Company's stock price performance will be measured based on its volume weighted average price relative to other companies included within the S&P/ASX All Technology Index. The number of long term incentive stock option grants were calculated based on a fair value of US$0.64 per option, determined under the Monte Carlo Simulation valuation method.

Total expense recognized related to compensation under the LTIP program was US$5,939,644 for the year ended December 31, 2020. The compensable amounts under the LTIP to executive board members are subject to shareholder approval. Due to the pending approval, as of December 31, 2020, the Company has remeasured the fair value of the awards issued to executive board members utilizing the Monte Carlo Simulation valuation method and accrued US$4,483,073 within other non-current liabilities in the consolidated balance sheets, and offset by an expense recognized in selling, general, and administrative expenses within the consolidated statements of operations and comprehensive loss. The increase in value is primarily driven by the positive performance of the Company's share price during the year. Awards to non-board member executives are included within the stock compensation amounts detailed within Note 14.

NOTE 17 – LOSSES PER SHARE

The computation for basic loss per share is established by dividing net losses for the period by the weighted average shares outstanding during the reporting period, including repurchases carried as treasury stock. Diluted loss per share is computed in a similar manner, with weighted average shares increasing from the assumed exercise of employee stock options (including options classified as liabilities) and assumed vesting of restricted stock units (if dilutive). Given the Company is in a loss position, the impact of including assumed exercises of stock options and vesting of restricted stock units would have an anti-dilutive impact on the calculation of diluted loss per share and, accordingly, diluted and basic loss per share were equal for the years ended December 31, 2020 and 2019.

NOTE 18 – SUBSEQUENT EVENTS

Receivable Funding Facility

On February 10, 2021, Sezzle entered into an agreement with Goldman Sachs Bank USA (the 'Class A' senior lender) and Bastion Funding IV LLC (the 'Class B' mezzanine lender) for a US$250,000,000 receivables funding facility. The funding facility has a maturity date of June 12, 2023 (a 28-month term from the agreement date). The agreement is secured by the Company's consumer notes receivable it chooses to pledge and is subject to covenants. Fifty percent of the total available funding facility (US$125,000,000) is committed while the remaining fifty percent is available to the Company for expanding its funding capacity. The funding facility carries an interest rate of LIBOR+3.375% and LIBOR+10.689% (the LIBOR floor rate is set at 0.25%) for funds borrowed from the Class A and Class B lender, respectively. In the event of a prepayment due to a broadly marketed and distributed securitization transaction with a party external to the agreement, an exit fee of 0.75% of such prepaid balance will be due to the lender upon such transaction. Additionally, the Company paid a US$1,000,000 termination fee to exit the previous Loan Agreement with the Syndicate.

Other Subsequent Events

The Company has evaluated subsequent events through the date of the audit report and determined that there have been no events, other than those disclosed above, that have occurred that would require adjustment to the disclosures in the consolidated financial statements.

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
SEZZLE INC., A PUBLIC BENEFIT CORPORATION

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Sezzle Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is Sezzle Inc.

2. This corporation was incorporated pursuant to an original Certificate of Incorporation filed with the Secretary of State of the State of Delaware on January 4, 2016.

3. This Third Amended and Restated Certificate of Incorporation ("**Certificate of Incorporation**") amends, restates and integrates the provisions of the Certificate of Incorporation of said corporation and has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law and was approved by the holders of the requisite number of shares of this corporation in accordance with Sections 228 and 363 of the General Corporation Law.

RESOLVED, that the Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

ARTICLE I

The name of this corporation is Sezzle Inc. (the **"Corporation**").

ARTICLE II

The address of the registered office of the Corporation in the State of Delaware is 8 The Green, Ste A, in the City of Dover, County of Kent, 19901. The name of its registered agent at such address is A Registered Agent, Inc.

ARTICLE III

In pursuing any business, trade, or activity which may lawfully be conducted by the Corporation, the Corporation shall promote a specific public benefit of having a material positive effect (or reduction of negative effects) on consumer empowerment, education, and transparency in the Corporation's local, national, and global communities. This Article may be amended or deleted only pursuant to the requisite stockholder approval required by Subchapter XV of the General Corporation Law.

ARTICLE IV

The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 300,000,000 shares of Common Stock, US$0.00001 par value per share ("**Common Stock**"), (ii) 300,000,000 shares of Common Prime Stock, US$0,00001 par value per share ("**Common Prime Stock**") and (iii) 200,000,000 shares of Preferred Stock, US$0,00001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock is subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of this Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

3. Conversion. Common Stock issued pursuant to the terms of Article V may be converted into Common Prime Stock pursuant to the terms of Article V.

B. COMMON PRIME STOCK.

1. General. The rights, preferences, privileges and restrictions granted to and imposed on the Common Prime Stock is subject to and qualified by the rights, powers and preferences of the holders of the Common Prime Stock set forth herein.

2. Dividend Rights. The holders of Common Prime Stock shall not be entitled to share in any dividends or other distributions of cash, property or shares of the Corporation as may be declared by the Board of Directors on the Common Stock.

3. Redemption. The Common Prime Stock is not redeemable.

4. Voting Rights. Except as otherwise provided by law, the holders of Common Prime Stock shall not be entitled to any voting rights.

5. Liquidation Rights. In the event of the voluntary or involuntary liquidation, dissolution, or winding up of the Corporation, the holders of Common Stock and Common Prime Stock shall be entitled to share equally, on a per-share basis, in all assets of the Corporation of whatever kind available for distribution to the holders of the Corporation's capital stock.

6. Conversion. Common Prime Stock may convert into Common Stock as set forth in ArticleV.

C. PREFERRED STOCK

Shares of Preferred Stock may be issued in one or in more series from time to time by the board of directors. The board of directors is expressly authorized to fix by resolution or resolutions the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, of the shares of each series of Preferred Stock.

174,652 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-1 Preferred Stock**", 15,584,042 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-2 Preferred Stock**", 18,291,457 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-3 Preferred Stock**", 33,981,205 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-4 Preferred Stock**", and 25,401,218 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-5 Preferred Stock**" (together with the Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock and S-4 Preferred Stock, the "**Series A Preferred Stock**"), each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Section C of this Article IV refer to sections and subsections of Section C of this Article IV.

1. Dividends.

1.1. Dividend Preference. In each calendar year, the holders of the then outstanding Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any funds and assets of the Corporation legally available therefor, noncumulative dividends at the rate of 6% per annum on the applicable Original Issue Price (as defined below) for each such series of Preferred Stock, prior and in preference to the payment of any dividends on the Common Stock in such calendar year (other than dividends on shares of Common Stock payable in shares of Common Stock); provided that the first dividend declared by the Board of Directors, out of additional shares of Series A Preferred Stock, shall be calculated using the rate of 15% per annum on the applicable Original Issue Price. No dividends (other than dividends on shares of Common Stock payable in shares of Common Stock) shall be paid with respect to the Common Stock or Preferred Stock during any calendar year unless all accrued and unpaid dividends for each such series of Preferred Stock shall have first been fully paid or declared and set apart for payment to the holders of each such series of Preferred Stock, respectively, during that calendar year; provided, however, that these restrictions shall not apply to the repurchase by the Corporation of shares of Common Stock held by employees, officers, directors, consultants, independent contractors, advisors, or other persons performing services for the Corporation or a subsidiary that are subject to restricted stock purchase agreements, stock option exercise agreements, vesting agreements or any such similar agreements under which the Corporation has the option to repurchase such shares. Notwithstanding the foregoing, payments of any dividends to the holders of each such series of Preferred Stock shall be paid pro rata, on an equal priority, pari passu basis according to their respective dividend preferences as set forth herein. Dividends on the Series A Preferred Stock shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Series A Preferred Stock by reason of the fact that the Corporation shall fail to declare or pay dividends on the Series A Preferred Stock in any calendar year or any fiscal year of the Corporation, whether or not the earnings or assets of the Corporation in any calendar year or fiscal year were sufficient to pay such dividends in whole or in part. The "**Original Issue Price**" shall mean US$0.1431 per share for the Series A-1 Preferred Stock (the "**Series A-1 Original Issue Price**"), US$0.1152 per share for the Series A-2 Preferred Stock (the "**Series A-2 Original Issue Price**"), US$0.1347 per share for the Series A-3 Preferred Stock (the "**Series A-3 Original Issue Price**"), US$0.1684 per share for the Series A-4 Preferred Stock (the "**Series A-4 Original Issue Price"**), and US$0.1684 per share for the Series A-5 Preferred Stock (the "**Series A-5 Original Issue Price**"), in each case subject to appropriate adjustment for any stock dividend, stock split, combination or other recapitalization with respect to such series of Preferred Stock.

1.2. Participation Rights. If, after dividends in the full preferential amounts specified in Subsection 1.1 for the Series A Preferred Stock have been paid or declared and set apart in any calendar year of the Corporation, the Board of Directors shall declare additional dividends (other than dividends on shares of Common Stock payable in shares of Common Stock) out of funds and assets legally available therefor in that calendar year, then such additional dividends shall be declared pro rata on the Common Stock and the Series A Preferred Stock on a pan passu basis according to the number of shares of Common Stock held by such holders, where each holder of shares of Series A Preferred Stock is to be treated for this purpose as holding the greatest whole number of shares of Common Stock then issuable upon conversion of all shares of Series A Preferred Stock held by such holder pursuant to Section 4.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1. Preferential Payments to Holders of Series A Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the Original Issue Price for each such series of Preferred Stock, plus all declared but unpaid dividends thereon. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Series A Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2. Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Series A Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares of Common Stock held by each such holder.

2.3. Deemed Liquidation Events.

2.3.1. Definition. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless the holders of a majority of the outstanding shares of Series A Preferred Stock elect otherwise by written notice sent to the Corporation at least 20 days prior to the effective date of any such event:

(a) a merger or consolidation in which the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise, of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2. Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "**Merger Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii) or 2.3.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Series A Preferred Stock no later than the ninetieth (90th day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause: (ii) to require the redemption of such shares of Series A Preferred Stock, and (iii) if the holders of a majority of the then outstanding shares of Series A Preferred Stock so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "Available Proceeds"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Series A Preferred Stock at a price per share equal to the Original Issue Price, plus any dividends declared but unpaid thereon. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Stock, the Corporation shall ratably redeem each holder's shares of Series A Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event.

2.3.3. Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation.

2.3.4. Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the "**Additional Consideration**"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1. General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting) each holder of outstanding shares of Series A Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series A Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Certificate of Incorporation, holders of Series A Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2. Election of Directors. For so long as at least 25% of the originally issued shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class shall be entitled to elect two (2) directors of the Corporation (the "**Series A Directors**"). The holders of record of the shares of Common Stock, exclusively and voting together as a single class shall be entitled to elect two (2) directors of the Corporation. The holders of record of the shares of Common Stock and of Series A Preferred Stock, exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. Any director may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class pursuant to the third sentence of this Subsection 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2. If the number of shares of Series A Preferred Stock outstanding is less than the number that is equal to 25% of the originally issued shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock), then (for so long as any shares of Series A Preferred Stock are outstanding) the holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect one (1) Series A Director and the holders of record of the shares of Common Stock, exclusively and voting together as a single class, shall be entitled to elect three (3) directors of the Corporation.

3.3. Series A Preferred Stock Protective Provisions. At any time when at least 25% of the originally issued shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of majority of the then outstanding shares of Series A Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio,* and of no force or effect:

3.3.1. declare bankruptcy, liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2. amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation in a manner that adversely affects the powers, preferences or rights of the Series A Preferred Stock;

3.3.3. create, or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption, or increase the authorized number of shares of Series A Preferred Stock or increase the authorized number of shares of any additional class or series of capital stock unless the same ranks junior to the Series A Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.4. adversely alter or change the rights, preferences or privileges of the shares of the Series A Preferred Stock;

3.3.5. purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Series A Preferred Stock as expressly authorized herein, (ii) dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and (iii) repurchases of stock from former employees, officers, directors, consultants or other person who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof or (iv) as approved by the Board of Directors, including the approval of the then-serving Series A Directors;

3.3.6. incur any indebtedness in excess of US$250,000, unless approved by the Board of Directors (including the then-serving Series A Directors); or

3.3.7. increase or decrease the authorized number of directors constituting the Board of Directors.

4. Optional Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1. Right to Convert.

4.1.1. Conversion Ratio. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined (w) by dividing the Series A-1 Original Issue Price by the Series A-1 Conversion Price (as defined below) in the case of Series A-1 Preferred Stock, (x) by dividing the Series A-2 Original Issue Price by the Series A-2 Conversion Price (as defined below) in the case of Series A-2 Preferred Stock, (y) by dividing the Series A-3 Original Issue Price by the Series A-3 Conversion Price (as defined below) in the case of Series A-3 Preferred Stock, or (z) by dividing the Series A-4 Original Issue Price by the Series A-4 Conversion Price (as defined below) in the case of Series A-4 Preferred Stock, in each case as in effect at the time of conversion. The "**Series A-1 Conversion Price**" shall initially be equal to US$0.1431. The "**Series A-2 Conversion Price**" shall initially be equal to US$0.1152. The "**Series A3 Conversion Price**" shall initially be equal to $0.1347. The "**Series A-4 Conversion Price**" shall initially be equal to US$0.1684. The "**Series A-5 Conversion Price**" shall initially be equal to US$0.1684. The Series A-1 Conversion Price, the Series A-2 Conversion Price, the Series A-3 Conversion Price, the Series A-4 Conversion Price, and the Series A-5 Conversion Price shall be known individually or collectively, as applicable, as the "**Conversion Price**". Such initial Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2. Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series A Preferred Stock.

4.2. Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series A Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3. Mechanics of Conversion.

4.3.1. Notice of Conversion. In order for a holder of Series A Preferred Stock to voluntarily convert shares of Series A Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Series A Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Series A Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series A Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Series A Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series A Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) or, in the case of uncertificated shares, issue and deliver a notice of issuance of uncertificated shares and may, upon written request, issue and deliver a certificate for the number of full shares of Common Stock issuable upon such conversion; (iii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iv) pay all declared but unpaid dividends on the shares of Series A Preferred Stock converted.

4.3.2. Reservation of Shares. The Corporation shall at all times when the Series A Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series A Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series A Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series A Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the applicable Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted applicable Conversion Price.

4.3.3. Effect of Conversion. All shares of Series A Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Series A Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

4.3.4. No Further Adjustment. Upon any such conversion, no adjustment to the applicable Conversion Price shall be made for any declared but unpaid dividends on the Series A Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5. Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series A Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series A Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4. Adjustments to Applicable Conversion Price for Diluting Issues.

4.4.1. Special Definitions. For purposes of this Subsection 4.4 of this Section C of this Article IV, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Series A Original Issue Date**" shall mean the date on which the first share of Series A Preferred Stock was issued.

(c) **"Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series A Original Issue Date, other than (I) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (I) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Series A Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to the Company's Employee Stock Option Plan or any plan, agreement or arrangement approved by the Board of Directors of the Corporation, including the approval of the then-serving Series A Directors;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors of the then-serving Series A Directors;

(vi) shares of Common Stock, Options or Convertible Securities issued to suppliers or third-party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors of the Corporation, including the approval of the then-serving Series A Directors;

(vii) shares of Common Stock, Options or Convertible Securities issued pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, *provided* that such issuances are approved by the Board of Directors of the Corporation, including the approval of the then-serving Series A Directors;

(viii) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors of the Corporation, including the approval of the then-serving Series A Directors; or

(ix) shares of Common Stock, Options or Convertible Securities issued in connection with any other transaction or event, if and to the extent approved by the Corporation's Board of Directors of the Corporation, including the approval of the then- serving Series A Directors, and such Series A Directors have waived in writing the adjustment provided for in this clause in connection with such transaction or event (which written waiver must specifically reference this clause).

4.4.2. No Adjustment of Conversion Price. No adjustment in the Series AA Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series AA Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series A-2 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A-2 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series A-3 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A-3 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Series A-4 Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series A-4 Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3. Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Series A Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (D any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such applicable Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the applicable Conversion Price to an amount which exceeds the lower of (i) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security or (ii) the applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series A Original Issue Date), are revised after the Series A Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (I) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price pursuant to the terms of Subsection 4.4.4, the applicable Conversion Price shall be readjusted to such applicable Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4. Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series A Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Conversion Price for a series of Preferred Stock in effect immediately prior to such issue, then such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) + (A + C)$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the applicable Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(b) "CPI" shall mean the applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series A Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CPO; and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5. Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6. Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the applicable Conversion Price pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, the applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5. Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Series A Original Issue Date effect a subdivision of the outstanding Common Stock, the applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series A Original Issue Date combine the outstanding shares of Common Stock, the applicable Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6. Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Series A Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.7. Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series A Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Series A Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series A Preferred Stock had been converted into Common Stock on the date of such event.

4.8. Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series A Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series A Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series A Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series A Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Stock. For the avoidance of doubt, nothing in this Subsection 4.8 shall be construed as preventing the holders of Series A Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Subsection 4.8 be deemed conclusive evidence of the fair value of the shares of Series A Preferred Stock in any such appraisal proceeding.

4.9. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the applicable Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series A Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series A Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the applicable Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series A Preferred Stock.

4.10. Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series A Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series A Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series A Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series A Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice, or such shorter period approved by the holders of a majority of the outstanding Series A Preferred Stock.

5. Mandatory Conversion.

5.1. Trigger Events. Upon either:

(a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least US $50,000,000 of gross proceeds, net of the underwriting discount and commissions, to the Corporation;

(b) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of a majority of the then outstanding shares of Series A Preferred Stock;

or

(c) the Corporation (i) closing an initial public offering of the Common Stock (or a security representing Common Stock) of the Corporation in conjunction with a listing on a national securities exchange that has registered with the US Securities and Exchange Commission under Section 6 of the Securities Exchange Act of 1934, the Australian Securities Exchange, or a similar national securities exchange of another country (the "Exchange") and (ii) receiving conditional approval from the Exchange, for the securities of Corporation to be admitted to the official list maintained by that Exchange, (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Series A Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.2. Procedural Requirements. All holders of record of shares of Series A Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Series A Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Series A Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so, required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series A Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series A Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Series A Preferred Stock converted. Such converted Series A Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series A Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Series A Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Series A Preferred Stock following redemption.

7. Waiver. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of at majority of the shares of Series A Preferred Stock then outstanding.

8. Notices. Any notice required or permitted by the provisions of this Section C of this Article IV to be given to a holder of shares of Series A Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

9. Termination and Severance. Upon conversion of all Series A Preferred Stock in accordance with Section 4 or Section 5, this Section C of this Article IV will terminate and be severed from this Certificate of Incorporation.

ARTICLE V

In connection with the Corporation's initial public offering (the "**Offering**") of CHESS Depository Interests ("**CDIs**") (with each CDI representing an interest in one share of Common Stock), certain stockholders entered into an escrow agreement (the "**Escrow Agreement**") with the Corporation under which the stockholder agreed, among other things, to certain restrictions and prohibitions from engaging in transactions in the shares of Common Stock (including Common Stock in the form of CDIs) held or acquired by the stockholder (including shares of Common Stock that may be acquired upon exercise of a sock option, warrant or other right) or Common Stock which attach to or arise from such Common Stock (collectively, the "**Restricted Securities**") for a period of time identified in the Escrow Agreement (the "**Lock-Up Period**"). The Restricted Securities shall automatically and without further action be converted into shares of Common Prime Stock, on a one-for-one basis, if the Corporation determines, in its sole discretion, that the stockholder breached or violated any term of such stockholder's Escrow Agreement or breached the Official Listing rules of the Australian Stock Exchange relating to the Restricted Securities (the "**Listing Rules**"). Any shares of Common Stick converted to Common Prime Stock pursuant to this Article V shall automatically and without further action be converted back into shares of Common Stock, on a one-for-one basis upon the earlier to occur of the Lock-Up Period in the applicable Escrow Agreement pursuant to which the shares of Common Stock were originally converted to Common Prime Stock or the breach of the Listing Rules being remedied. Upon conversion of Common Stock or Common Prime Stock pursuant to this Article V, the Company shall, within ten (10) Business Days notify the holder of the converted securities of such conversion. Any notice required or permitted by the provisions of this Article V to be given to a holder of shares of Common Stock or Common Prime Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

ARTICLE VI

In furtherance of and not in limitation of powers conferred by statute, it is further provided:

1. The business and affairs of this Corporation shall be managed by or under the direction of the Board of Directors;

2. Elections of directors need not be by written ballot unless the By-Laws of the Corporation shall so provide;

3. The Board of Directors is expressly authorized to adopt, amend, alter or repeal the By-Laws of this Corporation; and

4. The number of directors of this Corporation shall be determined in the manner set forth in the By-Laws of this Corporation.

ARTICLE VII

To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article VII by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

Any disinterested failure to satisfy Section 365 of the General Corporation Law shall not, for the purposes of Sections 102(b)(7) or 145 of the General Corporation Law, constitute an act or omission not in good faith, or a breach of the duty of loyalty.

ARTICLE VIII

The following indemnification provisions shall apply to the persons enumerated below.

1. Right to Indemnification of Directors and Officers. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "**Indemnified Person**") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Indemnified Person in such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of this Article VIII the Corporation shall be required to indemnify an Indemnified Person in connection with a Proceeding (or part thereof) commenced by such Indemnified Person only if the commencement of such Proceeding (or part thereof) by the Indemnified Person was authorized in advance by the Board of Directors.

2. Prepayment of Expenses of Directors and Officers. The Corporation shall pay the expenses (including attorneys' fees) incurred by an Indemnified Person in defending any Proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the Indemnified Person to repay all amounts advanced if it should be ultimately determined that the Indemnified Person is not entitled to be indemnified under this Article VIII or otherwise.

3. Claims by Directors and Officers. If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within thirty (30) days after a written claim therefor by the Indemnified Person has been received by the Corporation, the Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Indemnified Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

4. Indemnification of Employees and Agents. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any Proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person in connection with such Proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a Proceeding initiated by such person if the Proceeding was not authorized in advance by the Board of Directors.

5. Advancement of Expenses of Employees and Agents. The Corporation may pay the expenses (including attorneys' fees) incurred by an employee or agent in defending any Proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

6. Non-Exclusivity of Rights. The rights conferred on any person by this Article VIII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, the Bylaws of the Corporation, or any agreement, or pursuant to any vote of stockholders or disinterested directors or otherwise.

7. Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, limited liability company, joint venture, trust, organization or other enterprise.

8. Insurance. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance; (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article VIII; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article **VIII.**

9. Amendment or Repeal. Any repeal or modification of the foregoing provisions of this Article VIII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Indemnified Person and such person's heirs, executors and administrators.

ARTICLE IX

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE X

Subject to any additional vote required by this Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

ARTICLE XI

The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Series A Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

ARTICLE XII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation's certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article XI shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article XII (including, without limitation, each portion of any sentence of this Article XII containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, this Third Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 1st day of June, 2020.

/s/ Charles G. Youakirn

Charles G. Youakirn
President and Chief Executive Officer

SEZZLE BYLAWS

SECOND AMENDED AND RESTATED BYLAWS

OF SEZZLE INC.

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AMENDED AND RESTATED BYLAWS
OF SEZZLE INC.
a Delaware public benefit corporation

ARTICLE I
CORPORATE OFFICES

In addition to SEZZLE INC.'s (the "**Corporation**") registered office set forth in the Certificate of Incorporation of the Corporation, as amended (the "**Certificate of Incorporation**"), the board of directors of the Corporation (the "**Board of Directors**") may at any time establish other offices at any place or places where the business or the Corporation may require.

ARTICLE II
MEETINGS OF STOCKHOLDERS

2.1 Place Of Meetings

Meetings of stockholders shall be held at any place, within or outside the state of Delaware, designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the registered office of the Corporation. The Board of Directors may, in its sole discretion and subject to such guidelines and procedures as the Board of Directors may from time to time adopt, determine that the meeting shall not be held at any specific place, but may instead be held solely by means of remote communication.

2.2 Annual Meeting

The annual meeting of stockholders shall be held on such date, time and place, either within or without the state of Delaware, as may be designated by resolution of the Board of Directors each year. At the meeting, directors shall be elected and such other business as may properly come before the meeting in accordance with these Bylaws may be transacted.

2.3 Special Meeting

A special meeting of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called at any time by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the President and shall be called by the President, the Chief Executive Officer or the Secretary following receipt of one or more written demands to call a special meeting of stockholders in accordance with, and subject to, this Section 2.3 from stockholders of record who own, in the aggregate at least ten percent (10%) of the voting power of the outstanding shares of the Corporation then entitled to vote on the matter or matters to be brought before the proposed special meeting.

If a special meeting is called by any person or persons other than the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer or the President, the request shall be in writing and signed by each stockholder, or a duly authorized agent of such stockholder, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by email, fax, telegraphic or other facsimile or electronic transmission to the Chairman of the Board, the Chief Executive Officer, the President or the Secretary of the Corporation.

No business may be transacted at such special meeting otherwise than specified in such notice. The officer receiving the request shall cause notice to be promptly given to the stockholders entitled to vote, in accordance with the provisions of Sections 2.4 and 2.5 of this Article II, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after the receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

2.4 Notice Of Stockholders' Meetings

All notices of meetings with stockholders shall be in writing and shall be sent or otherwise given in accordance with Section 2.5 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place (if any), date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meetings, and in the case of a special meeting, the purpose or purposes for which the meeting is called. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. Every notice provided hereunder shall include a statement to the effect that the Corporation is a public benefit corporation formed pursuant to Subchapter XV of the General Corporation Law.

2.5 Manner of Giving Notice; Affidavit of Notice

Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic mail or other electronic transmission, in the manner provided in Section 232 of the Delaware General Corporation Law (the "**General Corporation Law**"). In addition, if stockholders have consented to receive notices by a form of electronic transmission, then such notice, by facsimile telecommunication, or by electronic mail, shall be deemed to be given when directed to a number or an electronic mail address, respectively, at which the stockholder has consented to receive notice. If such notice is transmitted by a posting on an electronic network together with separate notice to the stockholder of such specific posting, such notice shall be deemed to be given upon the later of (i) such posting, and (ii) the giving of such separate notice. If such notice is transmitted by any other form of electronic transmission, such notice shall be deemed to be given when directed to the stockholder. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the "householding" rules set forth in Section 233 of the General Corporation Law and the rules of the Securities and Exchange Commission (the "**SEC**") under the Securities Exchange Act of 1934 (the "**Exchange Act**"), if applicable. For purposes of these by-laws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form through an automated process.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.6 Quorum

The holders of a majority of the shares of stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairman of the meeting or (b) holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, shall have power to adjourn the meeting to another place (if any), date or time.

2.7 Voting

When a quorum is present at any meeting of the stockholders, the vote of the holders of a majority of the shares entitled to vote on the subject matter and present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable statutes, of the Certificate of Incorporation or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Except as otherwise provided in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of the stockholders shall be entitled to one vote for each share of capital stock held by the stockholder

2.8 Proxies

Each stockholder entitled to vote at a meeting of the stockholders may authorize, by an instrument in writing subscribed by such stockholder, bearing a date not more than three (3) years prior to voting, unless such instrument provides for a longer period, and filed with the Secretary of the Corporation before, or at the time of the meeting, another person or persons to act for him by proxy.

2.9 Voting of Stock of Certain Holders

Shares of the Corporation's capital stock standing in the name of another business entity, domestic or foreign, may be voted by such officer, agent or proxy as the Bylaws or applicable governance document of such business entity may prescribe, or in the absence of such provision, as the Board of Directors or applicable managers of such business entity may determine. Shares standing in the name of a deceased person may be voted by the executor or administrator of such deceased person, either in person or by proxy. Shares standing in the name of a guardian, conservator or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in such fiduciary capacity without a transfer of such shares into the name of such fiduciary. Shares standing in the name of a receiver may be voted by such receiver, either in person or by proxy. A stockholder whose shares are pledged shall be entitled to vote such shares, unless in the transfer by the pledgor on the books of the Corporation, such stockholder has expressly empowered the pledgee to vote thereon, in which case only the pledgee, or its proxy, may represent the stock and vote thereon.

2.10 Fixing Record Date

The Board of Directors may fix in advance a date, which shall not be more than sixty(60) days nor less than ten (10) days preceding the date of any meeting of stockholders, nor more than sixty (60) days preceding the date for payment of any dividend or distribution, or the date for the allotment of rights, or the date when any change, or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining a consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or distribution, or to receive any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed, shall be entitled to such notice of, and to vote at, any such meeting and any adjournment thereof, or to receive payment of such dividend or distribution, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

2.11 Adjourned Meeting; Notice

When a meeting is adjourned to another place (if any), date or time, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place (if any), thereof and the means of remote communications (if any) by which stockholders and proxyholders may be deemed to be present and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the place (if any), date and time of the adjourned meeting and the means of remote communications (if any) by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.12 Organization; Conduct of Business

Such person as the Board of Directors may have designated or, in the absence of such a person, the Chief Executive Officer, or in his or her absence, the President or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the Secretary of the meeting shall be such person as the chairman of the meeting appoints.

The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including the manner of voting and the conduct of business. The date and time of opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

2.13 Waiver Of Notice

Whenever notice is required to be given under any provision of the General Corporation Law or of the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice, or any waiver of notice by electronic transmission, unless so required by the Certificate of Incorporation or these Bylaws.

2.14 List of Stockholders

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in each such stockholder's name, shall be open to the examination of any such stockholder for a period of at least ten (10) days prior to the meeting in the manner provided by law. The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

2.15 Inspector at Meetings of Stockholders

In advance of any meeting of the stockholders, the Board of Directors shall appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board of Directors may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors may appoint or retain other persons or entities to assist the inspector or inspectors in the performance of their duties. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders, the inspector or inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election. When executing the duties of inspector, the inspector or inspectors shall: (a) ascertain the number of shares outstanding and the voting power of each; (b) determine the shares represented at the meeting and the validity of proxies and ballots; (c) count all votes and ballots; (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots.

ARTICLE III
BOARD OF DIRECTORS

3.1 Powers

Subject to the provisions of the General Corporation Law and any limitations in the Certificate of Incorporation or these Bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may adopt such rules and procedures, not inconsistent with the Certificate of Incorporation, these Bylaws or applicable law, as it may deem proper for the conduct of its meetings and the management of the Corporation. Pursuant to Subchapter XV of the General Corporation Law, the Board of Directors shall manage the Corporation in a manner that balances the stockholders' pecuniary interests, the best interests of those materially affected by the Corporation's conduct, and the public benefits identified in the Certificate of Incorporation.

3.2 Number of Directors

The number of directors that shall constitute the whole Board of Directors shall consist of not less than one (1) and not more than 7 directors as fixed from time to time by resolution of the directors of the Corporation. The directors shall be elected at the annual meeting of stockholders, except as provided in Section 3.5, and each director elected shall hold office until his or her successor has been elected and qualified or, if earlier, his or her death, resignation, retirement, disqualification or removal. The vote of any stockholder on an election of directors may be taken in any manner and no such vote shall be required to be taken by written ballot or by electronic transmission unless otherwise required by law. Directors need not be residents of the state of Delaware, citizens of the United States of America or stockholders of the Corporation.

3.3 Election, Qualification and Term of Office of Directors

Except as provided in Section 3.4 of these Bylaws, and unless otherwise provided in the Certificate of Incorporation, directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws, wherein other qualifications for directors may be prescribed. Each director, including a director elected to fill a vacancy, shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

Unless otherwise specified in the Certificate of Incorporation, elections of directors need not be by written ballot.

3.4 Nomination

Nominations for directors must be received by the Company no earlier than one hundred and twenty (120) calendar days and no later than ninety (90) calendar days prior to the first anniversary of the preceding year's annual meeting (provided however, that in the event that the date of the annual meeting is more than thirty (30) calendar days before or more than seventy (70) calendar days after such anniversary date, nominations for the election of directors must be received by the Company no earlier than one hundred and twenty (120) calendar days and no later than ninety (90) calendar days prior to the annual meeting); or if the first public announcement of the annual meeting is less than one hundred (100) days prior to the date of such annual meeting, nominations for the election of directors must be received by the Company no later than ten (10) calendar days following the day on which the public announcement of the date of such meeting was made by the Company.

3.5 Resignation and Vacancies

Any director may resign at any time upon written notice to the attention of the Secretary of the Corporation. Notwithstanding the provisions of Section 223(a)(l) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of the Certificate of Incorporation, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office (including any directors that have tendered a resignation effective at a future date), though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board of Directors' action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Corporation's stockholders or (ii) in writing, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders.

If at any time, by reason of death or resignation or other cause, the Corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the Certificate of Incorporation or these Bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the General Corporation Law.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board (as constituted immediately prior to any such increase), then the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office aforesaid, which election shall be governed by the provisions of Section 211 of the General Corporation Law as far as applicable.

3.6 Place of Meetings; Meetings by Telephone

The Board of Directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.7 Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.8 Special Meetings; Notice

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail, facsimile, electronic transmission or telegram, charges prepaid, addressed to each director at that director' s address as it is shown on the records of the Corporation. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally or by facsimile, electronic transmission, telephone or telegram, it shall be delivered at least twenty-four (24) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting. The notice need not specify the place of the meeting, if the meeting is to be held at the principal executive office of the Corporation. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

3.9 Quorum

At all meetings of the Board of Directors, a majority of the total number of duly elected directors then in office (but in no case less than one-third (1/3) of the total number of the authorized directors) shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.10 Waiver of Notice

Whenever notice is required to be given under any provision of the General Corporation Law or of the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, or waiver by electronic mail or other electronic transmission by such person, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

3.11 Board Action by Written Consent Without a Meeting

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee thereof, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors, or committee thereof, respectfully. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3.12 Fees and Compensation of Directors

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. In addition, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors. Nothing herein shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings or serving on such committees. The maximum aggregate compensation permitted for all non-executive directors for their service as a member of the Board of Directors shall be three hundred thousand and 00/100 Australian Dollars (AU $300,000.00).

3.13 Approval Of Loans To Officers

The Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiary, including any officer or employee who is a director of the Corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

3.14 Removal of Directors

Unless otherwise restricted by statute, by the Certificate of Incorporation or by these Bylaws, any director or the entire Board of Directors may be removed, with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent; provided, however, that if the stockholders of the Corporation are entitled to cumulative voting, if less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

3.15 Chairman of The Board of Directors

The Board of Directors shall annually elect one of its members to be its chair (the "**Chairman**" or "**Chairman of the Board of Directors**") and shall fill any vacancy in the position of Chairman at such time and in such manner as the Board of Directors shall determine. Except as otherwise provided in these Bylaws, the Chairman shall preside at all meetings of the Board of Directors and of stockholders. The Chairman shall perform such other duties and services as shall be assigned to or required of the Chairman.

ARTICLE IV
COMMITTEES

4.1 Committees of Directors

The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, or in these Bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the General Corporation Law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any Bylaw of the Corporation.

4.2 Committee Minutes

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 Meetings and Action of Committees

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of Section 3.6 (place of meetings and meetings by telephone), Section 3.7 (regular meetings), Section 3.8 (special meetings; notice), Section 3.9 (quorum), Section 3.10 (waiver of notice), and Section 3.11 (board action by written consent without a meeting) of these Bylaws, with such changes in the context of such provisions as are necessary to substitute the committee and its members for the Board of Directors and its members; provided, however, that the time of regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee, that special meetings of committees may also be called by resolution of the Board of Directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE V
NOTICE

5.1 Methods of Giving Notice

Whenever, under the provisions of applicable statutes, the Certificate of Incorporation or these Bylaws, notice is required to be given to any director, member of any committee or stockholder, it shall not be necessary that personal notice be given, and such notice may be given in writing, by mail, addressed to such director, member, or stockholder at his, her or its address as it appears on the records of the Corporation or at his, her or its residence or usual place of business, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited with the United States Postal Service. Notice also may be given in any other proper form, as authorized by the General Corporation Law. Notice that is given by facsimile shall be deemed delivered when sent to a number at which any director, member or stockholder has consented to receive such notice. Notice that is given in person or by telephone shall be deemed to be given when the same shall be delivered. Without limiting the manner by which notice otherwise may be given effectively to any director, member or stockholder, any notice given under any provision of these Bylaws shall be effective if given by a form of electronic transmission consented to by such person. Notice given by electronic mail shall be deemed delivered when directed to an electronic mail address at which such person has consented to receive notice and notice given by a posting on an electronic network together with separate notice to such person of such specific posting shall be deemed delivered upon the later of (a) such posting and (b) the giving of such separate notice. Notice given by any other form of electronic transmission shall be deemed given when directed to any director, member or stockholder in the manner consented to by such director, member or stockholder.

5.2 Consent to Electronic Notice

Subject to the limitations set forth in Section 232(e) of the General Corporation Law, each stockholder, by acceptance of his or her certificate for shares of capital stock of the Corporation, consents to the delivery of any notice to stockholders given by the Corporation under the General Corporation Law or the Certificate of Incorporation or these Bylaws by (i) facsimile telecommunication to the facsimile number for the stockholder, if any, in the Corporation's records, (ii) electronic mail to the electronic mail address for the stockholder, if any, in the Corporation's records, (iii) posting on an electronic network together with separate notice to the stockholder of such specific posting, or (iv) any other form of electronic transmission (as defined in the General Corporation Law) directed to the stockholder. The foregoing consent may be revoked by a stockholder by written notice to the Company and may be deemed revoked in the circumstances specified in Section 232 of the General Corporation Law.

5.3 Waiver

Whenever any notice is required to be given under the provisions of an applicable statute, the Certificate of Incorporation, or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VI
OFFICERS

6.1 Officers

The officers of the Corporation shall be a president and a secretary. The Corporation may also have, at the discretion of the Board of Directors, a Chief Executive Officer, a Chief Financial Officer, a Secretary, a Treasurer one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and any such other officers as may be appointed in accordance with the provisions of Section 6.3 of these Bylaws. Any number of offices may be held by the same person.

6.2 Appointment of Officers

The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 6.3 of these Bylaws, shall be appointed by the Board of Directors, subject to the rights (if any) of an officer under any contract of employment.

6.3 Subordinate Officers

The Board of Directors may appoint, or empower the Chief Executive Officer or the President to appoint, such other officers and agents as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

6.4 Salaries

The compensation of all officers and agents of the Corporation shall be fixed by the Board of Directors or pursuant to its direction; and no officer shall be prevented from receiving such salary by reason of his or her also being a director.

6.5 Removal And Resignation Of Officers

Subject to the rights (if any) of an officer under any contract of employment, any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board of Directors at any regular or special meeting of the Board of Directors or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom the power of removal is conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights (if any) of the Corporation under any contract to which the officer is a party.

6.6 Vacancies in Offices

Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors, except such officers as may be appointed in accordance with the provisions of Section 6.3 of these Bylaws.

6.7 Chief Executive Officer

Subject to such supervisory powers (if any) as may be given by the Board of Directors to the Chairman of the Board of Directors (if any), the Chief Executive Officer of the Corporation (if such an officer is appointed) shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and the officers of the Corporation and shall have the general powers and duties of management usually vested in the office of chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The person serving as Chief Executive Officer shall also be the acting president of the Corporation whenever no other person is then serving in such capacity.

6.8 President

Subject to such supervisory powers (if any) as may be given by the Board of Directors to the Chairman of the Board of Directors (if any) or the Chief Executive Officer, the President shall have general supervision, direction and control of the business and other officers of the Corporation. He or she shall have the general powers and duties of management usually vested in the office of president of a corporation and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. The person serving as President shall also be the acting Chief Executive Officer, Secretary or Treasurer of the Corporation, as applicable, whenever no other person is then serving in such capacity.

6.9 Vice Presidents

In the absence or disability of the Chief Executive Officer and President, the Vice Presidents (if any) in order of their rank as fixed by the Board of Directors or, if not ranked, a Vice President designated by the Board of Directors, shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these Bylaws, the President or the Chairman of the Board of Directors.

6.10 Secretary

The Secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors and stockholders. The minutes shall show the time and place of each meeting, the names of those present at directors' meetings or committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates (if any) evidencing such shares, and the number and date of cancellation of every certificate (if any) surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these Bylaws. He or she shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

6.11 Chief Financial Officer

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any member of the Board of Directors.

The Chief Financial Officer shall render to the Chief Executive Officer, the President, or the Board of Directors, upon request, an account of all his or her transactions as Chief Financial Officer and of the financial condition of the Corporation. He or she shall have the general powers and duties usually vested in the office of chief financial officer of a Corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

The person serving as the Chief Financial Officer shall also be the acting Treasurer of the Corporation whenever no other person is then serving in such capacity. Subject to such supervisory powers (if any) as may be given by the Board of Directors to another officer of the Corporation, the Chief Financial Officer shall supervise and direct the responsibilities of the Treasurer whenever someone other than the Chief Financial Officer is serving as Treasurer of the Corporation.

6.12 Treasurer

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records with respect to all bank accounts, deposit accounts, cash management accounts and other investment accounts of the Corporation. The books of account shall at all reasonable times be open to inspection by any member of the Board of Directors.

The Treasurer shall deposit, or cause to be deposited, all moneys and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the Corporation as may be ordered by the Board of Directors and shall render to the Chief Financial Officer, the Chief Executive Officer, the President or the Board of Directors, upon request, an account of all his or her transactions as Treasurer. He or she shall have the general powers and duties usually vested in the office of treasurer of a corporation and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

The person serving as the Treasurer shall also be the acting Chief Financial Officer of the Corporation whenever no other person is then serving in such capacity.

6.13 Representation of Shares of Other Corporations

The Chairman of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Chief Financial Officer, the Secretary or Assistant Secretary of the Corporation or any other person authorized by the Board of Directors or the Chief Executive Officer or the President or a Vice President, is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by the person having such authority.

6.14 Authority and Duties of Officers

In addition to the foregoing authority and duties, all officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board of Directors or the stockholders. In case any officer is absent, or for any other reason that the Board of Directors may deem sufficient, the Chief Executive Officer or the President or the Board of Directors may delegate for the time being the powers or duties of such officer to any other officer or to any director.

ARTICLE VII
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

7.1 Indemnification of Directors and Officers

The Corporation shall, to the maximum extent and in the manner permitted by the General Corporation Law, indemnify each of its directors and officers against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the Corporation. For purposes of this Section 7.1, a "director" or "officer" of the Corporation includes any person (a) who is or was a director or officer of the Corporation, (b) who is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was a director or officer of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

7.2 Indemnification of Others

The Corporation shall have the power, to the maximum extent and in the manner permitted by the General Corporation Law, to indemnify each of its employees and agents (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of the Corporation. For purposes of this Section 6.2, an "employee" or "agent" of the Corporation (other than a director or officer) includes any person (a) who is or was an employee or agent of the Corporation, (b) who is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or (c) who was an employee or agent of a corporation which was a predecessor corporation of the Corporation or of another enterprise at the request of such predecessor corporation.

7.3 Payment of Expenses in Advance

Expenses incurred in defending any action or proceeding for which indemnification is required pursuant to Section 7.1 or for which indemnification is permitted pursuant to Section 7.2 following authorization thereof by the Board of Directors shall be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that the indemnified party is not entitled to be indemnified as authorized in this Article VII.

7.4 Indemnity Not Exclusive

The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, to the extent that such additional rights to indemnification are authorized in the Certificate of Incorporation.

7.5 Insurance

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the General Corporation Law.

7.6 Conflicts

No indemnification or advance shall be made under this Article VII, except where such indemnification or advance is mandated by law or the order, judgment or decree of any court of competent jurisdiction, in any circumstance where it appears: (a) That it would be inconsistent with a provision of the Certificate of Incorporation, these Bylaws, a resolution of the stockholders or an agreement in effect at the time of the accrual of the alleged cause of the action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or (b) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

7.7 Repeal, Amendment or Modification

Any amendment, repeal or modification of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE VIII
RECORDS AND REPORTS

8.1 Maintenance and Inspection of Records

The Corporation shall, either at its principal executive offices or at such place or places as designated by the Board of Directors, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books and other records.

Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's stock ledger, a list of its stockholders, and its other books and records and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent is the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing that authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in Delaware or at its principal place of business.

8.2 Inspection by Directors

Any director shall have the right to examine the Corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought. The Court may summarily order the Corporation to permit the director to inspect any and all books and records, the stock ledger, and the stock list and to make copies or extracts therefrom. The Court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other and further relief as the Court may deem just and proper.

ARTICLE IX
GENERAL MATTERS

9.1 Checks, Notes, Drafts, Etc.

From time to time, the Board of Directors shall designate by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments, or such officer or officers authorized by the Board of Directors to make such designation.

9.2 Deposits

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer may select.

9.3 Execution of Corporate Contracts and Instruments

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.4 Stock Certificates and Notices; Uncertificated Stock; Partly Paid Shares

The shares of the Corporation may be certificated or uncertificated, as provided under Delaware law, and shall be entered in the books of the Corporation and recorded as they are issued. Any or all of the signatures on any certificate may be a facsimile or electronic signature. In case any officer, transfer agent or registrar who has signed or whose facsimile or electronic signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Within a reasonable time after the issuance or transfer of uncertificated stock and upon the request of a stockholder, the Corporation shall send to the record owner thereof a written notice that shall set forth the name of the Corporation, that the Corporation is organized under the laws of Delaware, the name of the stockholder, the number and class (and the designation of the series, if any) of the shares, and any restrictions on the transfer or registration of such shares of stock imposed by the Certificate of Incorporation, these Bylaws, any agreement among stockholders or any agreement between stockholders and the Corporation.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate (if any) issued to represent any such partly paid shares, or upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

9.5 Special Designation on Certificates and Notices of Issuance

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock or the notice of issuance to the record owner of uncertificated stock; provided, however, that, except as otherwise provided in Section 202 of the General Corporation Law, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock or the notice of issuance to the record owner of uncertificated stock, or the purchase agreement for such stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

9.6 Transfer Agents and Registrars

The Board of Directors may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

9.7 Lost, Stolen or Destroyed Certificates

Except as provided in this Section 9.7, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or notice of uncertificated stock in the place of any certificate previously issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or the owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

9.8 Construction; Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

9.9 Dividends

The directors of the Corporation, subject to any restrictions contained in (a) the General Corporation Law or (b) the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the Corporation's capital stock.

The directors of the Corporation may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

9.10 Fiscal Year

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

9.11 Transfer Of Stock

Upon receipt by the Corporation or the transfer agent of the Corporation of proper transfer instructions from the record holder of uncertificated shares or upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate or, in the case of uncertificated securities and upon request, a notice of issuance of shares, to the person entitled thereto, cancel the old certificate (if any) and record the transaction in its books.

9.12 Stock Transfer Agreements

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law.

9.13 Stockholders of Record

The Corporation shall be entitled to recognize the exclusive right of a person recorded on its books as the owner of shares to receive dividends and to vote as such owner, shall be entitled to hold liable for calls and assessments the person recorded on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

9.14 Facsimile or Electronic Signature

In addition to the provisions for use of facsimile or electronic signatures elsewhere specifically authorized in these Bylaws, facsimile or electronic signatures of any stockholder, director or officer of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

9.15 Seal

The corporate seal, if one is authorized by the Board of Directors, shall have inscribed thereon the name of the Corporation, and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

9.16 Books

The books of the Corporation may be kept (subject to any provision contained in the statutes) outside the state of Delaware at the offices of the Corporation, or at such other place or places as may be designated from time to time by the Board of Directors.

9.17 Conflict with Applicable Law or Certificate of Incorporation

These Bylaws are adopted subject to any applicable law and the Certificate of Incorporation. Whenever these Bylaws may conflict with applicable law or the Certificate of Incorporation, such conflict shall be resolved in favor of such law or the Certificate of Incorporation.

9.18 Forum for Adjudication of Disputes

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for:

(a) any derivative action or proceeding brought on behalf of the Corporation;

(b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee, or agent of the Corporation to the Corporation or the Corporation's stockholders;

(c) any action asserting a claim arising pursuant to any provision of the General Corporation Law, the Certificate of Incorporation or these Bylaws; or

(d) any action asserting a claim governed by the internal affairs doctrine;

In each case, subject to said court having personal jurisdiction over the indispensable parties named as defendants therein. If any action the subject matter of which is within the scope of this Section 9.18 is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to: (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce this Section 9.18 (an "Enforcement Action"); and (ii) having service of process made upon such stockholder in any such Enforcement Action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 9.18.

ARTICLE X
SECTION HEADINGS

The headings contained in these Bylaws are for reference purposes only and shall not be construed to be part of and shall not affect in any way the meaning or interpretation of these Bylaws.

ARTICLE XI
AMENDMENTS

The Bylaws of the Corporation may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the Corporation may, in its Certificate of Incorporation, confer the power to adopt, amend or repeal Bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal Bylaws.

ARTICLE XII
ASX LISTING COMPLIANCE

For such time as the Corporation is admitted to the Official List of ASX Limited (the "**ASX**"), the following shall apply:

(a) Notwithstanding anything contained in these Bylaws, if the Listing Rules of ASX and any other rules of ASX which are applicable while the Corporation is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX (the "**Listing Rules**") prohibit an act being done, the act shall not be done;

(b) Nothing contained in these Bylaws prevents an act being done that the Listing Rules require to be done;

(c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

(d) If the Listing Rules require these Bylaws to contain a provision and it does not contain such a provision, these Bylaws are deemed to contain that provision;

(e) If the Listing Rules require these Bylaws not to contain a provision and it contains such a provision, this these Bylaws are deemed not to contain that provision;

(f) If any provision of these Bylaws is or becomes inconsistent with the Listing Rules, these Bylaws are deemed not to contain that provision to the extent of the inconsistency;

(g) In connection with the Corporation's admission to the Official List of the ASX and its listing of CHESS Depository Interests ("**CDIs**") (with each CDI representing an interest in one share of common stock) on the ASX, certain stockholders (each a "**Restricted Stockholder**") were required by the ASX to enter into an escrow agreement (each an "**Escrow Agreement**") under which the stockholder agreed, among other things, to certain restrictions and prohibitions from engaging in transactions in the shares of the Corporation's capital stock (including shares in the form of CDIs) held or acquired by the stockholder (including shares of the Corporation's capital stock that may be acquired upon exercise of a stock option, warrant or other right) or shares of the Corporation's capital stock which attach to or arise from such shares (collectively, the "**Restricted Securities**") for a period of time identified in the Escrow Agreement (the "**Lock-Up Period**");

(h) The Corporation may refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the Lock-Up Period except as permitted by the ASX or the Listing Rules; and

(i) The Corporation may refuse to acknowledge or register any transfer of shares of the Corporation's capital stock (including shares in the form of CDIs) held or acquired by a stockholder (including shares of the Corporation's capital stock that may be acquired upon exercise of a stock option, warrant or other right) or shares of the Corporation's capital stock which attach to or arise from such shares which are not made:

(1) in accordance with the provisions of Regulation S of the Securities Act of 1933 (U.S.), as amended to date and the rules and regulations promulgated thereunder (the "**U.S. Securities Act**") (Rule 901 through Rule 905 and preliminary notes);

(2) pursuant to registration under the U.S. Securities Act; or

(3) pursuant to an available exemption from registration.

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of _____ between Sezzle Inc., a Delaware corporation (the "**Company**"), and _____("**Indemnitee**").

WITNESSETH THAT:

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Amended and Restated Bylaws of the Company (as may be amended the "**Bylaws**") and the Amended and Restated Certificate of Incorporation of the Company (as may be amended, the "**Certificate**") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**"). The Bylaws, the Certificate, and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and the Certificate and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Bylaws and the Certificate and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified; and

WHEREAS, Indemnitee has certain rights to indemnification and/or insurance provided by Continental Investment Partners LLC ("**Appointing Stockholder**") which Indemnitee and Appointing Stockholder intends to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve on the Board.

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as a director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof.

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section l(a) if, by reason of his Corporate Status (as hereinafter defined), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity.

(a) Indemnification of Indemnitee. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

(b) Indemnification of Appointing Stockholder. Indemnitee is or was affiliated with Appointing Stockholder, which has invested in the Company. If the Appointing Stockholder is, or is threatened to be made, a party to or a participant in any Proceeding and the Appointing Stockholder's involvement in the Proceeding results from any claim based on the Indemnitee's service to the Company as a director or other fiduciary of the Company, the Appointing Stockholder will be entitled to indemnification hereunder for Expenses to the same extent as Indemnitee, and the terms of this Agreement as they relate to procedures for indemnification of Indemnitee and advancement of Expenses shall apply to any such indemnification of Appointing Stockholder.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors, or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board (1) by a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum, (2) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, (3) if there are no Disinterested Directors or if the Disinterested Directors so direct, by Independent Counsel (as hereinafter defined) in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee, or (4) if so directed by the Board, by the stockholders of the Company.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such sixty (60) day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided further, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate, the By-laws, any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate, By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by Appointing Stockholder and certain of its affiliates (collectively, the "**Appointing Stockholder Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (*i.e.*, its obligations to Indemnitee are primary and any obligation of the Appointing Stockholder Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Certificate of the Company or the Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Appointing Stockholder Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Appointing Stockholder Indemnitors from any and all claims against the Appointing Stockholder Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Appointing Stockholder Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Appointing Stockholder Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Appointing Stockholder Indemnitors are express third party beneficiaries of the terms of this Section 8(c).

(d) Except as provided in paragraph (c) above, in the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Appointing Stockholder Indemnitors), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) Except as provided in paragraph (c) above, the Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(f) Except as provided in paragraph (c) above, the Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision, provided, that the foregoing shall not affect the rights of Indemnitee or the Appointing Stockholder Indemnitors set forth in Section 8(c) above; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of his Corporate Status, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

11. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

13. Definitions. For purposes of this Agreement:

(a) "**Corporate Status**" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "**Enterprise**" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(d) "**Expenses**" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "**Proceeding**" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of his or her Corporate Status, by reason of any action taken by him or of any inaction on his part while acting in his or her Corporate Status; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Further, the invalidity or unenforceability of any provision hereof as to either Indemnitee or Appointing Stockholder shall in no way affect the validity or enforceability of any provision hereof as to the other. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee and Appointing Stockholder indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company at:

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

19. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY:

Sezzle Inc.

By: _____
Name: _____
Title: _____

INDEMNITEE

_____
Name:

Address:

Notices to Indemnitee:

Sezzle Director Agreement

This Sezzle Director Agreement (the "Agreement") is entered into as of _____ (the "Effective Date") by and between Sezzle (the "Company") and _____ (the "Director").

The parties agree as follows:

1. **Services**. Director agrees to serve as a board member for the Company performing such duties and responsibilities as are customarily related to such position in accordance with Company's bylaws and applicable law, and provide advice and assistance to the Company from time to time as mutually agreed to by the parties (collectively, the "Services"). These services often represent themselves in the form of attending board meetings via phone or web conference, reviewing investor updates and answering and advising the management team on questions relevant to the Director's expertise.

2. **Compensation**. In exchange for Services, Director shall be entitled to receive stock options. The exercise price is equal to the fair market value of the Company's Common Stock (currently $0.05 per share). The details of these stock options will be documented in the applicable Stock Option Agreement to be entered into by Director and the Company as contemplated on the signature page hereto. The stock options will fully vest in the event of an acquisition or a change of control. The Company shall issue the stock options within 60 days from the date this Agreement is executed by both parties.

3. **Expenses**. The Company shall reimburse Director for all reasonable business expenses incurred in the performance of the Services in accordance with the Company's expense reimbursement guidelines.

4. **Term and Termination**. The term of this Agreement shall continue until terminated by either party for any reason upon five (5) days prior written notice without further obligation or liability.

5. **Independent Contractor**. Director's relationship with the Company will be that of an independent contractor and not that of an employee. Director will not be eligible for any employee benefits, nor will the Company make deductions from payments made to the Director for employment or income taxes, all of which will be the Director's responsibility. Director will have no authority to enter into contracts that bind the Company or create obligations on the part of the Company without the prior written authorization of the Company.

6. **Nondisclosure of Confidential Information**.

a. **Agreement Not to Disclose**. Director agrees not to use any Confidential Information (as defined below) disclosed to Director by the Company for Director's own use or for any purpose other than to carry out discussions concerning, and the undertaking of, the Services. Director agrees to take all reasonable measures to protect the secrecy of and avoid disclosure or use of Confidential Information of the Company in order to prevent it from falling into the public domain or the possession of persons other than agents of the Company or persons to whom the Company consents to such disclosure. Upon request by the Company, any materials or documents that have been furnished by the Company to Director in connection with the Services shall be promptly returned by the Director to the Company.

b. **Definition of Confidential Information**. "Confidential Information" means any information, technical data or know-how (whether disclosed before or after the date of this Agreement), including, but not limited to, information relating to business and product or service plans, financial projections, customer lists, business forecasts, sales and merchandising, human resources, patents, patent applications, computer object or source code, research, inventions, processes, designs, drawings, engineering, marketing or finance to be confidential or proprietary or which information would, under the circumstances, appear to a reasonable person to be confidential or proprietary. Confidential Information does not include information, technical data or know-how that: (i) is in the possession of Director at the time of disclosure, as shown by Director's files and records immediately prior to the time of disclosure; or (ii) becomes part of the public knowledge or literature, not as a direct or indirect result of any improper inaction or action of Director. Notwithstanding the foregoing, the Director may disclose Confidential Information with the prior written approval of the Company or pursuant to the order or requirement of a court, administrative agency or another governmental body.

7. **No Rights Granted**. Nothing in this Agreement shall be construed as granting any rights under any patent, copyright or any other intellectual property right of the Company, nor shall this Agreement grant Director any rights in or to the Company's Confidential Information, except the limited right to use the Confidential Information in connection with the Services.

8. **Assignment of Intellectual Property**. To the extent that Director jointly or solely conceives, develops or reduces to practice any new inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets, whether or not patentable or registrable under copyright or similar laws or other intellectual property which would be deemed to be Confidential Information of the Company (collectively, "Intellectual Property") which clearly relates to the Company's business or technology and has been created by the Director solely in the course of the performance of Services such as in correspondence, e-mails, meetings or meetings relating to the Company, Director hereby acknowledges that it is "work made for hire" for the benefit of the Company and hereby assigns all rights, titles, and interest to such Intellectual Property to the Company.

9. **Duty to Assist**. As requested by the Company and only with respect to Intellectual Property created by Director for the Company as provided in paragraph 8 above, Director shall take all steps reasonably necessary to assist the Company in obtaining and enforcing in its own name any such Intellectual Property right. Director's obligation to assist the Company shall continue beyond the termination of Director's relationship with the Company, but the Company shall compensate Director at a reasonable rate after the termination of such relationship for time actually spent at the Company's request providing such assistance.

10. **Company's Right to Disclose.** The Company shall have the right to disclose the existence of this Agreement, Director's status as a Director, and to include Director's name, image and profile in various promotional materials, including, but not limited to, executive summaries and the Company's world wide web page.

11. **No Conflicts**. Director represents that Director's compliance with the terms of this Agreement and provision of Services hereunder will not violate any duty which Director may have to any other person or entity (such as a present or former employer), and Director agrees that Director will not do anything in the performance of Services hereunder that would violate any such duty. In addition, the Director agrees that, during the term of this Agreement, the Director shall promptly notify the Company in writing of any direct competitor of the Company which Director is also performing services. It is understood that in such event, the Company will review whether the Director's activities are consistent with Director remaining as a director of the Company.

12. **Miscellaneous**. Any term of this Agreement may be amended or waived only with the written consent of the parties. So long as you continue to serve as a director to the Company, you hereby consent to the Company including your name on its marketing materials, Web site or private placement memo, or offering materials as a director of the Company. This Agreement, including any schedules hereto, constitute the sole agreement of the parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof. The validity, interpretation, construction, and performance of this Agreement shall be governed by the laws of the State listed on the signature page, without giving effect to the principles of conflict of laws. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

13. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties hereto superseding all prior and contemporaneous agreements or understandings among the parties hereto concerning the Agreement.

14. **Assignment.** This Agreement shall not be assignable by either party.

15. **Severability.** If any provision of this Agreement shall be held by a court to be invalid, unenforceable, or void, such provision shall be enforced to the full extent permitted by law, and the remainder of this Agreement shall remain in full force and effect. In the event that the time period or scope of any provision is declared by a court of competent jurisdiction to exceed the maximum time period or scope that such court deems enforceable, then such court shall reduce the time period or scope to the maximum time period or scope permitted by law.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

The parties have duly executed this Agreement as of the date first written above.

Company	**Director**
By: _____	By: _____
Name:	Name:
Title:	Date:
Date:	Address:

LEASE AGREEMENT

BY AND BETWEEN

MCKESSON BUILDING, LLC,
a limited liability corporation

AND

Sezzle, Inc

a Delaware corporation

FOR

MCKESSON BUILDING, LLC

SUITE 200

251 1st AVENUE NORTH

MINNEAPOLIS, MN 55401

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XXX. LEASE

This Lease between MCKESSON BUILDING, LLC, a limited liability company, ("Landlord"), and Sezzle, Inc., a Delaware Corporation ("Tenant"), is in full force and effect on November 30, 2019.

1. LEASE OF PREMISES

In consideration of the Rent (as defined in Section 5.01) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises shown on the floor plan attached hereto as Exhibit A, and further described in Section 2.01. The Premises are located within the Building and Project described in Section 2.12. Tenant shall have the nonexclusive right (unless otherwise provided herein) in common with Landlord, other tenants, subtenants and invitees to use the Common Areas (as defined in Section 2.09).

2. DEFINITIONS

As used in this Lease, the following terms shall have the following meanings:

2.01 Premises: That portion of the Building containing approximately 14,740 square feet of Rentable Area, shown on Exhibit "A", located in and known as MCKESSON BUILDING, LI C, 251 1ct Avenue North, Suite 200, Minneapolis, Minnesota. 55401.

2.02 Commencement Date: July 1, 2020.

2.03 Expiration Date: The last day of the month, 2_ years and 0 months from the Commencement Date, unless otherwise extended or sooner terminated in accordance with the provisions of this Lease.

2.04 Term: The period commencing on the Commencement Date and expiring at midnight of the Expiration Date or as extended by the exercise of any option to extend the Term.

2.05 Security Deposit (Section 8): $11,731.38.

2.06 Total Base Rent: $281,553.10.

2.07 Monthly Installments of Base Rent:

Period	Monthly Base Rent	Annual Base Rent
1 - 24	$ 11,731.38	$ 140,776.55

2.08 Tenant's Proportionate Share: seventeen and 88 hundredths percent (17.88%) Tenant's Proportionate Share shall equal a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Building, as determined by Landlord from time to time. Should the area of the Premises or of the Building change, such share shall be adjusted and shall equal a fraction, the numerator of which is the Rentable Area of the Premises, and the denominator of which is the Rentable Area of the Building, as determined by Landlord from time to time.

2.09 Common Area: All areas designated by Landlord for common use or benefit of all tenants, their customers or invitees within the Building and Project, including but not limited to, parking lots, landscaped and vacant areas, drainage ditches, passages for trucks and automobiles, areaways, roads, walks, curbs, corridors, malls, roof, lanes and arcades together with public facilities such as building lobbies, restrooms, exercise room, locker room, building conference room, garage, comfort rooms, lounges, drinking fountains, toilets, stairs, ramps, elevators, shelters, porches, bus stations and loading docks, with facilities appurtenant to each. The Common Area shall not include commercial areas intended for renting or roads maintained by public authority. Provided that the same does not unreasonably interfere with Tenant's use of or access to the Premises, Landlord may expand, contract or change said Common Area from time to time as Landlord deems desirable, with a view to the improvement of the convenience and use of Common Area by tenants, their employees and customers.

2.10 Estimated Monthly Operating Cost (as defined in 6.1: $ 6,866.38 ($ 5.59 psf per annum) based on the 2019 Projected Budget.

2.11 Estimated Monthly Real Estate Taxes: $5,969.88_($___$4.86) psf per annum based on 2019 Actual Tax Payments)

2.12 Project: The building of which the Premises are a part (the "Building") and any other buildings or improvements on the real property (the "Property") located at 251 1st Avenue North, Minneapolis, Minnesota 55401 and further depicted on Exhibit "B." The project is known as MCKESSON BUILDING, LLC.

2.13 Rentable Area: As to both the Premises and the Project, the respective measurements of floor area as may from time to time be subject to lease by Tenant and all tenants of the Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.

2.14 Parking: Tenant shall be permitted to park 0 cars on a non-exclusive basis in the area(s) designated by Landlord for parking.

2.15 Landlord's Mailing Address: McKesson Building LLC, c/o Acre Real Estate LLC, 225 South 6th Street, Suite 3900, Minneapolis, Minnesota 55402.

With a copy to the Building Manager: Acre Real Estate LLC, 225 South 6th Street, Suite 3900 Minneapolis, Minnesota 55402.

Tenant's Mailing Address: 251 1st Avenue North, Suite 200, Minneapolis, MN 55401.

2.16 Landlord's Work and Tenant's Work: shall have the meaning set forth on Exhibit "C" attached hereto.

2.17 Projected Delivery Date: shall be July 1, 2020.

2.18 State: The State of Minnesota.

2.19 Tenant's Use Clause (Article 10): General Office.

2.20 Broker(s)

Landlord's: Acre Real Estate, LLC
Tenant's: none.

3. EXHIBITS AND ADDENDA

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

Addendum 1 - Other Terms and Conditions.
Exhibit "A" - Floor Plan showing the Premises.
Exhibit "B" - Site Plan of the Project / Legal Description.
Exhibit "C" - Landlord's Work and Tenant's Work.
Exhibit "D" - Guaranty and Agreement.
Exhibit "E" - General Specifications for Tenant's Alterations or Improvements
Exhibit "F" - Commencement Letter
Exhibit "G" – Rules and Regulations for Building

4. DELIVERY OF POSSESSION

If Landlord does not deliver possession of the Premises to Tenant on the Commencement Date, Landlord shall not be liable for such failure, the Expiration Date shall not change and the validity of this Lease shall not be impaired, but Rent shall be abated until delivery of possession. "Delivery of possession" shall be deemed to occur on the date Landlord completes Landlord's Work defined in Exhibit "C." If Landlord permits Tenant to enter into possession of the Premises before the Commencement Date, such possession shall be subject to the provisions of this Lease, including, without limitation, the payment of Rent.

5. RENT

5.01 Definition of Rent All costs which Tenant or agrees to pay to Landlord under this Lease shall be deemed additional rent (which, together with the Base Rent is sometimes referred to as "Rent"). Rent shall be paid to the Landlord or at such place as Landlord may from time to time designate in writing, without any prior demand therefore and without deduction or offset, in lawful money of the United States of America.

5.02 Payment of Rent The monthly installments of Rent shall be payable in advance on or before the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the Base Rent for the partial month shall *be* prorated on a per diem basis.

5.03 Allocation of Payments Any payment by Tenant of an amount less than the Rent provided for in this Lease shall be applied to the earliest due Rent. No endorsement on any check or acceptance of any payment shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any obligation of Tenant.

6. PROJECT OPERATING COSTS

6.01 Definition of Project Operating Costs. Tenant agrees to pay as Rent, Tenant's Proportionate Share of all costs, expenses and obligations attributable to the Project and its operation (the "Project Operating Costs") as provided below. The term "Project Operating Costs" shall include all those items described in the following subparagraphs a. and b.

a. All taxes, assessments, water and sewer charges and other similar governmental charges due and payable on or attributable to the Building or Project or their operation, including without limitation, (1) real property taxes or assessments due and payable against the Building or Project, (2) assessments or charges due and payable against the Building or Project by any redevelopment agency, (3) any and all costs, including attorney's fees, incurred by Landlord in contesting the amount of any taxes or assessments levied against the Building or the Project provided any refunds resulting from such contest shall be credited against Project Operating Costs in the year received, and (4) any tax measured by gross rentals received from the leasing of the Premises, Building or Project, excluding any net income, franchise, capital stock, estate or inheritance taxes imposed by the State or federal government or their agencies, branches or departments; provided that if at any time during the Term any governmental entity levies, assesses or imposes on Landlord any (i) general or special, ad valorem or specific, excise, capital levy or other charge directly on the Rent received under this Lease or on the rent received under any other leases of space in the Building or Project, or (ii) any license fee, excise or franchise tax, or charge measured by or based, in whole or in part, upon such rent, or (iii) any transfer, transaction, or similar tax, or assessment, based directly or indirectly upon the transaction represented by this Lease, or (iv) any occupancy, use, per capita or other tax or charge based directly or indirectly upon the use or occupancy of the Premises or other premises within the Building or Project, then any such taxes, assessments, levies and charges shall be deemed to be included in the term Project Operating Costs.

b. The total cost incurred by Landlord in owning, operating, and maintaining the Project, in a manner deemed by Landlord reasonable and appropriate and for the best interests of the tenants of the Project, including, without limitation, management fees, all costs and expenses (relating to the land, Common Area and improvements) of operating, maintaining, repairing, lighting, cleaning, painting, striping, inspecting, insuring (including but not limited to liability insurance for personal injury, death and property damage, insurance against fire, theft or other casualties, worker's compensation insurance, insurance covering personnel, insurance against liability for defamation and claims of false arrest, and Landlord's plate glass insurance), removing of snow, ice, debris and surface water, renting of music, regulation of traffic, pest control, utilities, including, without limitation, water, electricity and gas not billable directly to tenants of the Building, janitorial service, window washing, sewer and security (including the cost of uniforms, equipment and all employment taxes, electronic intrusion and fire control devices and telephone monitoring and alert systems), complying with laws and regulations (including improvements or changes required by new laws or regulations), expenses related to the maintenance and repairs of elevators, costs of replacing or retrofitting HVAC systems to comply with laws or regulations, including heating, air conditioning and ventilating the Building and any of its Common Areas, charges related to indoor air quality control, fees for permits and licenses, fees of attorneys, accountants and other professionals, employment costs in connection with the Project, as well as all costs and expenses of repairs and replacement of gutters, downspouts, roofs, building service equipment, exercise equipment, locker facilities, Building conference facility, paving, curbs, sidewalks, walkways, roadways, parking surfaces, landscaping, drainage, equipment, machines, fixtures, interior and exterior maintenance expenses including expenses related to maintenance of the roof, foundation and structural portions of the Building and the electrical, mechanical, plumbing and other systems and facilities serving the Land and Building. It is the intention of Landlord and Tenant that this Lease be fully net to Landlord; and accordingly Project Operating Costs shall include all costs and expenses incurred by Landlord in connection with the Project other than costs of leasing to tenants, initial or expansion capital construction costs, depreciation of initial or expansion capital construction costs, and interest on money borrowed for such construction costs; except for the amortization as allowed pursuant to the rules and regulations established under the Internal Revenue Code of 1986, as amended, on a commercially reasonable basis, of capital improvements (including interest expenses) made to: (i) reduce operating costs, but only up to the amount saved during the Term of this Lease, (ii) comply with the requirements of Landlord's insurance carrier, (iii) comply with any law, rule, regulation or order of any governmental authority.

6.02 Payment of Project Operating Costs. Tenant's Proportionate Share of Project Operating Costs shall be payable by Tenant to Landlord as follows:

a. To provide for current payments of Tenant's Proportionate Share of Project Operating Costs, Tenant shall pay as additional rent, an amount equal to Tenant's Proportionate Share of the Project Operating Costs payable during each calendar year, as estimated by Landlord from time to time. Such payments shall be made in monthly installments, commencing on the first day of the month following the month in which Landlord notifies Tenant of the amount it is to pay hereunder and continuing until the first day of the month following the month in which Landlord gives Tenant a new notice of estimated Project Operating Costs.

b. On or before April 1 of each calendar year (or as soon thereafter as is practical), Landlord shall deliver to Tenant a statement setting forth Tenant's Proportionate Share of the actual Project Operating Costs for the preceding calendar year. If Tenant's Proportionate Share of the actual Project Operating costs for the previous calendar year exceeds the total of the monthly payments made by Tenant for such year, Tenant shall pay Landlord the amount of the deficiency within ten (10) days of the receipt of the statement. If such total exceeds Tenant's Proportionate Share of the actual Project Operating Costs for such calendar year, the Landlord shall credit against Tenant's next ensuing monthly installment(s) of Rent an amount equal to the difference until the credit is exhausted. If a credit is due from Landlord on the Expiration Date, Landlord shall pay Tenant the amount of the credit on or before April 1 of the succeeding calendar year. The obligations of Tenant and Landlord to make payments required under this Section 6.02 shall survive the Expiration Date.

c. Tenant's Proportionate Share of Expenses in any lease year having less than 365 days shall be prorated on a daily basis.

d. If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification unless it is determined that Landlord's original statement overstated Project Operating Costs by more than ten percent (10%).

6.03 Other Taxes Payable by Tenant. Tenant shall reimburse Landlord upon demand for all taxes payable by Landlord (other than net income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made to the Premises, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest in the Premises.

7. INTEREST AND LATE CHARGES

If Tenant fails to pay when due any Rent or other charges under the terms of this Lease, the unpaid amounts shall bear interest at the maximum rate then allowed by law. Tenant acknowledges that the late payment of Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, mortgage penalties, collection costs and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any Rent is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to five percent (5%) of such amount. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such non-payment by Tenant.

8. SECURITY DEPOSIT

8.01 Tenant agrees to deposit with Landlord the Security Deposit set forth at Section 2.05 upon execution of this Lease, as security for Tenant's performance of its obligations under this Lease. Landlord and Tenant agree that the Security Deposit may be commingled with other funds of Landlord and Landlord shall have no obligation or liability for payment of interest on such deposit.

8.02 If Tenant fails to pay Rent or any other amount when due, or fails to perform any of the terms hereof, Landlord may use all or any portion of the Security Deposit for amounts then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default, and for any loss sustained by Landlord as a result of Tenant's default. Landlord may use this deposit without prejudice to any other remedy Landlord may have. If Landlord uses any of the Security Deposit, Tenant shall, within ten (10) days after written demand therefore, restore the Security Deposit to the full amount originally deposited; Tenant's failure to do so shall constitute an act of default hereunder and Landlord shall have the right to exercise any remedy provided for in Article 28. Within thirty (30) days after the Term has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant. If Landlord sells its interest in the Premises, Landlord may deliver the Security Deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

9. UTILITY SERVICES.

9.01 Electricity, Gas, Water and Sewer. Landlord agrees to provide mains, conduits and other facilities to supply gas, water, sewer and electricity to the Premises or to nearby places. Tenant shall pay for the cost of all utilities provided to the Premises that are separately metered and billable to the Tenant, including gas, electric and water used in Tenant's sole Premises. In addition, Tenant shall pay as part of Project Operating Costs for all electricity, gas, water, rubbish removal and other utilities provided to the Project which are not separately metered. Tenant shall pay for the entire cost of its telephone system, cable, internet, and other telecommunication or security equipment and services provided to the Premises, and the charges therefor shall be charged and billed directly to Tenant and shall be paid directly by Tenant to the vendor company or entity that furnishes such services and equipment.

9.02 Heating, Air Conditioning and Ventilating. Landlord agrees at its own cost to provide a building standard system designed to heat, air condition and ventilate the Premises, the Common Areas and other occupied Areas of the Project. Tenant agrees to accept and use such heating, air conditioning and ventilation system in the Premises and to allow Landlord access to maintain, repair and replace the system and all other HVAC equipment serving the Project, including equipment serving other tenants, and such cost shall be considered part of Project Operating Costs, subject to reimbursement from Tenant in the amount of Tenant's Proportionate Share. The HVAC costs shall reflect all costs and expenses of full operation between the hours of 7:00 a.m. - 6:00 p.m. Monday through Friday and 9:00 a.m. - 1:00 p.m. Saturday. Should Tenant require additional HVAC outside these hours, Tenant shall pay an additional charge for such service on an hourly basis as additional Rent. Such charge shall be determined by Landlord.

9.03 Rubbish Removal. Landlord shall be responsible for contracting for all removal of trash, rubbish, debris and recyclables generated by Tenant. Tenant shall be required to pay rubbish removal and recycling fees through Project Operating Costs based on Tenant's Proportionate Share. Tenant shall participate and fully cooperate with any recycling program instituted by Landlord. If Tenant fails to do so, Tenant shall pay a penalty equal to $.25 (twenty-five cents) per square foot of Rentable Area in the Premises per year, prorated for the period of non-compliance.

9.04 Discontinuance of Service. Whenever any bills for rent, operating costs, real estate taxes or any other service, are not promptly paid by Tenant; Landlord reserves the right to discontinue service, without liability to Tenant. No such action by Landlord, or notice thereof, shall be construed as an eviction or disturbance of possession or as an election by Landlord to terminate this Lease.

9.05 Interruption of Service. Landlord shall not be liable in damages or otherwise if any utility service or other service to the Premises shall be interrupted or impaired by fire, accident, riot, strike, act of God, the making of necessary repairs or improvements or by any causes beyond Landlord's control.

9.06 Compliance with Laws. Tenant shall comply with all present and future laws, ordinances, rules, regulations, or governmental or quasi-governmental directives (including without limitation those requirements of the Occupational Safety and Health Administration that relate to the Premises) regarding the indoor air quality of the Premises and the maintenance of any heating, ventilating, and air conditioning equipment or system for which the Tenant is responsible pursuant to this Lease.

10. TENANT'S USE OF THE PREMISES

10.01 Permitted Use. Tenant shall use the Premises solely for the purposes set forth at Section 2.19. Tenant shall not conduct or permit auctions or sheriff's sales at the Property. Tenant shall not grant any concession, license or permission to any third party to sell merchandise or services in the Premises. Tenant shall not divert to another location business that would normally be conducted on or from the Premises.

10.02 Manner of Use. Tenant shall not use or occupy the Premises in violation of any law or restriction affecting the Building or Project and shall immediately discontinue any use of the Premises which is declared by any governmental authority to be a violation of law or the certificate of occupancy. Tenant shall, at Tenant's own cost and expense, comply with all laws, regulations, or directions of any governmental or quasi-governmental agency or authority which shall impose any duty upon Tenant or Landlord with respect to the Premises or their use or occupation. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Building or Project, and shall comply with all rules, orders, and recommendations. Tenant shall reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done on or about the Premises which will interfere with the rights of other tenants or occupants of the Building or of the Project, or injure or annoy them, or use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

11. CONDITION OF THE PREMISES

Tenant's taking possession of the premises shall be deemed conclusive evidence that the Premises are in satisfactory condition, except for such matters as to which Tenant gave Landlord notice on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises, the Building or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Building, Project or this Lease (including, without limitation, the condition of the Premises, the Building or the Project) have been made to Tenant by Landlord or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

12. CONSTRUCTION, REPAIRS AND MAINTENANCE

12.01 Landlord's Obligations.

a. Landlord shall maintain the Common Areas, the foundations, the four outer walls, downspouts and gutters of the Building and, to the extent not serving the Premises or the premises of other tenants or other occupants of the Project, the plumbing, sewage and heating, air conditioning, ventilating systems, and all boilers and other pressure vessel equipment, in good repair, ordinary wear and tear accepted. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which Landlord is required or permitted by this Lease or by any other tenant's lease or required by law to make to any portion of the Project. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.

b. Landlord shall not be liable for any loss or damage that may be caused by persons occupying adjoining premises or any part of the Building, or any person present in the Project for any other purpose or for any loss from burst, stopped or leaking water, gas, sewer, sprinkler or steam pipes or plumbing fixtures, or from any failure of or defect in any electric line, circuit or facility.

12.02 Tenant's Obligations.

a. Tenant at Tenant's sole expense shall: 1) maintain the Premises in a clean, orderly and sanitary condition; 2) keep any trash temporarily stored in the Premises in accordance with local codes and removed on a regular basis to such location as Landlord may determine; 3) keep all mechanical apparatus installed by Tenant free of vibration and noise which may be transmitted beyond the Premises; 4) comply with all laws, ordinances, rules and regulations of governmental authorities; 5) maintain the Premises in good order, condition and repair, including the surfaces of the ceilings, walls and floors, all doors, all windows, all plumbing, pipes and fixtures, electrical wiring, switches and fixtures, Building Standard furnishings, and special items and equipment installed by or at the expense of Tenant; 6) if Tenant installs any electrical equipment that overloads the power lines to the Building or its wiring, Tenant shall, at its own expenses, make whatever changes are necessary to comply with the requirements of any insurance underwriting firm, insurance rating bureau and governmental authorities having jurisdiction over or making any inspection of the Building.

b. Tenant shall be responsible for all repairs and alterations in and to the Premises, Building and Project and the facilities and systems thereof, the need for which arises out of: 1) the installation, removal, use or operation of Tenant's Property (as defined in Article 13) in the Premises; 2) the moving of Tenant's Property into or out of the Building; or 3) the act, omission, misuse or negligence of Tenant, its agents, contractors, employees or invitees.

c. If Tenant fails to maintain the Premises in good order and repair, Landlord shall give Tenant notice to correct the condition. If Tenant fails to commence such work promptly, then Landlord shall have the right to do such acts and expend such funds at the expense of Tenant. Any amount so expended by Landlord shall be paid by Tenant with interest at the maximum rate then allowed by law. Landlord shall have no liability to Tenant as a result of performing any such work.

d. Tenant shall not: 1) place or maintain any merchandise or other objects outside the perimeter of the Premises; 2) use or permit the use of any loud speakers, flashing, moving and/or rotating lights, sound amplifiers, musical instruments, or television or radio broadcasts which are in any manner audible or visible outside the Premises; 3) permit accumulations of garbage or other refuse within the Premises; 4) permit odors to emanate from the Premises; 5) distribute advertising in or upon any automobiles in the Common Areas; 6) permit the parking of delivery vehicles so as to interfere with the use of any driveway, walk, parking area or other Common Areas in the Project; 7) receive or ship articles of any kind except through service facilities designated by Landlord; 8) overload the electrical wiring serving the Premises, and will install any additional electrical wiring which may be required at its expense.

12.03 No Offset. Tenant shall not have the right to make repairs at Landlord's expense or to offset the cost of repairs against Rent or to terminate this Lease because of Landlord's failure to keep the Premises in good order, condition and repair.

12.04 Load and Equipment Limits. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install machinery or mechanical equipment which cause noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

13. ALTERATIONS AND ADDITIONS

13.01 Tenant shall not make any addition or alterations to the Premises without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld as to non-structural additions or alterations but which, in any case, may be conditioned on Tenant's removing any such additions or alterations upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession or on other requirements of Landlord. All work shall be done in a good and workmanlike manner, using new, first quality materials, constructed in compliance with all Federal, state, and local laws, ordinances and governmental regulations affecting the Premises and such alterations or improvements shall be performed by a contractor approved in writing by the Landlord. Construction of such alterations or improvements shall commence only upon Tenant obtaining and providing Landlord with copies of the requisite approvals, licenses and permits from the City of Minneapolis, Minnesota, including the Minneapolis Historical Society, the Minneapolis Heritage Preservation Commission and the Minneapolis Warehouse District Commission, and any other applicable governmental authority.

13.02 Tenant shall pay the costs of any work done on the Premises pursuant to Section 13.01, in respect to any labor, service, materials, supplies or equipment furnished to Tenant in or about the Premises, and shall keep the Premises, Building and Project free and clear of liens of any kind. Prior to commencement of any work Tenant shall furnish Landlord with a sworn construction statement listing the names and addresses of all persons, firms, or companies that will be performing labor, or furnishing materials, services, supplies or equipment to Tenant in or about the Premises which may be secured by any mechanic's, material-men's, or other liens against the Premises or Landlord's interest therein. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by a person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

13.03 Tenant shall keep Tenant's leasehold interest free and clear of all attachment or judgment liens. Before the actual commencement of any work Tenant shall give Landlord sufficient notice to enable Landlord to post notices of non-responsibility for the proper protection of Landlord's interest, and Landlord shall have the right to enter the Premises and post and maintain such notices at any reasonable time on the Premises under the laws of the State of Minnesota.

13.04 Landlord may require, at Landlord's sole option, that Tenant provide at Tenant's expense, a lien and completion bond at least one and one-half (1-1/2) times the total estimated cost of any additions or alterations to protect Landlord against liens and to insure timely completion of the work. Upon completion of any such work, Tenant shall provide Landlord with copies of all construction contracts and proof of payment for all labor and materials.

13.05 Unless their removal is required by Landlord as provided in Section 13.01, all additions or alterations shall become the property of Landlord upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 14.02.

13.06 The covenants contained in this Section shall survive the expiration or termination of this Lease.

14. LEASEHOLD IMPROVEMENT; TENANT'S PROPERTY; SECURITY INTEREST

14.01 All fixtures, equipment, and improvements attached to or built into the Premises, whether or not by or at the expense of Tenant, shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 14.02.

14.02 All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without damage to the Building, and all furniture and other articles of movable personal property owned by Tenant ("Tenant's Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term. Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

15. RULES AND REGULATIONS

Tenant agrees to comply with all rules and regulations for the safe, efficient and lawful operation of the Project as Landlord may from time to time make.

16. CERTAIN RIGHTS RESERVED BY LANDLORD

16.01 Landlord reserves the following rights, exercisable without liability to Tenant:

a. To name the Building and Project and to change the name or street address of the Building or Project;

b. To approve all signs on the exterior or interior of the Building and Project;

c. To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes;

d. On reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and

e. To enter the Premises to make inspections, repairs, alterations, or additions to the Premises or the Building and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary for the operation or improvement of the Building or in order to comply with laws or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

17. ASSIGNMENT AND SUBLETTING

17.01 Tenant shall not assign this Lease or sublet all or any part of the Premises without the prior written consent of Landlord. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld; but, in addition to any other grounds for denial, Landlord's consent shall be deemed reasonably withheld if, in Landlord's good faith judgment: (i) the proposed assignee or subtenant does not have the financial strength to perform its obligations under this Lease or any proposed sublease: (ii) the business and operations of the proposed assignee or subtenant are not of comparable quality to the business and operations being conducted by other tenants in the Building; (iii) the proposed assignee or subtenant intends to use any part of the Premises for a purpose not permitted under this Lease; (iv) either the proposed assignee or subtenant, or any person which directly or indirectly controls, is controlled by, or is under common control with the proposed assignee or subtenant occupies space in the Building, or is negotiating with Landlord to lease space in the Building; (v) the proposed assignee or subtenant is disreputable; or (vi) the use of the Premises or the Building by the proposed assignee or subtenant would, in Landlord's reasonable judgment, impact the Building in a negative manner including but not limited to significantly increasing the pedestrian traffic in and out of the Building or requiring any alterations to the Building to comply with applicable laws; (vii) the subject space is not regular in shape with appropriate means of ingress and egress suitable for normal renting purposes; (viii) the transferee is a government (or agency or instrumentality thereof) or (ix) Tenant has failed to cure a default at the time Tenant requests consent to the proposed assignment or subletting. If Tenant is a corporation, partnership or limited liability entity, any cumulative transfer of fifty percent (50%) or greater interest in such entity shall be considered an assignment and shall require the consent of Landlord as described herein. Fifty percent (50%) of any sums or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate: 1) the total sums which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased); plus 2) any real estate brokerage commissions or fees payable in connection with such assignment or subletting, shall be paid to Landlord as additional Rent under this Lease without affecting or reducing any other obligations of Tenant hereunder.

17.02 Notwithstanding the provisions of Section 17.01, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets and obligations of Tenant's business.

17.03 No subletting or assignment shall relieve Tenant of the obligation to pay Rent and to perform all other obligations under this Lease. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor.

17.04 If Tenant requests the consent of Landlord to any assignment or subletting, then Tenant shall, upon demand, pay Landlord any attorneys' fees reasonably incurred by Landlord in considering such act or request.

18. HOLDING OVER

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Base Rent), but the "Monthly Installments of Base Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Base Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the termination date, which shall always be the last day of a calendar month.

19. SURRENDER OF PREMISES

19.01 Tenant shall surrender the Premises to Landlord on the Expiration Date or upon earlier termination of this Lease, in clean condition and in as good condition as when Tenant took possession, except for reasonable wear and tear, loss by fire or other casualty, or loss by condemnation. Tenant shall remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal or by Tenant's use of the Premises. On the Expiration Date Tenant shall surrender all keys to the Premises.

19.02 If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant.

19.03 No act of Landlord, including the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

19.04 Tenant shall be responsible for all consequential damages to Owner as a result of Tenant's failure to surrender the Premises in accordance with this Lease, and this clause shall survive the termination of the Lease.

20. DESTRUCTION OR DAMAGE

20.01 If the Premises is materially damaged by fire, earthquake, act of God, the elements or other casualty, Landlord shall may elect to repair such damage by giving Tenant written notice within thirty (30) days of the date of such casualty and this Lease shall remain in full force and effect. If such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, the Base Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord under Section 20.02. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

20.02 If Landlord elects to repair the Premises under Section 20.01 above or the damage to the Premises and the Building is not material, Landlord shall repair at its cost any injury or damage to the Building and Building Standard Work in the Premises. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property. Landlord shall not be liable for any loss of business inconvenience or annoyance arising from any repair or restoration of any portion of the Premises, Building or Project as a result of any damage from fire or other casualty.

21. EMINENT DOMAIN

21.01 If the whole of the Building or Premises is lawfully taken by condemnation or under threat or in any other manner for any public or quasi-public purpose this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Building or Premises is so taken, this Lease shall be unaffected by such taking, provided that: a) Tenant shall have the right to terminate this Lease by notice to Landlord given within ninety (90) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and b) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination, If this Lease continues in force upon such partial taking, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Rentable Area of the Premises and Project.

21.02 In the event of any taking, partial or whole, all of the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of Landlord. Tenant, however, shall have the right, to the extent that Landlord's award is not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

21.03 In the event of a partial taking of the Premises, or transfer under threat thereof, which does not result in a termination of this Lease, Landlord shall restore the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation or taking, but only to the extent of Building Standard Work. Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of any other Leasehold Improvements and Tenant's Property.

22. INDEMNIFICATION

22.01 Tenant shall indemnify and hold Landlord harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: a) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed by Tenant to be done in or about the Premises; b) any breach or default by Tenant of any of Tenant's obligations under this Lease; or c) any negligent or otherwise tortuous act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel satisfactory to Landlord, defend Landlord in any action arising from any such claim and shall indemnify Landlord against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in or about the Premises from any cause, including, without limitation, from environmental contamination from any source whatsoever.

22.02 Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Building or Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Building or Project.

23. TENANTS INSURANCE

23.01 All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lender and qualified to do business in the State. Each policy shall name Landlord, Landlord's Management Company and any mortgagee of Landlord, as an additional insured. Each policy shall contain: a) a cross-liability endorsement; b) a provision that such policy shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance; and c) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within thirty (30) days after any demand by Landlord therefore. No such policy shall be cancelable, except after twenty (20) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's mortgagee and Tenant as required by this Lease.

23.02 Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall maintain in effect policies of casualty insurance covering: a) fire and extended coverage insurance, including protection against vandalism and malicious mischief, plus "all-risk" endorsements insuring all Leasehold Improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to the provisions of Article 13 hereof); and b) trade fixtures, merchandise and other personal property and c) Tenant's plate glass insurance on the storefront of Premises. The proceeds of such insurance shall be used for the repair or replacement of the property so insured.

23.03 Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall maintain in effect workers' compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the operation of the Premises and the operations of Tenant in or about the Premises providing personal injury and broad form property damage coverage for not less than Two Million Dollars ($2,000,000.00) combined single limit for bodily injury, death and property damage liability.

24. WAIVER OF SUBROGATION

Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others under its control, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage. Tenant shall give notice to its insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

25. SUBORDINATION AND ATTORNMENT

Within ten (10) days after written request of Landlord, or any mortgagee or beneficiary of Landlord, or ground lessor of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any mortgage or to the interest of any lease in which Landlord is lessee, and to all advances made thereunder. However, before signing any subordination agreement, Tenant shall have the right to obtain from any lender or lessor of Landlord requesting such subordination, an agreement in writing providing that, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term. In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of any lease in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee or lessor as the case may be, and recognize that party as Landlord under this Lease.

26. TENANT ESTOPPEL CERTIFICATES

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver a written statement certifying that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; the amount of any security deposited with Landlord; and that Landlord is not in default hereunder or, if Landlord is claimed to be in default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as represented by Landlord: that there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counterclaim or deduction against Rent. Within twenty (20) days after written request from Tenant (but in no event more than once in any 12-month period), Landlord shall execute and deliver a written statement certifying that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; the amount of Base Rent and the date to which Base Rent and additional rent have been paid in advance; the amount of any security deposited with Landlord; and that Tenant is not in default hereunder or, if Tenant is claimed to be in default, stating the nature of any claimed default.

27. TRANSFER OF LANDLORD'S INTEREST

In the event of any sale or transfer by Landlord of the Premises, Building or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease occurring after the consummation of such sale or transfer. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and Landlord shall be relieved of any and all further liability with respect thereto.

28. DEFAULT

28.01 Events of Default The occurrence of any one or more of the following matters constitutes a Default by Tenant under this Lease:

a. Failure by Tenant to pay Rent or any other amounts required under this Lease within five (5) days after notice of failure to pay on the due date (provided, however, Landlord shall not be required to furnish Tenant with notice of Tenant's failure to pay Rent or any other amount required under this Lease more than twice per calendar year and thereafter Tenant's failure to pay Rent or any other amounts required hereunder as and when due shall constitute a material default and breach of this Lease by Tenant without any requirement of notice);

b. Failure by Tenant to observe or perform any of the covenants with respect to assignment and subletting set forth in Article 17;

c. Failure by Tenant to comply with Tenant's obligations set forth in Article 38;

d. Failure by Tenant to cure any hazardous condition which Tenant has created in violation of law or of this Lease;

e. Failure by Tenant to observe or perform any other provision of this Lease, if such failure continues for thirty (30) days after notice thereof from Landlord to Tenant;

f. The levy upon, under writ of execution or the attachment by legal process of, the leasehold interest of Tenant, or the creation of a lien with respect to such leasehold interest;

g. Tenant vacates or abandons the Premises or fails to take possession of the Premises when available for occupancy whether or not Tenant continues to pay Rent due under this Lease;

h. Tenant becomes bankrupt or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors, or consents to the appointment of a trustee or receiver for Tenant or for the major part of its property;

i. A trustee or receiver is appointed for Tenant or for the major part of its property;

j. Any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding for relief under any bankruptcy law, or similar law for the relief of debtors, is instituted by Tenant or against Tenant and is allowed against it, or is consented to by it or is not dismissed within sixty (60) days after such institution.

28.02 Rights and Remedies of Landlord. If a Default occurs, Landlord shall have the rights and remedies hereinafter set forth, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it by law:

a. Landlord may terminate this Lease by giving to Tenant notice of Landlord's election to do so and all right, title and interest of Tenant hereunder shall expire, on the date stated in such notice;

b. Landlord may terminate the right of Tenant to possession of the Premises without terminating this Lease by giving notice to Tenant that Tenant's right to possession shall end on the date stated in such notice;

c. Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord hereunder by a suit for the specific performance of any covenant contained herein, or for the enforcement of any other appropriate legal remedy, including recovery of all amounts due or to become due from Tenant under any of the provisions of this Lease.

28.03 Right to Re-Enter. If Landlord exercises any of the remedies provided in Section 28.02, Tenant shall vacate the Premises and immediately deliver possession thereof to Landlord, and Landlord may reenter and take complete possession of the Premises, full and complete license to do so being hereby granted to Landlord, and Landlord may remove all occupants and property therefrom, without being deemed guilty in any manner of trespass, eviction or forcible entry and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder.

28.04 Current Damages If Landlord terminates the right of Tenant to possession of the Premises without terminating this Lease, Landlord shall have the right to immediate recovery of all amounts then due hereunder. Such termination of possession shall not release Tenant, in whole or in part, from Tenant's obligation to pay Rent hereunder for the full Term, and Landlord shall have the right to recover from Tenant, and Tenant shall remain liable for, all Rent and any other sums accruing under this Lease during the period from the date of such notice of termination of possession to the stated end of the Term. Landlord may relet the Premises or any part thereof for the account of Tenant upon such terms as Landlord shall determine and may collect the rents from such reletting. Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant relative to such reletting. Landlord may make repairs, alterations and additions in or to the Premises and redecorate the same to the extent deemed by Landlord reasonably necessary or desirable and change the locks to the Premises. Tenant upon demand shall pay the cost of all of the foregoing together with Landlord's expenses of reletting. The rents from any such reletting shall be applied first to the payment of the expenses of re-entry, reletting, redecoration, repair and alterations and second to the payment of Rent to be paid by Tenant. Any excess shall be credited against the amount of Rent which becomes due and payable hereunder Any such excess shall belong to Landlord solely. No such reentry or repossession, repairs, alterations and additions, or reletting shall be construed as an election on Landlord's part to terminate this Lease, unless a written notice of such intention is given to Tenant, or shall operate to release Tenant in whole or in part from any of Tenant's obligations hereunder. Landlord may sue and recover judgment for any deficiencies remaining after the application of the proceeds of any such reletting.

28.05 Final Damages. If this Lease is terminated by Landlord pursuant to Section 28.02, Landlord shall be entitled to recover from Tenant all Rent accrued and unpaid for the period up to and including such termination date, as well as all other additional sums for which Tenant is liable under this Lease, and all costs, including court costs and attorneys' fees incurred by Landlord in the enforcement of its rights and remedies hereunder. Landlord shall be entitled to recover as damages a) the unamortized portion of Landlord's contribution to the cost of tenant improvements and alterations, if any, installed by either Landlord or Tenant pursuant to this Lease, b) the aggregate Rents which would have been payable after the termination date had this Lease not been terminated, and c) any damages in addition thereto, including reasonable attorneys' fees and court costs, which Landlord sustains as a result of the breach of any of the covenants of this Lease other than for the payment of Rent.

28.06 Removal of Personal Property All property of Tenant removed from the Premises by Landlord pursuant to any provision of this Lease or applicable law may be handled, removed or stored by Landlord at the cost and expense of Tenant, and Landlord shall not be responsible for the value, preservation or safekeeping thereof. Tenant shall pay Landlord for all expenses incurred by Landlord with respect to such removal and storage. All such property not removed from the Premises or retaken from storage by Tenant within thirty (30) days after the end of the Term, however terminated, shall be conclusively deemed to have been conveyed by Tenant to Landlord as by bill of sale.

28.07 Attorneys' Fees. Tenant shall pay all of Landlord's costs including court costs and attorneys' fees, incurred in enforcing Tenant's obligations under this Lease, incurred by Landlord in any action brought by Tenant in which Landlord is the prevailing party, or incurred by Landlord in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved.

28.08 No Waiver No delay or omission in the exercise of any right or remedy of Landlord upon any Default by Tenant shall impair such right or remedy or be construed as a waiver of such default. The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning any other provision of the Lease.

29. BROKERAGE FEES

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation except those noted in Section 2.20. Tenant shall indemnify Landlord from any expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease.

30. NOTICES

All notices, required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered or sent by certified or registered U.S. mail, postage prepaid, and addressed if to Landlord, to Landlord's Mailing Address; and if to Tenant, to Tenant's Mailing Address or if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

31. QUIET ENJOYMENT

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

32. OBSERVANCE OF LAW

Tenant shall, at its sole cost and expense, promptly comply with all laws and governmental regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to the occupancy of the Premises, excluding structural changes not related to Tenant's occupation of the Premises, the Building and the Project.

33. FORCE MAJEURE

Any prevention or delay of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefore, acts of God, governmental restrictions or regulations, judicial orders, hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention or delay. Nothing in this Article 35 shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

34. CURING TENANT'S DEFAULTS

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefore.

35. SIGN CONTROL

Tenant shall not affix, paint, *erect* or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant for such removal, and to charge the cost of removal to Tenant.

36. HAZARDOUS SUBSTANCES

36.01 Defined Terms.

a. "Claim" shall mean and include any demand, cause of action, proceeding or suit for any one or more of the following: 1) actual or punitive damages, losses, injuries to person or property, damages to natural resources, fines, penalties, interest, contribution or settlement; 2) the costs of site investigations, feasibility studies, information requests, health or risk assessments, or Response (as hereinafter defined) actions; and 3) enforcing insurance, contribution or indemnification agreements.

b. "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules relating to environmental quality, health, safety, contamination and cleanup, including, without limitation, the Clean Air Act, 42 U.S. C. Section 7401 et seq ; the Clean Water Act, 33 U.S.C. Section 1251 et seq and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et seq ; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C., Section 1401 et seq ; the National Environmental Policy Act, 42 U.S.C. Section 4321 et **seq ;** the Noise Control Act, 42 U.S.C. Section 4901 et seq ; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq ; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et seq , as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq ; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq , as amended by the Superfund Amendments and Reauthorization Act; the Emergency Planning and Community Right-to-Know Act, and Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq ; the Atomic Energy Act, 42 U.S.C. Section 2011 at seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq ; the Minnesota Environmental Response and Liability Act ("MERLA"), Minn. Stat. Ch. 115B; and the state superlien and environmental cleanup statutes, with implementing regulations and guidelines, as amended from time to time. Environmental Laws shall also include all state, regional, county, municipal and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials (as hereinafter defined).

c. "Hazardous Materials" shall mean and include the following, including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under CERCLA; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the FIFRA; asbestos and asbestos containing materials, PCBs, and other substances regulated under the TSCA; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et seq ; and industrial process and pollution control wastes, whether or not hazardous within the meaning of RCRA; any substance whose nature and/or quantity or existence, use, manufacture, disposal or effect render it subject to federal, state or local regulation, investigation, remediation, or removal as potentially injurious to public health or welfare.

d. "Use" means to manage, generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of, or abandon Hazardous Materials.

e. "Release" or Released" shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Materials into the environment, as "environment" is defined in CERCLA.

f. "Response" or "Respond" shall mean action taken in compliance with Environmental Laws to correct, remove, remediate, cleanup, prevent, mitigate, monitor, evaluate, investigate, assess or abate the Release of a Hazardous Material.

36.02 Tenant's Obligations with Respect to Environmental Matters. During the term of this Lease, Tenant shall comply at its own cost with all Environmental Laws. Tenant shall not Use, or authorize the Use of, any Hazardous Materials on the Premises, without prior written disclosure to and approval by the Landlord. Notwithstanding the foregoing, normal quantities of Hazardous Materials customarily used in the conduct of general office activities (e.g., copier fluids and cleaning supplies) may be used at the Premises without Landlord's prior written consent provided that such Hazardous Materials shall be used at all times in compliance with the manufacturer's instructions therefore and all applicable Environmental Laws. Tenant shall not take any action that would subject the Premises to permit requirements under RCRA for storage, treatment or disposal of Hazardous Materials. Tenant shall not dispose of Hazardous Materials in dumpsters provided for tenant use. Tenant shall not discharge Hazardous Materials into Project drains or sewers. Tenant shall not cause or allow the Release of any Hazardous Materials on, to, or from the Project. Tenant shall arrange at its own cost for the lawful transportation and off-site disposal of all Hazardous Materials that it generates.

36.03 Copies of Notices During the term of this Lease, Tenant shall provide Landlord promptly with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, Claims, complaints, investigations, judgments, letters, notices of environmental liens or Response actions in progress, and other communications, written or oral, actual or threatened, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, Minnesota Pollution Control Agency, or other federal, state or local agency or authority, or any other entity or individual, concerning any Release of a Hazardous Material on, to or from the Premises, the imposition of any lien on the Premises, or any alleged violation of or responsibility under Environmental Laws. Landlord and Landlord's beneficiaries, agents and employees shall have the right to enter the Premises and conduct appropriate inspections or tests in order to determine Tenant's compliance with Environmental Laws.

36.04 Tests and Reports Upon written request by Landlord, Tenant shall provide Landlord with the results of appropriate reports and tests, with transportation and disposal contracts for Hazardous Materials, with any permits issued under Environmental Laws, and with any other applicable documents to demonstrate that Tenant complies with all Environmental Laws relating to the Premises.

36.05 Tenant's Obligation to Respond If Tenant's Use of Hazardous Materials at the Premises gives rise to liability or to a Claim under any Environmental Law, causes a significant public health effect, or creates a nuisance, Tenant shall promptly take all applicable action in Response.

36.06 indemnification Tenant shall indemnify, defend, and hold harmless Landlord, its beneficiaries, its lenders, any managing agents and leasing agents of the Premises, and their respective agents, partners, officers, directors and employees from and against any and all Claims arising from or attributable to any breach by Tenant of any of its warranties, representations or covenants in this Article. Tenant's obligations hereunder shall survive the termination or expiration of this Lease.

37. RELOCATION OF PREMISES

37.01 Landlord shall have the right to relocate the Premises to another part of the Building in accordance with the following:

a. The new premises shall be substantially the same in size, dimensions, configuration, decor, level of finish and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.

b. Landlord shall give Tenant at least thirty (30) days written notice of Landlord's intention to relocate the Premises.

c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.

d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.

e. If the new premises are smaller than the Premises as it existed before the relocation, Base Rent shall be reduced proportionately.

f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Rent, if any.

38. PUBLIC ACCOMMODATIONS LAWS

Landlord with respect to the Common Areas, and Tenant, with respect the Premises, each covenant and agree to complete any and all alterations, modifications or improvements specifically required by the Americans With Disabilities Act, including, but not limited to, remodeling, renovation, rehabilitation, reconstruction, changes or rearrangements in structure, and changes or rearrangements to wall configuration or full height partitions which are or become necessary, in order to comply with all Public Accommodation Laws, regardless of whether such modifications are the legal responsibility of Landlord, Tenant or third party. Landlord and Tenant covenant and agree to use their reasonable efforts to ensure that any and all alterations, modifications or improvements undertaken pursuant hereto are accomplished in a manner which will not substantially interfere with the others' use or possession of space in the Project or Building. All costs incurred by Landlord to comply with Public Accommodations Laws in the Common Areas shall be included in Project Operating Costs, including the amortization of capital expenditures together with an interest rate of 12% per annum over a period of five years.

Landlord agrees to permit Tenant, at Tenant's cost, to make any improvements or modifications to the Premises which are required by Public Accommodation Laws, and to approve such improvements or modifications, provided that all such improvements or modifications are made in compliance with applicable Public Accommodations Laws. Tenant acknowledges and agrees that, while Landlord may review and approve plans and specifications for Tenant's leasehold improvements, (and may construct Tenant's leasehold improvements for Tenant), Landlord assumes no responsibility for compliance of such plans and specifications, the Premises, or Tenant's leasehold improvements, with Public Accommodations Laws, and Tenant shall hold Landlord harmless from Tenant's failure to comply with the requirements thereof.

For the purposes of this Lease, "Public Accommodation Laws" shall mean all applicable federal, state and local laws, regulations, and building codes, in effect during the term of this Lease, governing non-discrimination in employment, public accommodations and commercial facilities, including, without limitation, the requirements of the Americans With Disabilities Act 42 USC 12101.

39. MISCELLANEOUS

39.01 Addenda If any provision contained in a Rider to this Lease is inconsistent with any other provision herein, the provision contained in the Rider shall control, unless otherwise provided in the Rider.

39.02 Captions, Articles and Section Numbers. The captions appearing within the body of this Lease have been inserted for reference only and in no way define, limit or enlarge the scope or meaning of this Lease.

39.03 Changes Requested by Lender. Neither Landlord nor Tenant shall unreasonably withhold its consent to changes or amendments to this Lease requested by the lender on Landlord's interest, so long as these changes do not alter the basic business terms of this Lease.

39.04 Choice of Law. This Lease shall be construed and enforced in accordance with the laws of Minnesota.

39.05 Consent Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction. Tenant's only remedies therefore shall be an action for specific performance, or declaratory judgment to enforce any right to such consent.

39.06 Corporate Authority If Tenant is a corporation, each individual signing this Lease on behalf of Tenant represents and warrants that (s)he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors authorizing such execution.

39.07 Execution of Lease; No Option. The submission of this Lease to Tenant shall be for examination purposes only and does not constitute a reservation of or option for Tenant to lease the Premises. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.

39.08 Mortgagee Protection. Tenant agrees to send by certified or registered mail to any first mortgagee or beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.

39.09 Prior Agreements; Amendments. This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.

39.10 Recording Tenant shall not record this Lease without the prior written consent of Landlord.

39.11 Severability A final determination by a court that any provision of this Lease is invalid shall not affect the validity of any other provision.

39.12 Successors and Assigns. This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.

39.13 Time of the Fssence. Time is of the essence of this Lease.

39.14 Waiver Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

The parties hereto have executed this Lease as of the dates set forth below.

TENANT:
SEZZLE, INC.
a Delaware corporation

Charlie Youkim
Its President

LANDLORD:
MCKESSON BUILDING, LLC
a limited liability company

Adam Lerner
Member Manager

ADDENDUM 1

OTHER TERMS AND CONDITIONS

Renewal Option

Provided that Tenant is not in default, Tenant shall have two (2) successive one (1) year options to renew by providing Landlord with a minimum of nine (9) months written notice. The Base Rent for the first option shall be $12.083.32 per month. The Base Rent for the second option shall be $12,445.82 per month.

The initial Term, together with any renewals thereof, shall be referred to collectively as the "Term".

Lease Termination Option

Provided that Tenant is not in default, Tenant shall have a one-time termination option at the end of the twelfth (12th) month of the Lease Term. Tenant shall provide Landlord nine (9) months prior written notice of its intent to exercise said termination right.

EXHIBIT "A"

FLOOR PLAN

EXHIBIT “B”

SITE PLAN / LEGAL DESCRIPTION

(page 1)

LOTS 179 AND 180 ALSO THAT PART OF LOT 178 LYING NELY OF SWLY 108.2 FT THOF ALSO THAT PART OF SWLY 108.2 FT OF LOT 178 LYING NWLY OF SELY 54.7 FT THOF INCL ADJ ½ OF VAC ALLEY

EXHIBIT "C"

LANDLORD'S WORK / TENANT'S WORK

Tenant hereby accepts from Landlord, the Premises in its "as-is" condition.

Any improvements or other alterations to the Premises shall be the Tenant's responsibility whereby any and all work must be conducted with Landlord's prior written consent and shall be in accordance with Exhibit "E" of this Lease.

EXHIBIT "D"

GUARANTY AND AGREEMENT

In consideration of the making, execution and delivery of the Lease to which this Guaranty and Agreement is attached, dated _____, 200_, between MCKESSON BUILDING, LLC, Landlord, and _____, Tenant, covering Premises at 251 1st AVENUE NORTH, SUITE 900, MINNEAPOLIS, MN 55401, and for other good and valuable consideration received, the undersigned, hereby irrevocably and unconditionally guarantee(s) unto Landlord the full performance and observance of all the terms, covenants, conditions, obligations, duties and undertakings to be performed and observed by Tenant under said Lease, including, without limitation, the payment of rent.

The undersigned hereby specifically agree(s) as follows:

1. That no (i) assignment, amendment, modification or supplement of said Lease, or (ii) extension of the term or of the time for performance or observance of or waiver of performance or observance of any term, condition, covenant, obligation, duty or undertaking thereof shall operate to release the undersigned from the obligations of the undersigned hereunder or to limit such obligations.

2. That the occurrence of any one or more of the contingencies enumerated in Section 28 of said Lease (dealing with bankruptcy, etc.) with respect to Tenant shall not operate to release the undersigned from obligations of the undersigned hereunder or to limit such obligations.

3. That the undersigned shall pay to Landlord all costs and expenses including, without limitation, reasonable attorneys fees, incurred by Landlord in enforcing the obligations of the undersigned hereunder. The undersigned hereby waive(s) notice of (i) acceptance of this Guaranty and Agreement by Landlord, its successors or assigns and (ii) default or nonperformance of any term, condition, covenant, obligation, duty or undertaking to be performed or observed by Tenant under said Lease.

The undersigned, if a corporation, warrants and represents that its execution of this Guaranty and Agreement is pursuant to a resolution, duly adopted, by its Board of Directors. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Guaranty and Agreement, they hereby agree that the obligations of each of them shall be joint and several.

This Guaranty and Agreement shall be binding upon the undersigned, its successors, heirs, executors and administrators and shall inure to the benefit of Landlord, its successors and assigns.

IN WITNESS WHEREOF, the undersigned has (have) executed this Guaranty and Agreement this ____ day of _____, 20_.

EXHIBIT "E"

GENERAL SPECIFICATIONS FOR TENANT'S ALTERATIONS OR IMPROVEMENTS

1. Landlord's Approvals of Plans

1.1 All plans for improvements or alterations are subject to Landlord approval; however, such approval does not signify code approval. Tenant shall have sole responsibility for compliance with all applicable statutes, codes, ordinances and other regulations for all work. In instances where several sets of requirements must be met, Landlord's requirements shall govern unless prohibited by code. All conditions and measurements should be field-verified by the Tenant.

1.2 Tenant must provide Landlord with Floor Plans and Working Drawings for the Premises. Upon receipt of Tenant's drawings, Landlord shall review and return to Tenant one copy marked either "Approved", "Approved with Changes" or "Revise and Resubmit". Tenant shall resubmit revised drawings within ten working days and the same procedure will be repeated until Landlord initials the drawings "Approved" or "Approved with Changes".

1.3 Specific written approval of Landlord is required for the following:

a) Drilling, cutting, coring or construction of any openings, penetrations or other alterations or improvements to the demising walls of the Premises, the exterior of the Premises or Building, or floors, columns or roof of the Premises or Building.

b) Installation or testing of any alarm or signal system, or any interruption of or connection to the Building fire or life-safety systems.

c) Installation or connection to any vents or ductwork, or to any water, sewer, gas, or electrical lines.

d) Construction of any mezzanine.

e) Installation of any odor-producing equipment.

f) Installation of any sign visible from the exterior of the Premises.

g) Modifications to Floor Plans or Working Drawings previously approved under Section 1.2 above.

2. Codes, Permits and Insurance

2.1 Tenant has full and complete responsibility to comply with all applicable codes, ordinances, statutes and regulations of any governing authority in the design and operation of the Premises, and to obtain all necessary licenses and permits required for construction, occupancy and operation. All work shall be done in a good and workmanlike manner, using new, first quality materials, constructed in compliance with all Federal, state, and local laws, ordinances and governmental regulations affecting the Premises and such alterations or improvements shall be performed by a contractor approved in writing by the Landlord. Construction of such alterations or improvements shall commence only upon Tenant obtaining and providing Landlord with copies of the requisite approvals, licenses and permits from the City of Minneapolis, Minnesota, including the Minneapolis Historical Society, the Minneapolis Heritage Preservation Commission and the Minneapolis Warehouse District Commission, and any other applicable governmental authority.

2.2 Tenant shall obtain a building permit and shall provide Landlord with one set of plans approved by the Department of Inspections and a copy of the permit before commencement of any demolition or construction.

2.3 Prior to commencement of any work, Tenant shall provide Landlord with Certificates of Insurance evidencing coverage of Tenant's contractor and subcontractors for Worker's Compensation and Employer's Liability Insurance; Comprehensive General Liability Insurance; and Comprehensive Automobile Liability Insurance. All such certificates shall name Landlord and Landlord's Agent as additional insureds.

2.4 Tenant shall provide Landlord with a copy of the Certificate of Occupancy issued by the Department of Inspections upon completion of the work.

3. Construction Rules and Procedures

3.1 Tenant or Tenant's contractor shall contact Landlord at least three business days prior to the start of construction and shall provide Landlord with a list of names, addresses and telephone numbers of all contractors and subcontractors that will be involved in the work.

3.2 Tenant is responsible for securing the Premises. All property in the Premises shall be there at the risk of Tenant and Landlord shall not liable for damage or theft.

3.3 Tenant shall arrange for all utility services to be placed in Tenant's name prior to the start of construction. Tenant nor Tenant's contractor shall not use any common area outlets for utility services. Tenant is responsible for the cost of all temporary utility services during construction.

3.4 All trash and construction debris will be contained and disposed of in the manner stated in the Lease.

3.5 No contractor parking will be provided.

4. Costs Billed Back to Tenant by Landlord

4.1 At Landlord's option, certain portions of Tenant's Work may be performed by Landlord's Contractor at competitive rates and billed back to Tenant. Portions of the work subject to this procedure may include, but are not specifically limited to:

a) Final connection to Building power source, water supply line, sewer line, common ductwork or vents, gas lines, sprinkler systems, or fire alarm systems.

b) Structural alterations such as core drilling, roof penetrations, cutting or patching of any floors, walls, columns or beams.

c) Installation of any fireproofing.

d) Reviews of Tenant's plans by Landlord's consultants, as necessary.

e) Any alterations, additions or modifications to the Premises' facade, storefront or entryways.

EXHIBIT "F"

COMMENCEMENT LETTER

By means of this letter, we are verifying that the Commencement Date of your Lease with MCKESSON BUILDING, LLC, a limited liability company, (Landlord) is _____ , 20_____, and the expiration date is _____ __, 20__.

The 20__ estimated Operating Costs for _____ (the "Building") are $____ per rentable square foot. This figure is an estimate; your actual costs for the 20__ calendar year will be determined prior to the end of March 20__ and any necessary adjustments will be made at that time.

Monthly Base Rent shall commence _____ __, 20__, and is due on or before the first of each month.

Please indicate your understanding of the agreement with the above by signing and returning the enclosed copy of this Commencement Letter at you earliest convenience.

AGREED AND ACKNOWLEDGED:

By: _____	Harry Lerner
Its: _____	Chief Executive Officer
Date: _____	Date: _____

EXHIBIT "G"
RULES AND REGULATIONS FOR

1. The sidewalks, halls and passages, elevators and stairways shall not be obstructed by Tenant or used for any purpose other than for ingress to and egress from the Premises. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord shall be prejudicial to the safety, character, reputation and interest of the Building and its tenants; provided that nothing herein contained shall be construed to prevent such access to persons with whom Tenant normally deals in the ordinary course of its business unless such persons are engaged in illegal activities. Tenant and its employees shall not go upon the roof of the Building without the written consent of Landlord.

2. The sashes, sash doors, windows, glass lights and any lights or skylights that reflect or admit light into halls, from the building exterior or other places into the buildings, shall not be covered or obstructed. Any curtains, blinds, shades, or screens attached or hung to any of the prior mentioned areas must have prior approval of Landlord. Landlord will provide standard window coverings on exterior windows and other glass if appropriate and Landlord reserves the right to regulate position of such coverings.

3. Two door keys for doors to leased premises shall be furnished at the commencement of a lease by Landlord. All duplicate keys shall be purchased only from the Landlord. Security cards will be issued for all approved personnel to permit after-hours access. Tenant shall not alter any lock, or install new or additional locks or bolts, on any doors without the prior written approval of Landlord. In the event such alteration or installation is approved by Landlord, the Tenant making such alteration or installation shall supply Landlord with a key for any such lock or bolt. Each Tenant, upon the expiration or termination of its tenancy, shall deliver to the Landlord all keys in Tenant's possession for all locks, bolts, cabinets, safes or vaults, or the means of opening any lockable device.

4. In order that the Building may be kept in a state of cleanliness, each Tenant shall, during the term of each respective lease, permit Landlord's employees (or Landlord's agent's employees) to take care of and clean the demised premises and Tenant shall not employ any person(s) other than Landlord's employees (or Landlord's agent's employees) for such purpose. No Tenant shall cause any unnecessary labor by reason of such Tenant's carelessness or indifference in the preservation of good order and cleanliness of the demised premises. Tenants shall see that (1) the doors are securely locked, and (2) all water faucets and other utilities are shut off (so as to prevent waste or damage), each day before leaving the demised premises. In the event Tenant must dispose of crates, boxes, etc. which shall not fit into office wastebaskets, it shall be the responsibility of Tenant to dispose of same. In no event shall Tenant set such items in the public hallways or other areas of the building, excepting Tenant's own leased premises, for disposal.

5. All deliveries, including intra-company deliveries, must be made via service entrances and designated elevator. Landlord reserves the right to prescribe the date, time, routing method and conditions that any personal property, equipment, trade fixtures, merchandise and other similar items shall be delivered to or removed from the Building. No iron safe or other heavy or bulky object shall be delivered to or removed from the Building, except by experienced safe men, movers or riggers approved in writing by Landlord. Tenant agrees to adhere to elevator load limits and floor loading maximum levels as stated by Landlord. All damage done to the Building by the delivery or removal of such items, or by reason of their presence in the Building, shall be paid to Landlord upon demand by the Tenant, through or under whom such damage was done. The Tenants are to assume all risks as to the damage to articles moved and injury to person or public engaged or not engaged in such movement, including equipment, property and personnel of Landlord if damaged or injured as a result of acts in connection with carrying out this service for a Tenant from the time of loss to any said property or person resulting from, any act in connection with carrying out this service for a Tenant from the time of entering the property to completion of work; and Landlord shall not be liable for acts of any person engaged in, or any damage or loss to any said property or persons resulting from, any act in connection with such service performed for a Tenant. There shall not be used in any space, or in the public halls of the Building, either by Tenant or by jobbers or other, in the delivery or receipt of merchandise, any hand-trucks, except those equipped with rubber tires. Landlord retains the right to prescribe the weight and position of safes or other heavy equipment.

6. Parking area and underground parking policies will be established by Landlord, and Tenant agrees to adhere to said policies. Landlord reserves the right to institute new parking policies as they are determined to benefit the overall building operations. Tenant agrees to leave no cars overnight in any parking area. Tenant further agrees that its employees will not park in the visitor parking areas at any time. Landlord reserves the right to tow away, at the owner's expense, any vehicle which is improperly parked or parked in a reserved parking zone to the parking lot attendants to the Office Building. All vehicles shall be parked at the sole risk of the owner, and Landlord assumes no responsibility for any damage to or loss of vehicles.

7. Tenant shall not use, keep, or permit to be used or kept any foul or noxious gas or toxic dangerous flammable substances in the Premises or permit or suffer the Premises to be occupied or used in a manner offensive, hazardous or objectionable to Landlord or other occupants of the Building by reason of noise, odors, danger, and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds (except seeing eye dogs) be brought into or kept in or about the Building.

8. If Tenant desires signal, communication, alarm or other utility or service connection installed or changed, the same shall be made at the expense of Tenant, with approval and under direction of Landlord. Such installations, and the boring or cutting of wires, shall be made at the sole cost and expense of the Tenant and under control and direction of Landlord. Landlord retains in all cases the right to require (1) the installation and use of such electrical-protecting devices that prevent the transmission of excessive current or electricity into or transmission of excessive current or electricity into or through the building, (2) the changing of wires and of their installation and arrangement underground or otherwise as Landlord may direct, and (3) compliance on the part of all using or seeking access to such wires with such rules as Landlord may establish relating thereto. All such wires used by Tenants must be clearly tagged at the distribution boards and junction box and elsewhere in the Building, with (1) the number of the leased premises to which said wires lead, (2) the purpose for which said wires are used, and (3) the name of the company operating same. Tenant agrees to instruct all approved communication, and computer and other cabling installers to attach cable in wire hangers from the deck or in any designated building floor or ceiling system cable location. Tenant will not allow installers to lay any cabling on top of the suspended layer ceiling system.

9. No canvassing, soliciting, distribution of hand bills or other written materials shall be permitted in the Building.

10. Tenant shall give Landlord prompt notice of all accidents to or defects in air conditioning equipment, plumbing, electrical facilities or any part of appurtenances of the Tenant's leased premises.

11. Tenant assumes full responsibility for protecting its space from theft, robbery, and pilferage, which includes keeping doors locked and other means of entry to the space closed and secure. Landlord shall be in no way responsible to the Tenants, their agents, employees, or invitees for any loss of property from the leased premises or public areas or for any property thereon from any cause whatsoever.

12. Tenant shall not install and operate machinery or any mechanical devices of a nature not directly related to Tenant's ordinary use of the Tenant's leased premises without the written permission of the Landlord.

13. No person or contractor not employed by Landlord shall be used to perform window washing, cleaning, decorating, repair or other work in the leased premises without the express written consent of Landlord. No hooks, nails, or screws shall be driven into or inserted in any part of the Building without prior approval from Building Management.

14. The directories of the Building shall be used exclusively for the display of the name and location of the Tenants only, and will be provided at the expense of Landlord. Any additional names requested by Tenant to be displayed in the directories must be approved by Landlord and, if approved, will be provided at the sole expense of Tenant.

15. Tenant, its agents, servants, employees, invitees, or visitors shall not:

    a. enter into or upon the roof of the Building or any storage, electrical or telephone closet, or heating, ventilation, air-conditioning, mechanical or elevator machinery housing area;

    b. use any additional method of heating or air conditioning;

c. sweep or throw away any dirt or other substance into the stairways, elevator shafts or corridors;

d. bring in or keep in or about the demised premises any vehicles, bicycles, motorcycles or animals (other than a "seeing eye" dog or any other animal used for medical purposes) of any kind;

e. deposit any trash, refuse, cigarettes, or other substance of any kind within or out of the Building, except in the refuse containers provided therefore;

f. be permitted to operate any device that may produce and odor, cause music, vibrations of air waves to be heard or felt outside the Tenant's leased premises, or which may emit electrical waves that shall impair radio, television or any other form of communication system.

16. Tenant will not install any radio or television antennas or receptor dish or any device on the roof or grounds without written approval of Landlord. Tenant understands that rentals are charged for roof space in the event any roof installation is approved in writing by Landlord. Landlord reserves the right to require removal of any approved installed device in the event it is necessary to do so in Landlord's opinion.

17. No sign, light, name placard, poster, or advertisement visible from the exterior of any demised premises, shall be placed, inscribed, painted or affixed by Tenant on any part of the Building without the prior written approval of Landlord. All signs or lettering on doors, or otherwise, approved by Landlord shall be inscribed, painted or affixed at the sole expense of the Tenant, by a person approved by Landlord.

18. The toilet-rooms, toilets, urinals, wash bowls and water apparatus shall not be used for any purpose other than for those for which they were constructed or installed, and no sweeping, rubbish, chemicals or other unsuitable substances shall be thrown or placed therein. The expense of any breakage, stoppage or damage resulting from violation(s) of this rule shall be borne by the Tenant by whom, or by whose agents, servants, employees, invitees, licensees or visitors, such breakage, stoppage or damage shall have been caused.

19. Tenant must have Landlord's prior written consent before using the name of the Building and/or pictures of the Building in advertising or other publicity.

20. Tenant shall not make any room-to-room canvass to solicit business from other tenants in the Building, and shall not exhibit, sell or offer to sell, use, rent or exchange in or from the Premises unless ordinarily embraced within the Tenant's use of the Premises specified herein.

21. Tenant shall not waste electricity, water or air conditioning and agrees to cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning, and shall not allow the adjustment (except by Landlord's authorized building personnel) of any controls other than room thermostats installed for Tenant's use. Tenant shall keep corridor doors closed and shall not open any windows except that if the air circulation shall not be in operation, windows, which are operable, may be opened. Operation of the Building HVAC system within the Premises after business hours will be available. Service is provided in two hour increments at a cost to Tenant to be determined by Landlord pursuant to the then current operating costs for the specific equipment or area served.

22. Tenant shall not do any cooking in the Premises.

23. No portion of Tenant's area or any other part of the Building shall at any time be used or occupied as sleeping or lodging quarters.

24. Landlord has the right to enact trash removal and trash recycling rules and regulations as necessary to control trash removal costs as required by the laws of the State of Minnesota and/or the United States Government. Tenant agrees to adhere to the trash removal regulations.

25. Tenant, upon the termination of the tenancy, shall deliver to the Landlord all the keys and security cards of offices, rooms, and toilet rooms which shall have been furnished Tenant or which Tenant shall have had made, and in the event of loss of any keys so furnished shall pay the Landlord therefore.

26. Tenant will refer all contractors' representatives and installation technicians rendering any service to Tenant to Landlord for Landlord's supervision, approval and control before performance of any contractual service. This provision shall apply to any work performed in the Building including installation of telephones, telegraph equipment, electrical devices and attachments and installations of any nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building.

27. Tenant shall not permit picketing or other union activity involving its employees in the Building except in those locations and subject to time and other limitations as to which Landlord may give prior written consent.

28. Tenant shall not permit any of its employees to carry a lighted cigar, cigarette, pipe or any other lighted smoking equipment in any common area of the Building, except a common area which has been designated by Landlord as a smoking area.

29. Landlord reserves the right to rescind, make reasonable amendments, modifications and additions to the rules and regulations heretofore set forth, and make additional reasonable rules and regulations, as in Landlord's sole judgment from time-to-time be needed for the safety, care, cleanliness and preservation of good order of the Building. Landlord shall not be responsible for any violation of the foregoing rules and regulations by other Tenants of the Building and shall have no obligation to enforce the same against other Tenants.

30. Landlord shall assure Tenant access to the Premises 24 hours a day, every day of the year, and shall assure that all utilities, including but not limited to electricity, water and HVAC, shall be provided to the Premises a minimum of the following days and hours:

Monday through Thursday:	7:00 a.m. to 9:00 p.m.
Friday:	7:00 a.m. to 5:00 p.m.
Saturday:	8:00 a.m. to 12:00 noon.
Holidays:	8:00 a.m. to 12:00 noon.

SEZZLE INC.
2019 EQUITY INCENTIVE PLAN

ARTICLE I
GENERAL

I.1 Purpose and Termination of Old Plan

This Sezzle Inc. 2019 Equity Incentive Plan (as amended from time to time, the "**Plan**") is designed to help the Company (as hereinafter defined): (a) attract and retain the best available personnel for positions of substantial responsibility; (b) to provide additional incentive to key employees (including prospective employees) and consultants; (c) align the interests of such persons with the Company's stockholders; and (d) promote the success of the Company's business. The Plan is subject to subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth).

The Plan shall supersede all prior Company equity incentive plans provided that the terms of any prior equity incentive plan shall apply to awards granted under such plan prior to the effective date of this Plan.

I.2 Definitions of Certain Terms

For purposes of this Plan, the following terms have the meanings set forth below:

I.2.1 "**ASX**" means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context required.

I.2.2 "**ASX Listing Rules**" means the official listing rules of the ASX as they apply to the Company from time to time.

I.2.3 "**ASX Settlement**" means ASX Settlement Pty Limited (ABN 49 008 504 532).

I.2.4 "**ASX Settlement Operating Rules**" means the settlement operating rules of ASX Settlement.

I.2.5 "**Award**" means an award made pursuant to the Plan.

I.2.6 "**Award Agreement**" means the written document by which each Award is evidenced, and which may, but need not be (as determined by the Committee), executed or acknowledged by a Grantee as a condition to receiving an Award or the benefits under an Award, and which sets forth the terms and provisions applicable to Awards granted under the Plan to such Grantee. Any reference herein to an agreement in writing will be deemed to include an electronic writing to the extent permitted by applicable law.

I.2.7 "**Board**" means the Board of Directors of the Company.

I.2.8 "**Business Combination**" has the meaning provided in the definition of Change in Control.

I.2.9 "**Cause**" means (a) with respect to a Grantee employed pursuant to a written employment agreement which agreement includes a definition of "Cause", "Cause" as defined in that agreement or (b) with respect to any other Grantee, the occurrence of any of the following: (i) such Grantee's conviction of, or plea of nolo contendere, to any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof or under the laws of any other jurisdiction, (ii) such Grantee's attempted commission of, or participation in, a fraud or theft against the Group or any client of the Group, (iii) such Grantee's willful engagement in conduct that is demonstrably and materially injurious to the Group, monetarily or otherwise, (iv) such Grantee's neglect or repeated failure to substantially perform his or her duties and responsibilities to the Group (other than failure resulting from incapacity due to mental or physical illness or injury or from any permitted leave required by law) and Grantee's failure to cure such performance within 30 days after receiving written notice thereof, (v) such Grantee's material violation of any contract or agreement between the Grantee and the Group and the Grantee's failure to cure such breach within 30 days after receiving written notice thereof, (vi) any material failure by the Grantee to comply with any written Group policy or any provision of the Group's code of business conduct and ethics (including any successor thereto) or any other Group-established code of conduct to which such Grantee is subject, (vii) Grantee's repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive Officer of the Company, or any Subsidiary as applicable, and Grantee's failure to cure such condition within 30 days after receiving written notice thereof, (viii) Grantee's unauthorized use or disclosure of any proprietary information or trade secrets of the Group or any other party to whom the Group owes an obligation of nondisclosure as a result of his or her relationship with the Group or (ix) such Grantee's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity required by his or her job description or such Grantee's loss of any governmental or self-regulatory license that is reasonably necessary for such Grantee to perform his or her duties or responsibilities, in each case as an Employee or a Consultant, as applicable, of the Group.

I.2.10 "**CDI**" is a CHESS depositary interest, being a security interest as defined in the ASX Settlement Operating Rules, and any other securities or property issued in exchange therefor or in lieu thereof pursuant to Section 1.6.

I.2.11 "**Certificate**" means a stock certificate (or other appropriate document or evidence of ownership) representing shares of Common Stock.

I.2.12 "**Change in Control**" means, except in connection with any initial public offering of the Common Stock, CDIs or other security interest of the Company, the occurrence of any of the following events:

(a) any "person" (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then-outstanding securities eligible to vote for the election of the Board ("**Company Voting Securities**"); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change in Control by virtue of the ownership or acquisition of Company Voting Securities: (A) by the Company or any Subsidiary, (B) by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (C) by any underwriter temporarily holding securities pursuant to an offering of such securities, or (D) pursuant to a Non-Qualifying Transaction (as defined in paragraph (b) of this definition);

(b) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company that requires the approval of the Company's stockholders, whether for such transaction or the issuance of securities in the transaction (a "**Business Combination**"), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the entity resulting from such Business Combination (the "**Surviving Entity**"), or (y) if applicable, the ultimate parent corporation that directly or indirectly has beneficial ownership of at least 95% of the voting power is represented by Company Voting Securities that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares or other securities into which such Company Voting Securities were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Business Combination, (B) no person (other than any employee benefit plan (or related trust) sponsored or maintained by the Surviving Entity or the parent), is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the parent (or, if there is no parent, the Surviving Entity) and (C) at least 50% of the members of the board of directors of the parent (or, if there is no parent, the Surviving Entity) following the consummation of the Business Combination were individuals who constitute the Board as s at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (A), (B) and (C) of this paragraph (c) shall be deemed to be a "**Non-Qualifying Transaction**");

(c) the consummation of a sale of all or substantially all of the Company's assets; or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 50% of the Company Voting Securities as a result of the acquisition of Company Voting Securities by the Company which reduces the number of Company Voting Securities outstanding; provided, that if after such acquisition by the Company, such person becomes the beneficial owner of additional Company Voting Securities that increases the percentage of outstanding Company Voting Securities beneficially owned by such person, a Change in Control shall then occur.

I.2.13 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto, and the applicable rulings and regulations thereunder.

I.2.14 "**Committee**" has the meaning set forth in Section 1.3.1.

I.2.15 "**Common Stock**" means the common stock of the Company, par value $0.01 per share, and any other securities or property issued in exchange therefor or in lieu thereof pursuant to Section 1.6.

I.2.16 "**Company**" means Sezzle Inc.

I.2.17 "**Consent**" has the meaning set forth in Section 3.3.2.

I.2.18 "**Consultant**" means any individual (other than a non-employee Director), corporation, partnership, limited liability company or other entity that provides bona fide consulting or advisory services to the Group.

I.2.19 "**Company Voting Securities**" has the meaning provided in the definition of Change in Control.

I.2.20 "**Covered Person**" has the meaning set forth in Section 1.3.4.

I.2.21 "**Date of Grant**" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Grantee that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

I.2.22 "**Director**" means a member of the Board.

I.2.23 "**Disability**" means the Grantee (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

I.2.24 "**Effective Date**" has the meaning set forth in Section 3.26.

I.2.25 "**Employee**" means a regular, active employee and/or a prospective employee of the Group, but not including a non-employee Director.

I.2.26 "**Employment**" means a Grantee's performance of services for the Group, as determined by the Committee. The terms "employ" and "employed" will have their correlative meanings. The Committee in its sole discretion may determine (a) whether and when a Grantee's leave of absence results in a termination of Employment, (b) whether and when a change in a Grantee's association with the Group results in a termination of Employment and (c) the impact, if any, of any such leave of absence or change in association on outstanding Awards. Unless expressly provided otherwise, any references in the Plan or any Award Agreement to a Grantee's Employment being terminated will include both voluntary and involuntary terminations.

I.2.27 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended from time to time, or any successor thereto, and the applicable rules and regulations thereunder.

I.2.28 "**Fair Market Value**" with respect to both Shares and CDIs means, as of any date, the per share fair market value of the Common Stock, as determined by the Committee in good faith on such basis as it deems appropriate and applied consistently with respect to persons eligible for Awards. If the Company is admitted to the official list of ASX, whenever possible, the determination of Fair Market Value shall be based upon the closing price of a CDI for the applicable date as converted into US Dollars by reference to the exchange rate published by the Reserve Bank of Australia as of the same date. Otherwise, the determination of Fair Market Value shall be made in accordance with a valuation methodology approved by the Committee unless otherwise specified herein. For purposes of the grant of any Award, unless otherwise provided in an Award Agreement, the applicable date will be the trading day immediately prior to the date the Award is granted. For purposes of the exercise of any Award, the applicable date is the date a notice of exercise is received by the Company or, if such date is not a trading day, the trading day immediately following the date a notice of exercise is received by the Company.

I.2.29 "**Financial Misstatement Circumstance**" means a material misstatement or omission in the financial statements of the Company or any other circumstances or events which, in the opinion of the Board, may, or are likely to, affect the Company's financial soundness or require re-statement of the Company's financial accounts, including, without limitation, as a result of misrepresentations, errors, omissions, or negligence.

I.2.30 "**Grantee**" means an Employee, Director or Consultant who receives an Award.

I.2.31 **"Group"** means the Company and any Subsidiary.

I.2.32 "**Incentive Stock Option**" means a stock option to purchase Shares that is intended to be an "incentive stock option" within the meaning of Sections 421 and 422 of the Code, as now constituted or subsequently amended, or pursuant to a successor provision of the Code, and which is designated as an Incentive Stock Option in the applicable Award Agreement.

I.2.33 "**Non-Qualifying Transaction**" has the meaning provided in the definition of Change in Control.

I.2.34 "**Other Stock-Based or Cash-Based Awards**" has the meaning set forth in Section 2.12.

I.2.35 "**Performance-Based Awards**" means certain Awards granted pursuant to Section 2.12.

I.2.36 "**Performance Goals**" means the performance goals established by the Committee in connection with the grant of Awards.

I.2.37 "**Plan Action**" will have the meaning set forth in Section 3.3.1.

I.2.38 "**Retirement**" means, unless otherwise defined in an Award Agreement, a voluntary termination of employment initiated by a Grantee (while such Grantee is in good standing with the Group) (i) on or after age 60 with five years of service or (ii) on or after age 55 with 10 years of service.

I.2.39 "**Section 409A**" means Section 409A of the Code, including any amendments or successor provisions to that section, and any regulations and other administrative guidance thereunder, in each case as they may be from time to time amended or interpreted through further administrative guidance.

I.2.40 "**Securities Act**" means the Securities Act of 1933, as amended from time to time, or any successor thereto, and the applicable rules and regulations thereunder.

I.2.41 "**Shares**" means shares of Common Stock.

I.2.42 "**Subsidiary**" means any corporation, partnership, limited liability company or other legal entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of all classes of the then-outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors or managing partners or in which the Company has the right to receive 50% or more of the distribution of profits or 50% of the assets on liquidation or dissolution.

I.2.43 "**Surviving Entity**" has the meaning provided in the definition of Change in Control.

I.2.44 "**Ten Percent Stockholder**" means a person owning securities possessing morethan 10% of the total combined voting power of all classes of securities of the Company and of any Subsidiary or parent corporation of the Company.

I.2.45 "**Treasury Regulations**" means the regulations promulgated under the Code by the United States Treasury Department, as amended.

For the avoidance of doubt, any references to "stock" or "shares" in this Plan may be read as a reference to CDIs or Shares as the context reasonably requires, unless the contrary intention is expressly stated in the Plan.

I.3 Administration

I.3.1 The Remuneration and Nomination Committee of the Board (as constituted from time to time, and including any successor committee, the "**Committee**") will administer the Plan. In particular, the Committee will have the authority in its sole discretion to:

(a) exercise all of the powers granted to it under the Plan;

(b) construe, interpret and implement the Plan and all Award Agreements;

(c) prescribe, amend and rescind rules and regulations relating to the Plan, including rules governing the Committee's own operations;

(d) make all determinations necessary or advisable in administering the Plan;

(e) correct any defect, supply any omission and reconcile any inconsistency in the Plan;

(f) amend the Plan to reflect changes in applicable law;

(g) grant, or recommend to the Board for approval to grant, Awards and determine who will receive Awards, when such Awards will be granted and the terms of such Awards, including setting forth provisions with regard to the effect of a termination of Employment on such Awards and conditioning the vesting of, or lapsing of any applicable vesting restrictions or other vesting conditions on, Awards upon the attainment of Performance Goals and/or upon continued service;

(h) amend any outstanding Award Agreement in any respect, including, without limitation, to;

(1) accelerate the time or times at which the Award becomes vested, unrestricted or may be exercised (and, in connection with such acceleration, the Committee may provide that any CDIs or Shares acquired pursuant to such Award will be restricted CDIs or Shares, which are subject to vesting, transfer, forfeiture or repayment provisions similar to those in the Grantee's underlying Award);

(2) accelerate the time or times at which CDIs or Shares are delivered under the Award (and, without limitation on the Committee's rights, in connection with such acceleration, the Committee may provide that any CDIs or Shares delivered pursuant to such Award will be restricted CDIs or Shares, which are subject to vesting, transfer, forfeiture or repayment provisions similar to those in the Grantee's underlying Award);

(3) waive or amend any goals, restrictions, vesting provisions or conditions set forth in such Award Agreement, or impose new goals, restrictions, vesting provisions and conditions; or

(4) reflect a change in the Grantee's circumstances (*e.g.*, a change to part-time employment status or a change in position, duties or responsibilities); and

(i) determine at any time whether, to what extent and under what circumstances and method or methods, subject to Section 3.14;

(1) Awards may be;

(A) settled in cash, CDIs, Shares, other securities, other Awards or other property (in which event, the Committee may specify what other effects such settlement will have on the Grantee's Award, including the effect on any repayment provisions under the Plan or Award Agreement);

(B) exercised; or

(C) canceled, forfeited or suspended;

(2) Awards may be settled by the Company, any of its Subsidiaries or affiliates or any of their designees; and

(3) the exercise price for any stock option (other than an Incentive Stock Option, unless the Committee determines that such a stock option will no longer constitute an Incentive Stock Option) or stock appreciation right may be reset to the current Fair Market Value of the underlying Share or CDI on the date of reset.

I.3.2 Actions of the Committee may be taken in accordance with the terms of the Company's Remuneration and Nomination Committee Charter or any other charter governing the Committee from time to time, as applicable. The determination of the Committee on all matters relating to the Plan or any Award Agreement will be final, binding and conclusive. The Committee may allocate among its members and delegate to any person who is not a member of the Committee, or to any administrative group within the Group, any of its powers, responsibilities or duties. In delegating its authority, the Committee will consider the extent to which any delegation may cause Awards to fail to meet the requirements of Rule 16(b)-3(d)(1) or Rule 16(b)-3(e) under the Exchange Act. Except as specifically provided to the contrary, references to the Committee include any administrative group, individual or individuals to whom the Committee has delegated its duties and powers.

I.3.3 Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards or administer the Plan. In any such case, the Board will have all of the authority and responsibility granted to the Committee herein.

I.3.4 No member of the Committee or any person to whom the Committee delegates its powers, responsibilities, or duties in writing, including by resolution (each such person, a "**Covered Person**"), will have any liability to any person (including any Grantee) for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award, except as expressly provided by statute. Each Covered Person will be indemnified and held harmless by the Company against and from:

(a) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement, in each case, in good faith; and

(b) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person, provided that the Company will have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company will have sole control over such defense with counsel of the Company's choice.

The foregoing right of indemnification will not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful misconduct. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's Certificate of Incorporation or By-laws, as amended from time to time, pursuant to any individual indemnification agreements between such Covered Person and the Company, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

I.4 Persons Eligible for Awards

Awards under the Plan may be made to Employees, Directors and Consultants.

I.5 Types of Awards Under Plan

Awards may be made under the Plan in the form of cash-based and/or stock-based Awards. Stock-based Awards may be in the form of any of the following, in each case in respect of CDIs or Shares as determined from time to time:

(a) stock options;

(b) stock appreciation rights;

(c) restricted shares or CDIs;

(d) restricted stock units;

(e) dividend equivalent rights; and

(f) Performance-based awards or other equity-based or equity-related Awards (as further described in Section 2.12) including performance stock units, that the Committee determines to be consistent with the purposes of the Plan and the interests of the Group. For the avoidance of doubt, stock options, stock appreciation rights, restricted shares, and restricted stock units may constitute performance-based awards.

For the further avoidance of doubt, the Committee may determine that an Award will be satisfied by cash, Shares or CDIs, with such decision to be determined by the Committee at any time after the Award date (including on vesting and, if applicable, exercise of the relevant Award).

I.6 Adjustments

I.6.1 **Adjustment of Outstanding Awards**. The Committee will adjust the terms of any outstanding Awards (including, without limitation, the number of CDIs or Shares covered by each outstanding Award, the type of property to which the Award relates and the exercise or strike price of any Award), in such manner as it deems appropriate (including, without limitation, by payment of cash) to prevent the enlargement or dilution of rights, as a result of any increase or decrease in the number of issued CDIs or Shares (or issuance of shares of stock other than shares of Common Stock) resulting from a recapitalization, stock split, reverse stock split, stock dividend, spinoff, split up, combination, reclassification or exchange of CDIs or Shares, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure, CDIs or Shares, including any extraordinary dividend or extraordinary distribution; provided that no such adjustment shall be made if or to the extent that it would cause an outstanding Award to cease to be exempt from, or to fail to comply with, Section 409A of the Code, or to the extent that such adjustment would be contrary to the ASX Listing Rules if the Company is listed on the ASX. Where applicable, the Committee will make the adjustments referred to in this Section 1.6.1 in the manner allowed or required by the ASX Listing Rules, if the Company is listed on the ASX.

I.6.2 **Compliance with ASX Listing Rules**. Notwithstanding any other provision in this Plan, if the Company is listed on the ASX, the rights of a Grantee holding Options and the terms of any such Options held by the Grantee (and, to the extent required by the ASX Listing Rules, the rights of a recipient of Restricted Stock Units and the terms of any such Restricted Stock Units) must be amended by the Company in compliance with the ASX Listing Rules applying to a reorganization of capital at the time of the reorganization, and each Grantee and recipient consents to any such change. The per Share or CDI exercise price for the Shares or CDIs to be issued pursuant to the exercise of an Option and/or the number of Shares or CDIs over which an Option can be exercised may be changed in accordance with rules 6.22.2, 6.22.2A and 6.22.3 of the ASX Listing Rules.

ARTICLE II
AWARDS UNDER THE PLAN

II.1 Agreements Evidencing Awards

Each Award granted under the Plan will be evidenced by an Award Agreement that will contain such provisions and conditions as the Committee deems appropriate. Unless otherwise provided herein and subject to the ASX Listing Rules, the Committee may grant Awards in tandem with or, subject to Section 3.14, in substitution for or satisfaction of any other Award or Awards granted under the Plan or any award granted under any other plan of the Company. By accepting an Award pursuant to the Plan, a Grantee thereby agrees that the Award will be subject to all of the terms and provisions of the Plan and the applicable Award Agreement.

II.2 No Rights as a Stockholder

No Grantee (or other person having rights pursuant to an Award) will have any of the rights of a stockholder of the Company or holder of CDIs with respect to CDIs or Shares subject to an Award until the delivery of such CDIs or Shares. Except as otherwise provided in Section 1.6, no adjustments will be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, CDIs, Shares, other securities or other property) for which the record date is before the date the Grantee is registered as the holder of CDIs or Shares, as applicable, as determined by the Committee or the Certificates for the Shares are delivered, or in the event the Committee elects to use another system, such as book entries by the transfer agent, before the date in which such system evidences the Grantee's ownership of such CDIs or Shares.

II.3 Shares and CDIs Available.

The aggregate number of Shares and CDIs available for issuance under this Plan may not exceed 26,000,000 (twenty six million) Shares and CDIs, of which not more than 26,000,000 (twenty million) Shares in the aggregate may be issued under the Plan as Incentive Stock Options. All Share and CDI numbers in this Section 2.3 are subject to adjustment as provided in Section 1.6.

While an Award is outstanding, it shall be counted against the authorized pool of Shares and CDIs, regardless of its vested status.

II.4 Lapsed Awards.

If an Award is cancelled, terminates, expires, is surrendered or lapses for any reason, any Shares and CDIs subject to such Award again shall be available to be the subject of an Award.

II.5 Share Limits.

Notwithstanding anything in this Section 2 or elsewhere in this Plan to the contrary, and subject to adjustments as provided in Section 1.6 of this Plan, the limits specified below shall apply to any grants of the following types of Awards:

(a) The aggregate dollar value of Awards granted to any non-Employee Director in any calendar year shall not exceed 250,000 Dollars ($250,000). The value of the Awards shall be determined based on the Fair Market Value of each Award on the Date of Grant.

II.6 Options

II.6.1 **Grant**. Stock options may be granted to eligible recipients in such number and at such times during the term of the Plan as the Committee may determine. A stock option granted under the Plan represents a right to purchase a CDI or a Share, as applicable, at a specified price for a specified period of time provided, however, that Incentive Stock Options shall only be issued with respect to Shares (not CDIs).

II.6.2 **Incentive Stock Options**. At the time of grant, the Committee will determine:

(a) whether all or any part of a stock option granted to an eligible Employee will be an Incentive Stock Option; and

(b) the number of Shares subject to such Incentive Stock Option; provided, however, that;

(1) the aggregate Fair Market Value (determined as of the time the option is granted) of the stock with respect to which Incentive Stock Options are exercisable for the first time by an eligible Employee during any calendar year (under all such plans of the Company and of any Subsidiary or parent corporation or Company affiliate) will not exceed $200,000; and

(2) no Incentive Stock Option (other than an Incentive Stock Option that may be assumed or issued by the Company in connection with a transaction to which Section 424(a) of the Code applies) may be granted to a person who is not eligible to receive an Incentive Stock Option under the Code.

The form of any stock option which is entirely, or in part, an Incentive Stock Option will clearly indicate that such stock option is an Incentive Stock Option or, if applicable, the number of Shares subject to the Incentive Stock Option.

II.6.3 **Exercise Price**. The exercise price per CDI or Share with respect to each stock option will be determined by the Committee but, except as otherwise permitted by Section 1.6, may never be less than the Fair Market Value of such CDI or Share on the Date of Grant (or, in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, 110% of the Fair Market Value of such Share on the Date of Grant).

II.6.4 **Term of Stock Option**. In no event will any stock option be exercisable after the expiration of 10 years (or, in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, 5 years) from the date on which the stock option is granted. Unless the applicable Award Agreement provides otherwise, each Incentive Stock Option shall terminate upon the first to occur of the following:

(a) The date for termination of the option set forth in the Award Agreement;

(b) The expiration of three (3) months from the date of the Grantee's termination of Employment for a reason other than death or Disability;

(c) The expiration of twelve (12) months from the date of the Grantee's termination of Employment by reason of Disability; or

(d) The expiration of twelve (12) months from the date of the Grantee's death, if such death occurs while the Grantee is in Employment.

II.6.5 **Vesting and Exercise of Stock Option and Payment for CDIs and Shares**. A stock option may vest and be exercised at such time or times and subject to such terms and conditions as will be determined by the Committee at the time the stock option is granted and set forth in the Award Agreement. Subject to any limitations in the applicable Award Agreement, any CDIs or Shares not acquired pursuant to the exercise of a stock option on or following the applicable vesting date because the Grantee chose to exercise less than the total number of vested options at the time of exercise may be acquired thereafter at any time before the final expiration of the stock option.

To exercise a stock option, the Grantee must give written notice to the Company specifying the number of stock options to be exercised and accompanied by payment of the full purchase price therefor in cash or by certified or official bank check or in another form as determined by the Company, which may include:

(a) personal check;

(b) CDIs or Shares, based on the Fair Market Value as of the exercise date, of the same class of securities as those to be granted by exercise of the stock option;

(c) any other form of consideration approved by the Company and permitted by applicable law; and

(d) any combination of the foregoing.

The Committee may also make arrangements for the cashless exercise of a stock option. Any person exercising a stock option will make such representations and agreements and furnish such information as the Committee may, in its sole discretion, deem necessary or desirable to effect or assure compliance by the Company on terms acceptable to the Company with the provisions of the Securities Act, the Exchange Act and any other applicable legal requirements. The Committee may, in its sole discretion, also take whatever additional actions it deems appropriate to effect such compliance including, without limitation, placing legends on share or other applicable security certificates and issuing stop-transfer notices to agents and registrars. If a Grantee so requests, CDIs or Shares acquired pursuant to the exercise of a stock option may be issued in the name of the Grantee and another jointly with the right of survivorship.

II.6.6 **Disqualifying Dispositions**. If Shares acquired upon exercise of an Incentive Stock Option are disposed of within two (2) years following the Date of Grant or one (1) year following the transfer of such Shares to the Grantee upon exercise, the Grantee shall, promptly following such disposition, notify the Committee in writing of the date and terms of such disposition and provide such other information regarding the disposition as the Committee may reasonably require.

II.6.7 **Underlying Shares.** In no circumstances can an Option be exercisable over a percentage of the Company's capital.

II.6.8 **Amendment or Cancellation of Option.**

(a) Under no circumstances may the terms of any outstanding Option be amended or modified so as to have any of the following effects: (1) reducing the per Share or CDI exercise price of an Option, (2) increasing the period for exercise of an Option, or (3) increasing the number of Shares or CDIs received on exercise of an Option unless permitted by a waiver of the ASX Listing Rules. Further, any other amendment or modification to the terms of any Option (i.e., any amendment or modification that is not prohibited pursuant to the first sentence of this Section 2.6.8) can only be made with stockholder approval, on the provision of a waiver of the ASX Listing Rules or otherwise as permitted by the ASX or the ASX Listing Rules.

(b) Under no circumstances may an Option be cancelled unless (1) stockholder approval has been obtained for the cancellation of the Option, or (2) no consideration is provided to the Grantee in connection with the cancellation of the Option.

II.7 Stock Appreciation Rights

II.7.1 **Grant**. Stock appreciation rights may be granted to eligible recipients in such number and at such times during the term of the Plan as the Committee may determine. A stock appreciation right granted under the Plan represents a right to receive, upon exercise, a payment equal to the excess of the Fair Market Value of a CDI or a Share, as applicable, on the date of exercise of a stock appreciation right over the exercise price of such stock appreciation right.

II.7.2 **Exercise Price**. The exercise price per CDI or Share with respect to each stock appreciation right will be determined by the Committee but, except as otherwise permitted by Section 1.6, may never be less than the Fair Market Value of the CDI or Share on the Date of Grant.

II.7.3 **Term of Stock Appreciation Right**. In no event will any stock appreciation right be exercisable after the expiration of 10 years from the date on which the stock appreciation right is granted.

II.7.4 **Vesting and Exercise of Stock Appreciation Right and Delivery of CDIs and Shares**. Each stock appreciation right may vest and be exercised in such installments as may be determined in the Award Agreement at the time the stock appreciation right is granted. Subject to any limitations in the applicable Award Agreement, any stock appreciation rights not exercised on or following the applicable vesting date because the Grantee chose to exercise less than the total number of vested stock appreciation rights at the time of exercise may be exercised thereafter at any time before the final expiration of the stock appreciation right.

To exercise a stock appreciation right, the Grantee must give written notice to the Company specifying the number of stock appreciation rights to be exercised. Upon exercise of stock appreciation rights, CDIs, Shares, cash or other securities or property, or a combination thereof, as specified by the Committee, equal in value to:

(a) the excess of:

(1) the Fair Market Value of the CDIs or Shares on the date of exercise *over;*

(2) the exercise price of such stock appreciation right *multiplied by,*

(b) the number of stock appreciation rights exercised will be delivered to the Grantee.

Any person exercising a stock appreciation right will make such representations and agreements and furnish such information as the Committee may, in its sole discretion, deem necessary or desirable to effect or assure compliance by the Company on terms acceptable to the Company with the provisions of the Securities Act, the Exchange Act and any other applicable legal requirements. If a Grantee so requests, CDIs or Shares purchased may be issued in the name of the Grantee and another jointly with the right of survivorship.

II.7.5 **Repricing**. Except as otherwise permitted by Section 1.6 and subject to the ASX Listing Rules, reducing the exercise price of stock appreciation rights issued and outstanding under the Plan, including through amendment, cancellation in exchange for the grant of a substitute Award or repurchase for cash or other consideration (in each case that has the effect of reducing the exercise price), will require approval of the Company's stockholders.

II.8 Restricted Shares and CDIs

II.8.1 **Grants**. The Committee may grant or offer for sale restricted shares or restricted CDIs, subject to applicable law and ASX Listing Rules in such amounts and subject to such terms and conditions as the Committee may determine. Upon the delivery of such restricted shares or restricted CDIs, as applicable, the Grantee will have, in the case of restricted shares, the rights of a stockholder with respect to the restricted shares, and, in the case of restricted CDIs, the rights of a holder of CDIs with respect to the restricted CDIs, in each case subject to any other restrictions and conditions as the Committee may include in the applicable Award Agreement. Each Grantee of an Award of restricted shares will be issued a Certificate in respect of such shares, unless the Committee elects to use another system, such as book entries by the transfer agent, as evidencing ownership of such shares. In the event that a Certificate is issued in respect of restricted shares, such Certificate may be registered in the name of the Grantee, and shall, in addition to such legends required by applicable securities laws, bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Award, but will be held by the Company or its designated agent until the time the restrictions lapse. Each Grantee of an Award of restricted CDIs will be noted in a book entry system and will be subject to a holding lock until the time the restriction lapses.

II.8.2 **Right to Vote and Receive Dividends on Restricted Shares**. Subject to the restrictions set forth in the Award Agreement, Grantee of an Award of restricted shares or restricted CDIs will, during the period of restriction, shall have the rights and privileges of a shareholder as to such restricted shares or restricted CDIs, including the right to vote such restricted shares or restricted CDIs and the right to receive dividends; *provided that*, any cash dividends and stock dividends with respect to the restricted shares and restricted CDIs shall be withheld by the Company for the Grantee's account, and interest may be credited on the amount of the cash dividends withheld at a rate and subject to such terms as determined by the Committee. The cash dividends or stock dividends so withheld by the Committee and attributable to any particular share of restricted shares or restricted CDIs (and earnings thereon, if applicable) shall be distributed to the Grantee in cash or, at the discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, if applicable, upon the release of restrictions on such share or CDI and, if such share or CDI is forfeited, the Grantee shall have no right to such dividends.

II.9 Restricted Stock Units

The Committee may grant Awards of restricted stock units in such amounts and subject to such terms and conditions as the Committee may determine. A restricted stock unit granted under the Plan represents the right to receive CDIs, Shares, cash or other securities or property in the future, at such times, and subject to such conditions, as the Committee shall determine. A Grantee of a restricted stock unit will have only the rights of a general unsecured creditor of the Company, until delivery of CDIs, Shares, cash or other securities or property is made as specified in the applicable Award Agreement. On the delivery date specified in the Award Agreement, the Grantee of each restricted stock unit not previously forfeited or terminated will receive CDIs, Shares, cash or other securities or property or a combination thereof, as specified by the Committee.

II.10 Dividend Equivalent Rights

The Committee may include in the Award Agreement, with respect to any Award, a dividend equivalent right entitling the Grantee to receive amounts equal to all or any portion of the regular cash dividends that would be paid on CDIs or Shares covered by such Award if such CDIs or Shares had been delivered pursuant to such Award. The grantee of a dividend equivalent right will have only the rights of a general unsecured creditor of the Company until payment of such amounts is made as specified in the applicable Award Agreement. In the event such a provision is included in an Award Agreement, the Committee will determine whether such payments will be made in cash, CDIs, Shares or in another form, whether they will be conditioned upon the exercise of the Award to which they relate (subject to compliance with Section 409A of the Code), the time or times at which they will be made, and such other terms and conditions as the Committee will deem appropriate.

II.11 Performance-Based Awards and Other Stock-Based or Cash-Based Awards

The Committee may grant other types of equity-based, equity-related or cash-based Awards (including the grant or offer for sale of unrestricted CDIs, Shares, performance share awards, performance units settled in cash ("**Other Stock-Based or Cash-Based Awards**")) in such amounts and subject to such terms and conditions as the Committee may determine. The terms and conditions set forth by the Committee in the applicable Award Agreement may relate to the achievement of Performance Goals, as determined by the Committee at the time of grant. Such Awards may entail the transfer of CDIs or Shares to Award recipients and may include Awards designed to comply with or take advantage of the applicable local laws of a specific jurisdiction. For the avoidance of doubt, stock options, stock appreciation rights, restricted shares, and restricted stock units may constitute performance-based awards.

ARTICLE III
MISCELLANEOUS

III.1 Amendment of the Plan

III.1.1 Unless otherwise provided in the Plan or in an Award Agreement, subject to the ASX Listing Rules, the Board may from time to time suspend, discontinue, revise or amend the Plan in any respect whatsoever but, subject to Sections 1.3, 1.6 and 3.6, no such amendment shall materially adversely impair the rights of the Grantee of any Award without the Grantee's consent. Subject to Sections 1.3, 1.6 and 3.6, an Award Agreement may not be amended to materially adversely impair the rights of a Grantee without the Grantee's consent.

III.1.2 Unless otherwise determined by the Board, stockholder approval of any suspension, discontinuance, revision or amendment will be obtained only to the extent necessary to comply with any applicable laws, regulations or rules of a securities exchange or self-regulatory agency; provided, however, if and to the extent the Board determines it is appropriate for the Plan to comply with the provisions of Section 422 of the Code, no amendment that would require stockholder approval under Section 422 of the Code will be effective without the approval of the stockholders of the Company.

III.2 Tax Withholding

Grantees shall be solely responsible for any applicable taxes (including, without limitation, income and excise taxes) and penalties, and any interest that accrues thereon, that they incur in connection with the receipt, vesting or exercise of any Award. As a condition to the delivery of any CDIs or Shares, cash or other securities or property pursuant to any Award or the lifting or lapse of restrictions on any Award, or in connection with any other event that gives rise to a federal or other governmental tax withholding obligation on the part of the Company relating to an Award:

(a) the Company may deduct or withhold (or cause to be deducted or withheld) from any payment or distribution to a Grantee whether or not pursuant to the Plan (including CDIs or Shares otherwise deliverable);

(b) the Committee will be entitled to require that the Grantee remit cash to the Company (through payroll deduction or otherwise); or

(c) the Company may enter into any other suitable arrangements to withhold, in each case in an amount not to exceed in the opinion of the Company the maximum amounts of such taxes required by law to be withheld.

III.3 Required Consents and Legends

III.3.1 If the Committee at any time determines that any Consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any Award, the delivery of CDIs or Shares or the delivery of any cash, securities or other property under the Plan, or the taking of any other action thereunder (each such action a "**Plan Action**"), then, subject to Section 3.14, such Plan Action will not be taken, in whole or in part, unless and until such Consent will have been effected or obtained to the full satisfaction of the Committee. The Committee may direct that any Certificate evidencing Shares delivered pursuant to the Plan will bear a legend setting forth such restrictions on transferability as the Committee may determine to be necessary or desirable, and may advise the transfer agent to place a stop transfer order against any legended shares.

III.3.2 The term "**Consent**" as used in this Article III with respect to any Plan Action includes:

(a) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state, or local law, or law, rule or regulation of a jurisdiction outside the United States;

(b) any and all written agreements and representations by the Grantee with respect to the disposition of CDIs, Shares, or with respect to any other matter, which the Committee may deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made;

(c) any and all other consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory body or any stock exchange or self-regulatory agency;

(d) any and all consents by the Grantee to;

(1) the Group's supplying to any third-party record-keeper of the Plan such personal information as the Committee deems advisable to administer the Plan;

(2) the Group's deducting amounts from the Grantee's wages, or another arrangement satisfactory to the Committee, to reimburse the Company for advances made on the Grantee's behalf to satisfy certain withholding and other tax obligations in connection with an Award; and

(3) the Group's imposing sales and transfer procedures and restrictions and hedging restrictions on CDIs or Shares delivered under the Plan; and

(e) any and all consents or authorizations required to comply with, or required to be obtained under, applicable local law or otherwise required by the Committee. Nothing herein will require the Company to list, register or qualify the shares of Common Stock or other security interests of the Company on any securities exchange.

III.4 Right of Offset

The Company will have the right to offset against its obligation to deliver CDIs or Shares (or other property or cash) under the Plan or any Award Agreement any outstanding amounts (including, without limitation, travel and entertainment or advance account balances, loans, repayment obligations under any Awards, or amounts repayable to the Group pursuant to tax equalization, housing, automobile or other employee programs) that the Grantee then owes to the Group and any amounts the Committee otherwise deems appropriate pursuant to any tax equalization policy or agreement. Notwithstanding the foregoing, if an Award provides for the deferral of compensation within the meaning of Section 409A of the Code, the Committee will have no right to offset against its obligation to deliver shares of Common Stock (or other property or cash) under the Plan or any Award Agreement if such offset could subject the Grantee to the additional tax imposed under Section 409A of the Code in respect of an outstanding Award.

III.5 Non-assignability; No Hedging

No Award (or any rights and obligations thereunder) granted to any person under the Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of or hedged, in any manner (including through the use of any cash-settled instrument), whether voluntarily or involuntarily and whether by operation of law or otherwise, other than by will or by the laws of descent and distribution, and all such Awards (and any rights thereunder) will be exercisable during the life of the Grantee only by the Grantee or the Grantee's legal representative, unless the Committee otherwise determines in its sole discretion. Any sale, exchange, transfer, assignment, pledge, hypothecation, or other disposition in violation of the provisions of this Section 3.5 will be null and void and any Award which is hedged in any manner will immediately be forfeited. All of the terms and conditions of the Plan and the Award Agreements will be binding upon any permitted successors and assigns.

III.6 Change in Control

In the event of a Change in Control, unless otherwise set forth in an applicable Award Agreement, a Grantee's Award shall be treated, to the extent determined by the Committee to be permitted under Section 409A, in accordance with one of the following methods as determined by the Committee in its sole discretion: (i) settle such Awards for an amount (as determined in the sole discretion of the Committee) of cash or securities, where in the case of stock options and stock appreciation rights, the value of such amount, if any, will be equal to the in-the-money spread value (if any) of such awards; (ii) provide for the assumption of or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected Awards previously granted under the Plan, as determined by the Committee in its sole discretion; (iii) modify the terms of such awards to add events, conditions or circumstances (including termination of Employment within a specified period after a Change in Control, subject to ASX Listing Rules) upon which the vesting of such Awards or lapse of restrictions thereon will accelerate; (iv) deem any performance conditions satisfied at target, maximum or actual performance through closing or provide for the performance conditions to continue (as is or as adjusted by the Committee) after closing; (v) accelerate the vesting of Awards in full or on a pro-rata basis as determined by the Committee; or (vi) provide that for a period of at least 20 days prior to the Change in Control, any stock options or stock appreciation rights that would not otherwise become exercisable prior to the Change in Control will be exercisable as to all CDIs and Shares subject thereto (but any such exercise will be contingent upon and subject to the occurrence of the Change in Control and if the Change in Control does not take place within a specified period after giving such notice for any reason whatsoever, the exercise will be null and void) and that any stock options or stock appreciation rights not exercised prior to the consummation of the Change in Control will terminate and be of no further force and effect as of the consummation of the Change in Control. For the avoidance of doubt, in the event of a Change in Control where all stock options and stock appreciation rights are settled for an amount (as determined in the sole discretion of the Committee) of cash or securities, the Committee may, in its sole discretion, terminate any stock option or stock appreciation right for which the exercise price is equal to or exceeds the per share value of the consideration to be paid in the Change in Control transaction without payment of consideration therefor. Similar actions to those specified in this Section 3.6 may be taken in the event of a merger or other corporate reorganization that does not constitute a Change in Control.

III.7 No Continued Employment or Engagement; Right of Discharge Reserved

Neither the adoption of the Plan nor the grant of any Award (or any provision in the Plan or Award Agreement) will confer upon any Grantee any right to continued Employment, or other engagement, with the Group, nor will it interfere in any way with the right of the Group to terminate, or alter the terms and conditions of, such Employment or other engagement at any time.

III.8 Nature of Payments

III.8.1 Any and all grants of Awards and deliveries of CDIs, Common Stock, cash, securities or other property under the Plan will be in consideration of services performed or to be performed for the Group by the Grantee. Awards under the Plan may, in the discretion of the Committee, be made in substitution in whole or in part for cash or other compensation otherwise payable to a Grantee. Only whole CDIs or Shares will be delivered under the Plan. Awards will, to the extent reasonably practicable, be aggregated in order to eliminate any fractional CDIs or Shares. Fractional CDIs or Shares may, in the discretion of the Committee, be forfeited or be settled in cash or otherwise as the Committee may determine.

III.8.2 All such grants and deliveries of CDIs, Shares, cash, securities or other property under the Plan will constitute a special discretionary incentive payment to the Grantee and will not be required to be taken into account in computing the amount of salary or compensation of the Grantee for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of the Group or under any agreement with the Grantee, unless the Group specifically provides otherwise.

III.9 Non-Uniform Determinations

III.9.1 The Committee's determinations under the Plan and Award Agreements need not be uniform and any such determinations may be made by it selectively among persons who receive, or are eligible to receive, Awards under the Plan (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee will be entitled, among other things, to make non-uniform and selective determinations under Award Agreements, and to enter into non-uniform and selective Award Agreements, as to (a) the persons to receive Awards, (b) the terms and provisions of Awards and (c) whether a Grantee's Employment has been terminated for purposes of the Plan.

III.9.2 To the extent the Committee deems it necessary, appropriate or desirable to comply with foreign law or practices and to further the purposes of the Plan, the Committee may, without amending the Plan, establish special rules applicable to Awards to Grantees who are foreign nationals, are employed in a particular jurisdiction or both and grant Awards (or amend existing Awards) in accordance with those rules.

III.10 Other Payments or Awards

Nothing contained in the Plan will be deemed in any way to limit or restrict the Group from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

III.11 Plan Headings

The headings in the Plan are for the purpose of convenience only and are not intended to define or limit the construction of the provisions hereof.

III.12 Termination of Plan

Subject to the ASX Listing Rules, the Board reserves the right to terminate the Plan at any time; provided, however, that in any case, the Plan will terminate on the day before the tenth anniversary of the Effective Date, and provided, further, that all Awards made under the Plan before its termination will remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Award Agreements.

III.13 Clawback/Recapture

Where, in the opinion of the Board:

(a) a Grantee;

(1) has acted fraudulently or dishonestly;

(2) has engaged in gross misconduct;

(3) has engaged in an act which has brought the Group into disrepute;

(4) has breached his or her duties or obligations to the Group; or

(5) is convicted of an offence or has a judgment entered against them in connection with the affairs of the Group; or

(b) there is Financial Misstatement Circumstance;

(c) a Grantee's Employment is terminated for Cause;

(d) a Grantee's Awards vest or may vest as a result of the fraud, dishonesty or breach of duties or obligations of any other person and, in the opinion of the Board, the Awards would not have otherwise vested; or

(e) the Group is required by or entitled under law or Group policy to reclaim remuneration from a Grantee,

The Board may determine that:

(f) any of the following held by or on behalf of the Grantee:

(1) unvested Awards;

(2) vested but unexercised Awards;

(3) restricted stock units, restricted shares and/or CDIs or Shares allocated under the Plan,

will lapse or be deemed to be forfeited (as the case may be); and/or

(g) a Grantee must pay or repay (as the case may be) to the Group as a debt:

(1) all or part of the net proceeds of sale where CDIs or Shares allocated under the Plan have been sold;

(2) any cash payment received on vesting of Awards or in lieu of an allocation of CDIs or Shares; and/or

(3) any dividends received in respect of CDIs or Shares allocated under the Plan.

The Board may specify in an Award Agreement additional circumstances in which a Grantee's entitlement to Awards may be reduced or extinguished.

III.14 Section 409A

III.14.1All Awards made under the Plan that are intended to be "deferred compensation" subject to Section 409A shall be interpreted, administered and construed to comply with Section 409A, and all Awards made under the Plan that are intended to be exempt from Section 409A shall be interpreted, administered and construed to comply with and preserve such exemption. The Board and the Committee shall have full authority to give effect to the intent of the foregoing sentence. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the Plan and a provision of any Award or Award Agreement with respect to an Award, the Plan shall govern.

III.14.2Without limiting the generality of Section 3.14.1, with respect to any Award made under the Plan that is intended to be "deferred compensation" subject to Section 409A:

(a) any payment due upon a Grantee's termination of Employment shall be paid only upon such Grantee's separation from service from the Group within the meaning of Section 409A;

(b) any payment due upon a Change in Control of the Company will be paid only if such Change in Control constitutes a "change in ownership" or "change in effective control" within the meaning of Section 409A, and in the event that such Change in Control does not constitute a "change in the ownership" or "change in the effective control" within the meaning of Section 409A, such Award will vest upon the Change in Control and any payment will be delayed until the first compliant date under Section 409A;

(c) any payment to be made with respect to such Award in connection with the Grantee's separation from service from the Group within the meaning of Section 409A (and any other payment that would be subject to the limitations in Section 409A(a)(2)(b) of the Code) shall be delayed until six months after the Grantee's separation from service (or earlier death) in accordance with the requirements of Section 409A;

(d) to the extent necessary to comply with Section 409A, any other securities, other Awards or other property that the Group may deliver in lieu of CDIs or Shares in respect of an Award shall not have the effect of deferring delivery or payment beyond the date on which such delivery or payment would occur with respect to the CDIs or Shares that would otherwise have been deliverable (unless the Committee elects a later date for this purpose in accordance with the requirements of Section 409A);

(e) with respect to any required Consent described in Section 3.3 or the applicable Award Agreement, if such Consent has not been effected or obtained as of the latest date provided by such Award Agreement for payment in respect of such Award and further delay of payment is not permitted in accordance with the requirements of Section 409A, such Award or portion thereof, as applicable, will be forfeited and terminate notwithstanding any prior earning or vesting;

(f) if the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the Treasury Regulations), the Grantee's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment;

(g) if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the Treasury Regulations), the Grantee's right to the dividend equivalents shall be treated separately from the right to other amounts under the Award; and

(h) for purposes of determining whether the Grantee has experienced a separation from service from the Group within the meaning of Section 409A, "subsidiary" shall mean a corporation or other entity in a chain of corporations or other entities in which each corporation or other entity, starting with the Company, has a controlling interest in another corporation or other entity in the chain, ending with such corporation or other entity. For purposes of the preceding sentence, the term "controlling interest" has the same meaning as provided in Section 1.414(c)-2(b)(2)(i) of the Treasury Regulations, provided that the language "at least 20 percent" is used instead of "at least 80 percent" each place it appears in Section 1.414 (c)-2(b)(2)(i) of the Treasury Regulations.

III.15 Governing Law

THE PLAN AND ALL AWARDS MADE AND ACTIONS TAKEN THEREUNDER WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

III.16 Severability; Entire Agreement

If any of the provisions of the Plan or any Award Agreement is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision will be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions will not be affected thereby; provided that if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision will be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder. The Plan and any Award Agreements contain the entire agreement of the parties with respect to the subject matter thereof and supersede all prior agreements, promises, covenants, arrangements, communications, representations and warranties between them, whether written or oral with respect to the subject matter thereof.

III.17 Waiver of Claims

Each Grantee of an Award recognizes and agrees that before being selected by the Committee to receive an Award he or she has no right to any benefits under the Plan. Accordingly, in consideration of the Grantee's receipt of any Award hereunder, he or she expressly waives any right to contest the amount of any Award, the terms of any Award Agreement, any determination, action or omission hereunder or under any Award Agreement by the Committee, the Company or the Board, or any amendment to the Plan or any Award Agreement (other than an amendment to the Plan or an Award Agreement to which his or her consent is expressly required by the express terms of an Award Agreement). Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between the Group and any Grantee. The Plan is not intended to be subject to the Employee Retirement Income Security Act of 1974, as amended.

III.18 No Liability With Respect to Tax Qualification or Adverse Tax Treatment

Notwithstanding anything to the contrary contained herein, in no event shall the Group be liable to a Grantee on account of an Award's failure to (a) qualify for favorable United States or foreign tax treatment or (b) avoid adverse tax treatment under United States or foreign law, including, without limitation, Section 409A.

III.19 No Third-party Beneficiaries

Except as expressly provided in an Award Agreement, neither the Plan nor any Award Agreement will confer on any person other than the Group and the Grantee of any Award any rights or remedies thereunder. The exculpation and indemnification provisions of Section 1.3.4 will inure to the benefit of a Covered Person's estate and beneficiaries and legatees.

III.20 Successors and Assigns of the Company

The terms of the Plan will be binding upon and inure to the benefit of the Company and any successor entity contemplated by Section 3.6.

III.21 Waiver of Jury Trial

EACH GRANTEE WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THE PLAN.

III.22 Death of Grantee

If permitted by the Committee, a Grantee may name a beneficiary or beneficiaries to whom any unpaid vested Award shall be paid in event of the Grantee's death. Each such designation shall revoke all prior designations by the same Grantee and shall be effective only if given in a form and manner acceptable to the Committee. In the absence of any such designation, benefits remaining unpaid at the Grantee's death shall be paid to the Grantee's estate and, subject to the terms of this Plan, any unexercised vested Award may be exercised by the Committee or executor of the Grantee's estate.

III.23 Unfunded Plan.

The Plan shall be unfunded, and the Company shall not be required to create a trust or segregate any assets that may at any time be represented by Awards under the Plan. The Plan shall not establish any fiduciary relationship between the Company or any Subsidiary and any Grantee or other person. Neither a Grantee nor any other person shall, by reason of the Plan, acquire any right in or title to any assets, funds, or property of the Company or any Subsidiary, including, without limitation, any specific funds, assets, or other property which the Company or any Subsidiary, in its discretion, may set aside in anticipation of a liability under the Plan. A Grantee shall have only a contractual right to the Shares, CDIs, cash, or other amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary. Nothing contained in the Plan shall constitute a guarantee that the assets of such entities shall be sufficient to pay any amounts to any person.

III.24 Directors

If the Grantee is a Director, stock-based awards (other than restricted shares or CDIs) that entitle the Grantee to receive Shares or CDIs on vesting (and if applicable, exercise) must be satisfied by Shares or CDIs that have been purchased on market, unless:

(a) stockholder approval is not required under the ASX Listing Rules; or

(b) stockholder approval has been obtained to the extent required under the ASX Listing Rules.

III.25 Participation in new issues

Equity-based or equity-related Awards (other than restricted shares and restricted CDIs) carry no entitlement to participate in new issues of Shares or CDIs by the Group prior to the vesting and exercise (if applicable) of the Award.

III.26 Approval of Holders of Common Stock. If required by applicable laws, continuance of the Plan shall be subject to approval by the holders of Common Stock of the Company within 12 months before or after the date the Plan is adopted or, to the extent required by applicable laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under applicable laws.

III.27 Date of Adoption

The Plan was adopted on June 24, 2019 by the Board (the "**Effective Date**") as amended by the Stockholder at the annual general meeting on June 1, 2020.

ADDENDUM A

Sezzle Equity Incentive Plan

(California Grantees)

Prior to the date, if ever, on which the Common Stock becomes a listed security and/or the Company is subject to the reporting requirements of the Exchange Act, the terms set forth herein shall apply to Awards issued to California Grantees. All capitalized terms used herein but not otherwise defined shall have the respective meanings set forth in the Plan.

1. The following rules shall apply to any option in the event of termination of the Grantee's Employment:

(a) If such termination was for reasons other than death, "Permanent Disability" (as defined below), or Cause, the Grantee shall have at least 30 days after the date of such termination to exercise his or her option to the extent the Grantee is entitled to exercise on his or her termination date, provided that in no event shall the option be exercisable after the expiration of the term as set forth in the Award Agreement.

(b) If such termination was due to death or Permanent Disability, the Grantee shall have at least 6 months after the date of such termination to exercise his or her option to the extent the Grantee is entitled to exercise on his or her termination date, provided that in no event shall the option be exercisable after the expiration of the term as set forth in the Award Agreement.

"Permanent Disability" for purposes of this Addendum shall mean the inability of the Grantee, in the opinion of a qualified physician acceptable to the Company, to perform the major duties of the Grantee's position with the Company or any Parent or Subsidiary because of the sickness or injury of the Grantee.

2. Notwithstanding anything to the contrary in Section 1.6 of the Plan, the Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code.

3. Notwithstanding anything stated herein to the contrary, no option shall be exercisable on or after the 10th anniversary of the Date of Grant and any Award Agreement shall terminate on or before the 10th anniversary of the Date of Grant.

4. The Company shall furnish summary financial information (audited or unaudited) of the Company's financial condition and results of operations, consistent with the requirements of applicable laws, at least annually to each California Grantee during the period such Grantee has one or more Awards outstanding, and in the case of an individual who acquired Shares pursuant to the Plan, during the period such Grantee owns such Shares; provided, however, the Company shall not be required to provide such information if (i) the issuance is limited to key persons whose duties in connection with the Company assure their access to equivalent information or (ii) the Plan or any agreement complies with all conditions of Rule 701 of the Securities Act of 1933, as amended; provided that for purposes of determining such compliance, any registered domestic partner shall be considered a "family member" as that term is defined in Rule 701.

SEZZLE INC.

SEZZLE EQUITY INCENTIVE PLAN NOTICE OF AWARD

You have been awarded, under the 2019 Sezzle Equity Incentive Plan, the option to purchase Common Stock/CDI's of Sezzle Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant:
Exercise Price Per Share:
(In Australian Dollars)
Total Number of Shares:
Type of Option: _____ Shares Incentive Stock Option
_____ Shares Nonstatutory Stock Option

Expiration Date:
Vesting Commencement Date:

Vesting/Exercise Schedule:

So long as your Employment does not terminate the shares underlying this option shall vest and become exercisable in accordance with the following schedule: ___ % of the Total Number of Shares shall vest and become exercisable on the ____ month anniversary of the Vesting Commencement Date and _____ of the Total Number of Shares shall vest and become exercisable on the _____ day of each month thereafter (and if there is no corresponding day, the last day of the month).

[Signature Page Follows]

By your signature and the signature of the Company's representative or by accepting this grant, you and the Company agree that this Option is granted under and governed by the terms and conditions of this Notice and the Sezzle Inc. Equity Incentive Plan, which is attached to and made a part of this Notice.

In addition, you agree and acknowledge that your rights to any shares underlying this option will vest only as you provide services to the Company over time, that the grant of this option is not as consideration for services you rendered to the Company prior to your date of hire, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause, subject to Applicable Laws.

Also, to the extent applicable, the Exercise Price Per Share has been set in good faith compliance with the applicable guidance issued by the IRS under Section 409A of the Code. However, there is no guarantee that the IRS will agree with the valuation, and by signing below, you agree and acknowledge that the Company, its Board, officers, employees, agents and stockholders shall not be held liable for any applicable costs, taxes, or penalties associated with this option if, in fact, the IRS or any other person (including, without limitation, a successor corporation or an acquirer in a Change of Control) were to determine that this option constitutes deferred compensation under Section 409A of the Code. You should consult with your own tax advisor concerning the tax consequences of such a determination by the IRS. For purposes of this paragraph, the term "Company" will be interpreted to include any Parent, Subsidiary or Affiliate.

THE COMPANY:

SEZZLE INC.

By: _____ (Signature)

Name: Don McConnell
Title: Chief Compliance Officer

GRANTEE:

By: _____
(PRINT NAME)

_____
(Signature)

ANNEX I

Rule 506(d)(1)(i) to (viii) under the Securities Act of 1933, as amended

(i) Has been convicted, within ten years before such sale (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;
(B) Involving the making of any false filing with the Commission; or
(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;
(B) Involving the making of any false filing with the Commission; or
(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) At the time of such sale, bars the person from:

(1) Association with an entity regulated by such commission, authority, agency, or officer;
(2) Engaging in the business of securities, insurance or banking; or
(3) Engaging in savings association or credit union activities; or

(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

(iv) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:

(A) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;
(B) Places limitations on the activities, functions or operations of such person; or
(C) Bars such person from being associated with any entity or from participating in the offering of any penny stock;

(v) Is subject to any order of the Commission entered within five years before such sale that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or
(B) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(vi) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before such sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Is subject to a United States Postal Service false representation order entered within five years before such sale, or is, at the time of such sale, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

SEZZLE INC.
PROPRIETARY INFORMATION, INVENTIONS,
NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement ("***Agreement***") is made in consideration for my employment by Sezzle Inc., a Delaware corporation (the "***Company***"), and compensation now and hereafter paid to me. I understand and agree as follows:

1. NONDISCLOSURE AND USE.

All Proprietary Information (as defined below) is and shall remain the sole and exclusive property of the Company. At all times during my employment and afterwards I will not disclose or use any Proprietary Information, except as required in connection with my work for the Company during employment. I will take reasonable precautions to safeguard the Proprietary Information. I understand that I am also prohibited from accessing the Company's computer systems and databases for any unauthorized, improper or competitive purpose, both while employed and thereafter. The term "***Proprietary Information***" means: (i) Confidential Information; and (ii) Trade Secrets. The term "***Confidential Information***" means any information not generally known by third parties, including the Company's competitors or the general public. Examples of confidential Company information include, but are not limited to, marketing plans and techniques, non-public information about suppliers and vendors, strategic business plans, company financial history and current condition, budgetary information and related reporting, point of sale reports, quote logs, personal information of employees deemed private under state or federal law when those employees have not given permission for the disclosure of their personal information, supplier lists, pricing processes and information, software code including, without limitations, object code, source code, and markup language, market research completed internally or commissioned by the Company, prospecting lists, personal information regarding customers or vendors, and information received by the Company from its customers, suppliers, or others in confidence. I will treat information that is not expressly identified by the Company as "confidential" as confidential unless, under the circumstances, I know or have reason to know that The Company does not intend to keep that type of information confidential. The term "***Trade Secrets***" means any of the Company or customer information: (a) that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (b) for which the Company has taken reasonable steps under the circumstances to maintain its secrecy. I acknowledge and agree that examples of trade secrets include, but are not limited to, customer lists and documents that contain information not readily available through general sources, business plans, pricing information and proprietary processes.

I will not disclose or use any information received by the Company from third parties, except as required in connection with my work for the Company. I will not improperly use or disclose any confidential information or trade secrets of any third party or former employer to whom I have an obligation of confidentiality. My performance of all the terms of this Agreement and as an employee of the Company does not breach any agreement by which I am legally bound, and I agree not to become a party to any such agreement.

2. OWNERSHIP OF WORK PRODUCT.

All Proprietary Information and similar information, products, processes, inventions (whether patentable or not), designs, programs and related documentation, intellectual property, and other works of authorship relating to the Company's business prepared, made, conceived, or reduced to practice by me (in whole or in part) in connection with my employment or that relate directly to the business of the Company or the Company's actual or demonstrably anticipated research or development ("***Work Product***"), are and shall remain the exclusive property of the Company, and shall not be used for my own purposes at any time during or after my employment. I will promptly disclose to the Company all Work Product I make individually or jointly with others. I hereby assign and agree to assign all right, title, and interest, including all copyrights, patent rights, trademark rights, moral rights, and other intellectual property rights in such Work Product to the Company, and upon the request and at the expense of the Company, do all other acts reasonably necessary to assist it in obtaining and enforcing rights in Work Product in any and all countries. I am hereby notified that this Section shall not apply to inventions I developed entirely on my own time without using the Company's equipment, supplies, facilities or trade secret information except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the Company's business or to its actual or demonstrably anticipated research or development; or (2) result from any work that I performed for the Company. I designate and appoint the Company and its duly authorized officers and agents, as my agents and attorneys-in-fact, with full power of substitution, to act for and in my behalf and instead of me, to execute and file any documents and to do all other lawfully permitted acts to further the above purposes related to Work Product with the same legal force and effect as if executed by me.

"***Works Made for Hire***" means any and all Work Product that is copyrightable subject matter. I agree that Works Made for Hire constitute "Works Made for Hire" under United States copyright laws and that all copyrights in Works Made For Hire shall be owned by the Company as the sole and exclusive author and owner thereof. To the extent that any Work Product is not deemed to be Works Made for Hire, I will and hereby do assign all right, title and interest in and to such works to the Company including all copyrights, patent rights, and other intellectual property rights. I shall execute any and all such documents, instruments, agreements or certificates and take such other actions as the Company may reasonably request to further secure its rights in and title to all Work Product, both during and after my employment (without further consideration).

NOTICE: Pursuant to Minnesota Statutes Section 181.78, the provisions of this Section 2 do not apply to Work Product for which no equipment, supplies, facility or confidential business information or trade secrets of the Company were used and which were developed entirely on my own time and: (a) that do not relate directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development; or (b) that do not result from any work performed by me for the Company. For clarity, work or inventions I made prior to the commencement of my employment with the Company which are owned in whole or in part by me are described on the signature page hereto; or, if blank, I affirm there are no such "Prior Inventions."

3. NO CONFLICTS OR SOLICITATION.

To protect the Company's Proprietary Information, during my employment, I will not engage in any other employment or other activity that is related to the business in which the Company is now involved or becomes involved or has plans to become involved, nor will I engage in any other activities that conflict with my obligations to the Company.

In addition, during my employment and for a period of one year following the termination of my employment with the Company for any reason I will not, either directly or indirectly, solicit, induce, or encourage (or attempt to do so) any of the Company's employees or other service providers to leave their employment/engagement, or hire or take away such employees or other service providers, either for myself or for any other person or entity. This restriction includes all those who were employed by or performed services for the Company at any time during the one year period immediately before the date my employment terminated.

In addition, during my employment and for a period of one year immediately following the termination of my employment with the Company for any reason I will not, either directly or indirectly: (a) interfere with the Company's relationships with any of its customers, prospective customers, suppliers, contractors, distribution partners, prospective distribution partners, resellers, or any third party regularly dealing with the Company; or (b) solicit, call upon, divert or actively take away, or attempt to solicit, call upon, divert or take away, for purposes of conducting a business substantially similar to or competitive with the Company's business, any of the Company's customers, prospective customers, suppliers, contractors, distribution partners, prospective distribution partners, or other third party regularly dealing with the Company. This restriction includes any customer to which the Company sold any product, or for which the Company performed any service at any time during the one year period immediately before the date my employment terminated, except that the restriction pertaining to the Company's prospective customers only applies if I became familiar with the prospective customer through my employment.

4. COVENANT NOT TO COMPETE.

To protect the Company's Proprietary Information, I agree that during my employment and for a period of one year immediately following the termination of my employment with the Company for any reason I will not compete with the Company in the Territory (defined below), which for clarity means that I will not, either directly or indirectly, in the Territory; (i) serve as an advisor, agent, consultant, director, manager, employee, officer, partner, proprietor or otherwise of any Restricted Business (defined below); (ii) have any ownership interest in any Restricted Business (except for passive ownership of one percent or less of any entity whose securities are publicly traded); or (iii) participate in the organization, financing, operation, management or control of any Restricted Business. "***Restricted Business***" means business in competition with the Company's business as conducted by the Company at any time during the course of my employment with the Company, together with any other business with which I am actively involved in assisting the Company with researching, developing or marketing at the time of the termination of my employment. To ensure the Company's protection from the dissemination of trade secrets, we strictly enforce this covenant with Major Competitors. "***Major Competitors***" means any of the following companies: (i) Afterpay Touch Group Ltd;, (ii) Quadpay; (iii) Affirm, Inc.;(iv) Klarna Bank AB; and (v) any other business that offers interest free closed end consumer credit. For clarity, the Company's business as of the date I signed this Agreement includes without limitation: providing payment services that allow consumers to finance their payments through an innovative interest-free installment system. "***Territory***" means: (i) the United States of America; and (ii) Canada. The foregoing Territory is reasonable and reasonably necessary to protect the Proprietary Information. If the court determines this too restrictive, then the parties agree that the court may reduce or limit the area to enable the intent of this Section to be enforced in the largest acceptable area.

5. REASONABLE.

The restrictions in Sections 3 and 4 are reasonable and are reasonably necessary for the protection of Proprietary Information and provide a reasonable way of protecting the Company's business value which will be imparted to me. Through my employment I will receive adequate consideration for any loss of opportunity associated with their provisions. The length of time, geographic area and any other restrictions contained in this Agreement are reasonable to protect the legitimate interests of the Company and do not unfairly restrict or penalize me. However, if any restriction set forth in Section 3 or 4 is found by a court to be unenforceable because it extends for too long a period of time or over too great a range of activities or in too broad a geographic area, it shall extend only over the maximum period of time, range of activities or geographic area as to which such court shall determine it to be enforceable. A breach of any provision(s) of this Agreement tolls the running of the limitation period and the restriction period with respect to such provision(s) during the breach.

6. NON-DISPARAGEMENT.

During the course of my employment and after the termination of that employment, **I** agree to not disparage, defame or besmirch the Company's legitimate business interests, products or services, or the legitimate business interests of its affiliates, directors, officers, employees or agents.

7. USE OF LIKENESS.

I will not, directly or indirectly, endorse, speak on behalf of, or allow my name or likeness to be used to in any way promote any competitive business or competing product during my employment with the Company. During my employment and after my employment with the Company ends, I consent to the Company's use of my image, likeness, voice, and other characteristics in connection with the Company's operation of the Company's business and its promotion and sale of its products and services. I release the Company from any cause of action which I may have or may have arising out of the use, distribution, adaptation, reproduction, broadcast, or exhibition of such characteristics.

8. SOCIAL MEDIA.

The Company owns all Company-related digital and social media accounts (including all passwords, data posts, digital works and goodwill therein) that I may create, manage, contribute to, or administer during my employment with the Company and including all "followers," connections, fans, subscribers, contacts and other relationships created under such accounts. My use of such accounts will be in accordance with all Company policies in effect from time to time. At anytime upon request and immediately upon my termination of employment for any reason, I will surrender full control and access to such accounts to the Company.

9. Legal and Equitable Remedies.

Because my services are personal and unique and the Company may not have an adequate remedy at law for a breach or threatened breach of this Agreement, the Company may, in addition to other remedies at law or in equity which may be available, enforce this Agreement by injunction, specific performance or other equitable relief, all without bond.

10. Employment At-will and Other Matters.

My employment is at-will, meaning that I or the Company can end my employment at any time, with or without cause or notice. The Company may notify any employer I may have in the future of my rights and obligations under this Agreement. At any time upon request and on termination of my employment, I will return all Company property to the Company immediately. In addition, all Company property and property situated on the Company's premises is subject to inspection by the Company at any time and I understand that I have no expectation of privacy with regard to the same, including without limitation work areas, computer and communications systems, email and internet records handheld devices or other property used to conduct the business of the Company. Nothing in this Agreement is intended to limit my rights to discuss the terms, wages, and working conditions of employment, as protected by applicable law.

11. General Provisions.

Minnesota law governs this Agreement. I consent to the personal jurisdiction of and venue in the state and federal courts located in Minnesota. If any provision of this Agreement is found invalid or unenforceable, no other provision is affected. This Agreement is binding on my heirs and all legal representatives. This Agreement benefits and may be enforced by the Company and its agents, parents, subsidiaries, affiliates, successors and assigns. The provisions of this Agreement survive the termination of my employment and the assignment of this Agreement by the Company to any assignee or successor. A waiver by the Company of any breach is not a waiver of any prior or subsequent breach, and a waiver of any specific right shall not be construed as a waiver of any other right. For purposes of this Agreement, the term "employee" shall be deemed to include "consultant," "independent contractor" or "director," and the term "employment," or any variation thereof, shall be deemed to include "engagement" or any variation thereof. My obligations under this Agreement shall apply to any time during which I was previously employed, or am in the future employed, by the Company if no other agreement governs during such period. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement. This Agreement is effective as of the first day of my employment with the Company. This Agreement is the final, complete and exclusive agreement between me and the Company with respect to the subject matter hereof and supersedes all prior discussions or agreements, written or verbal, between us with respect to the subject matter hereof. Amendments or waivers to this Agreement must be in writing and signed by the party to be charged to be effective.

I HAVE READ THIS AGREEMENT	**ACCEPTED AND AGREED TO:**
CAREFULLY AND UNDERSTAND ITS TERMS.	SEZZLE, INC.
By: _____	By: _____
Name: _____	Its: _____
Date: _____	Date: _____

****

"PRIOR INVENTIONS"

****

If you have Prior Inventions, please list them in the space below. Please be aware that if no Prior Inventions are identified below, you are affirming that there are no Prior Inventions. If you need extra pages, please attach them and indicate below.

Title	Date of Prior Invention	Brief Description

If a prior confidentiality agreement prevents disclosure above, instead provide a cursory name for each prior invention, a listing of the party or parties to whom it belongs and description of the relationship to that party.

Invention	Parties	Relationship

****

SEZZLE INC.

SEZZLE EQUITY INCENTIVE PLAN NOTICE OF AWARD

You have been awarded, under the 2019 Sezzle Equity Incentive Plan, restricted stock units (RSUs) for Sezzle Inc., a Delaware corporation (the "Company"), as follows:

Date of Grant:

Total Number of RSUs:

Vesting Commencement Date:

Vesting/Exercise Schedule:

So long as your Employment does not terminate the RSUs shall vest in accordance with the following schedule: _____% of the Total Number of RSUs shall vest on the –month anniversary of the Vesting Commencement Date and _____of the Total Number of RSUs shall vest and become exercisable on the _____day of each month thereafter (and if there is no corresponding day, the last day of the month).

[Signature Page Follows]

By your signature and the signature of the Company's representative or by accepting this grant, you and the Company agree that the RSUs is granted under and governed by the terms and conditions of this Notice and the Sezzle Inc. Equity Incentive Plan, which is attached to and made a part of this Notice.

In addition, you agree and acknowledge that your rights to any shares underlying the RSUs will vest only as you provide services to the Company over time, that the grant of the RSUs is not as consideration for services you rendered to the Company prior to your date of hire, and that nothing in this Notice or the attached documents confers upon you any right to continue your employment or consulting relationship with the Company for any period of time, nor does it interfere in any way with your right or the Company's right to terminate that relationship at any time, for any reason, with or without cause, subject to Applicable Laws.

THE COMPANY:

SEZZLE INC.

By: _____
Name: Don McConnell
Title: Chief Compliance Officer

GRANTEE:

_____
(PRINT NAME)

_____
(Signature)

ANNEX I

Rule 506(d)(1)(i) to (viii) under the Securities Act of 1933, as amended

(i) Has been convicted, within ten years before such sale (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) At the time of such sale, bars the person from:

(1) Association with an entity regulated by such commission, authority, agency, or officer;

(2) Engaging in the business of securities, insurance or banking; or

(3) Engaging in savings association or credit union activities; or

(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

(iv) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:

(A) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;

(B) Places limitations on the activities, functions or operations of such person; or

(C) Bars such person from being associated with any entity or from participating in the offering of any penny stock;

(v) Is subject to any order of the Commission entered within five years before such sale that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or

(B) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(vi) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before such sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Is subject to a United States Postal Service false representation order entered within five years before such sale, or is, at the time of such sale, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

SEZZLE INC.

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement" is made as of 12/22/2017 by and between Sezzle, Inc., a Delaware corporation (the "Company") and Paul Paradis ("Purchaser").

1. **Sale of Stock**. Subject to the terms and conditions of this Agreement, simultaneously with the execution and delivery of this Agreement by the parties or on such other date as the Company and Purchaser shall agree (the "Purchase Date"), the Company will issue and sell to Purchaser, and Purchaser agrees to purchase from the Company, 3,000,000 shares of the Company's Common Stock (the "Shares") at a purchase price of $0.0065 per share for a total purchase price of $19,500 (the "Aggregate Purchase Price"). On the Purchase Date, Purchaser will deliver the Aggregate Purchase Price to the Company and the Company will enter the Shares in Purchaser's name as of such date in the books and records of the Company or, if applicable, a duly authorized transfer agent of the Company. The Company will deliver to Purchaser, upon request, a notice of issuance with respect to the Shares as soon as practicable following such date. As used elsewhere herein, the term "Shares" refers to all of the shares purchased hereunder and all securities received in connection with the Shares pursuant to stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other property to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Consideration for** Shares. As consideration for the Shares, Purchaser will deliver the Aggregate Purchase Price by a check made out to the Company. The Company will also agree to lend the Purchase Price to the Purchaser in the form of a 0% interest note for the term of the holdings.

3. **Limitations on Transfer**. Purchaser shall not assign, encumber or dispose of any interest in the Shares except to the extent permitted by, and in compliance with the provisions below, the transfer restrictions set forth in the Company's Bylaws and applicable securities laws.

(a) **Repurchase Option; Vesting**.

(i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status (as defined below) for any reason (including death or Disability (as defined below)), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a period of 3 months from such date to repurchase all of any portion of the Unvested Shares (as defined below) held by Purchaser as of the Termination Date at the original purchase price per Share (adjusted for any stock splits, stock dividends and the like) specified in Section 1. As used in this Agreement, "Unvested Shares" means Shares that have not yet been released from the Repurchase Option.

(ii) Unless the Company notifies Purchaser within 3 months from the Termination Date that it does not intend to exercise its Repurchase Option with respect to some or all of the Unvested Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the end of such 3-month period following such Termination Date, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to the end of such 3-month period. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Unvested Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Unvested Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Unvested Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Unvested Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Unvested Shares being repurchased shall be deemed automatically canceled as of the end of the 3-month period following the Termination Date unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Unvested Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Unvested Shares being repurchased by the Company, without further action by Purchaser.

(iii) 100% of the Shares shall initially be subject to the Repurchase Option (the "Vesting Shares"). 25% of the Vesting Shares shall be released from the Repurchase Option on 12/22/2018, and an additional 1/48th of the Vesting Shares shall be released from the Repurchase Option on the 1st day of each month thereafter [(and if there is no corresponding day, the last day of the month), until all Vesting Shares are released from the Repurchase Option; provided, however, that such scheduled releases from the Repurchase Option shall immediately cease as of the Termination Date. Fractional shares shall be rounded to the nearest whole share.

(iv) *Double Trigger Acceleration*: Notwithstanding the foregoing, if Purchaser is terminated without Cause (as defined below) by the Company (or a successor, if appropriate) or resigns for Good Reason (as defined below) in connection with or following the consummation of a Change of Control (as defined below), then the vesting of the Unvested Shares shall accelerate such that the Repurchase Option in Section 3(a) shall lapse as to 100% of the Unvested Shares. The lapse of repurchase rights provided for in the previous sentence shall occur immediately prior to the Termination Date. In the case of a sale of all or substantially all of the Company's assets other than to an Excluded Entity, if the acquirer of the Company's assets does not agree to assume this Agreement, or to substitute an equivalent award or right for this Agreement, and Purchaser transfers his employment to such acquirer in connection with such asset sale transaction, then any acceleration of vesting that would otherwise occur upon Purchaser's termination shall occur immediately prior to, and contingent upon, the means (1) a sale of all or substantially all of the Company's assets other than to an Excluded Entity (as defined below), (2) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (3) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company's then outstanding voting securities. Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company's incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company's securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company's Board of Directors. An "Excluded Entity" means a corporation, limited liability company or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation's, limited liability company's or other entity's voting securities outstanding immediately after such transaction. As used in this Agreement, "Cause" for the Company (or a successor, if appropriate) to terminate Purchaser's employment shall exist under the following conditions (I) Purchaser's willful and continued failure to substantially perform Purchaser's duties to the Company after there has been delivered to Purchaser by the Company's Board of Directors a written demand for substantial performance and opportunity to cure which sets forth in detail the specific respects in which the Company's Board of Directors believes that Purchaser has not substantially performed Purchaser's duties; (II) Purchaser having committed willful fraud, willful misconduct, dishonesty or other intentional action in any such case which is materially injurious to the Company; (III) Purchaser's having been convicted of, or having plead guilty or nolo contendere to, any crime that results in, or is reasonably expected to result in material harm to the business or reputation of the Company; or (IV) Purchaser's material breach of any material written agreement between Purchaser and the Company (including without limitation Purchaser's Proprietary Information, Inventions, Non-competition and Non-solicitation Agreement with the Company) and Purchaser's failure to cure such breach within 30 days after receiving written notice thereof. For purposes of clarity, a termination without "Cause" does not include any termination that occurs as a result of Purchaser's death or disability. The determination as to whether Purchaser's Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on Purchaser. The foregoing definition does not in any way limit the Company's ability to terminate Purchaser's employment or consulting relationship at any time, and the term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate. As used in this Agreement, "Good Reason" will mean Purchaser's resignation due to the occurrence of any of the following conditions which occurs without Purchaser's written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied: (1) a reduction of Purchaser's then current base salary by 10% or more unless such reduction is part of a generalized salary reduction affecting similarly situated employees; (2) a change in Purchaser's position with the Company that materially reduces Purchaser's duties, level of authority or responsibility; or (3) the Company conditions Purchaser's continued service with the Company on Purchaser's being transferred to a site of employment that would increase Purchaser's one-way commute by more than 35 miles from Purchaser's then principal residence. In order for Purchaser to resign for Good Reason, Purchaser must provide written notice to the Company of the existence of the Good Reason condition within 60 days of the initial existence of such Good Reason condition. Upon receipt of such notice, the Company will have 30 days during which it may remedy the Good Reason condition and not be required to provide for the vesting acceleration described herein as a result of such proposed resignation. If the Good Reason condition is not remedied within such 30-day period, Purchaser may resign based on the Good Reason condition specified in the notice effective no later than 30 days following the expiration of the 30-day cure period. If Purchaser is a Director but not an Employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Change of Control and Purchaser is removed from, or is not reelected to, the Board of Directors of the Company (or a successor, as appropriate) in connection with or following the consummation of a Change of Control, the vesting of any Unvested Shares shall accelerate such that the Repurchase Option shall lapse to the same extent as if Purchaser had been terminated without Cause as described above.

(b) **Right of First Refusal**. Before any Shares held by Purchaser or any transferee of Purchase (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal"), which the Company may either (1) exercise its Right of First Refusal and purchase the Shares as forth in this Section 3(b) or (2) reject to exercise its Right of First Refusal and permit the transfer of the Shares to the Proposed Transferee (as defined below).

(i) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (A) the Holder's intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (C) the number of Shares to be transferred to each Proposed Transferee; (D) the terms and conditions of each proposed sale or transfer, including (without limitation) the purchase price for such Shares (the "Transfer Purchase Price"); and (E) the Holder's offer shall offer to the Company or its assignee(s) to purchase the Shares at the Transfer Purchase Price and upon the same terms (or terms as similar as reasonably possible).

(ii) **Exercise of Right of First Refusal**. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Transfer Purchase Price, provided that if the Transfer Purchase Price consists of no legal consideration (as, for example, in the case of a transfer by gift), the purchase price will be the fair market value of the Shares as determined in good faith by the Company's Board of Directors. If the Transfer Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Company's Board of Directors in good faith.

(iii) **Payment**. Payment of the Transfer Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 60 days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company (or its assignee(s)) and the Holder.

(iv) **Holder's Right to Transfer**. If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer any unpurchased Shares to the Proposed Transferee at the Transfer Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 120 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with the transfer restrictions set forth in the Company's Bylaws and any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. The Company, in consultation with its legal counsel, may require the Holder to provide an opinion of counsel evidencing compliance with applicable securities laws. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) **Exception for Certain Family Transfers**. Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or to a trust for the benefit of Purchaser or Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(b). "Immediate Family" as used in this agreement shall mean lineal descendant or antecedent, spouse (or spouse's antecedents), father, mother, brother or sister (or their descendants), stepchild (or their antecedents or descendants), aunt or uncle (or their antecedents or descendants), brother-in-law or sister-in-law (or their antecedents or descendants) and shall include adoptive relationships, or any person sharing Purchaser's household (other than a tenant or an employee). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including divorce or intestate transfer upon death, but excluding transfer upon death by will (to any transferee) or a transfer to Immediate Family as set forth in Section 3(b)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have the right to purchase any or all of the Shares transferred at the fair market value of the Shares on the date of transfer (as determined by the Company in its sole discretion). Upon such a transfer, the Holder shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice from the Holder.

(d) **Assignment**. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees**. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights**. The Right of First Refusal granted the Company by Section 3(b) above and the right to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon (i) the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"_ (other than a registration statement relating solely to the issuance of Common Stock pursuant to a business combination or an employee incentive or benefit plan) or (ii) any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(g) **Lock-up Agreement**. If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Purchaser shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules, up to a maximum of 216 days from the effective date of the registration statement, and Purchaser shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

4. **Escrow of Unvested Shares**. For purposes of facilitating the enforcement of the provisions of Section 3, Purchaser agrees to deliver a Stock Power in the form attached to this Agreement as Exhibit A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, and such stock certificate(s), if any, to the Secretary of the Company, or the Secretary's designee, to hold such Shares (and stock certificate(s), if any) and Stock Power in escrow and to take all such actions and to effectuate all such transfers and/or releases as are required in accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations**. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any other person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities.

(d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144, which rule requires, among other things, that the Company be subject to the reporting requirements of the Exchange Act, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this Section 5(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 5(e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser represents that Purchaser is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (attached hereto as Annex I).

(g) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. **Restrictive Legends and Stop-Transfer Orders**.

(a) **Legends**. Any stock certificate or, in the case of uncertificated securities, any notice of issuance, for the Shares, shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) "THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

(ii) "THE SECURITIES REFERENCED HEREIN MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."

(iii) "THE TRANSFER OF SECURITIES REFERENCED HEREIN IS SUBJECT TO RESTRICTIONS REQUIRING APPROVAL OF THE COMPANY PURSUANT TO AND IN ACCORDANCE WITH THE COMPANY'S BYLAWS, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS. THE COMPANY SHALL NOT REGISTER OR OTHERWISE RECOGNIZE OR GIVE EFFECT TO ANY PURPORTED TRANSFER OF SHARES OF STOCK THAT DOES NOT COMPLY WITH THE COMPANY'S BYLAWS."

(b) **Stop-Transfer Notices**. Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer**. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(d) **Legend and Notice Removal**. When all the following events have occurred, the Shares then held by Purchaser will no longer be subject to the legend specified in Section 6(a)(ii) and the Company will remove any stop-transfer notices associated with the transfer restrictions imposed by this Agreement:

(i) the termination of the Right of First Refusal;

(ii) the expiration or exercise in full of the Repurchase Option; and

(iii) the expiration or termination of the lock-up provisions of Section 3(g) (and of any agreement entered pursuant to Section 3(g)).

After such time and upon Purchaser's request, a new stock certificate or, in the case of uncertificated securities, notice of issuance, for the remaining Shares, shall be issued without the legend specified in Section 6(a)(ii) and delivered to Purchaser.

(e) **Required Notices**. Purchaser acknowledges that the Shares are issued and shall be held subject to all the provisions of this Section 6, the Certificate of Incorporation and the Bylaws of the Company and any amendments thereto, copies of which are on file at the principal office of the Company. A statement of all of the rights, preferences, privileges and restrictions granted to or imposed upon the respective classes and/or series of shares of stock of the Company and upon the holders thereof may be obtained by any stockholder upon request and without charge, at the principal office of the Company, and the Company will furnish any stockholder, upon request and without charge, a copy of such statement. Purchaser acknowledges that the provisions of this Section 6 shall constitute the notices required by Sections 151(f) and 202(a) of the Delaware General Corporation Law and the Purchaser hereby expressly waives the requirement of Section 151(f) of the Delaware General Corporation Law that it receive the written notice provided for in Sections 151(f) and 202(a) of the Delaware General Corporation Law within a reasonable time after the issuance of the Shares.

7. **No Employment Rights**. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent, subsidiary or affiliate of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election**. Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within 30 days from the date of purchase. Even if the fair market value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with Purchaser's federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, does not purport to be complete, and is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death, and Purchaser has consulted, and has been fully advised by, Purchaser's own tax advisor regarding such tax laws and tax consequences or has knowingly chosen not to consult such a tax advisor. Purchaser further acknowledges that neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to Purchaser with respect to the tax consequences of Purchaser's purchase of the Shares or of the making or failure to make an 83(b) Election. PURCHASER (AND NOT THE COMPANY, ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR APPROPRIATELY FILING SUCH FORM WITH THE IRS, EVEN IF PURCHASER REQUESTS THE COMPANY, ITS AGENTS OR ANY OTHER PERSON MAKE THIS FILING ON PURCHASER'S BEHALF.

Purchaser agrees that Purchaser will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment"), attached hereto as Exhibit B and, if Purchaser decides to make an 83(b) Election, a copy of the 83(b) Election, attached hereto as Exhibit C.

9. **Certain Defined Terms**.

(a) "**Affiliate**" means an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity.

(b) "**Consultant**" means any person, including an advisor but not an Employee, who is engaged by the Company, or any Parent, Subsidiary or Affiliate, to render services (other than capital-raising services) and is compensated for such services, and any Director whether compensated for such services or not.

(c) "**Continuous Service Status**" means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(d) "**Director**" means a member of the Board of Directors of the Company.

(e) "**Disability**" means "disability" within the meaning of Section 22(e)(3) of the Code.

(f) "**Employee**" means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Board of Directors of the Company in its sole discretion, subject to any requirements of applicable laws, including the Code. The payment by the Company of a director's fee shall not be sufficient to constitute "employment" of such director by the Company or any Parent, Subsidiary or Affiliate.

(g) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(h) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

10. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the state of Delaware and agree that any such litigation shall be conducted only in the courts of Delaware or the federal courts of the United States located in Delaware and no other courts.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers**. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices**. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

(i) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to this Agreement or any notices required by applicable law or the Company's Certificate of Incorporation or Bylaws by email or any other electronic means. Purchaser hereby consents to (i) conduct business electronically (ii) receive such documents and notices by such electronic delivery and (iii) sign documents electronically and agrees to participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

The parties have executed this Common Stock Purchase Agreement as of the date first set forth above.

THE COMPANY:

SEZZLE INC.

By: /s/ Charles G. Youakim
(Signature)
Name: Charles G. Youakim
Title: President and CEO

PURCHASER:

Paul Paradis
(PRINT NAME)

By: /s/ Paul Paradis
(Signature)
Name: Paul Paradis
Title: CBDO

EXHIBIT A

STOCK POWER

FOR VALUE RECEIVED, the undersigned ("Holder"), hereby sells, assigns and transfers unto _____ ("Transferee") _____ shares of the Common Stock of Sezzle Inc., a Delaware corporation (the "Company"), standing in Holder's name on the Company's books as Certificate No. UCS-____ whether held in certificated or uncertificated form, and does hereby irrevocably constitute and appoint _____ to transfer said stock on the books of the Company with full power of substitution in the premises.

Date:

HOLDER:

_____
(PRINT NAME)

By: _____
(Signature)

Name: _____
Title: _____

Address: _____

_____

_____

Email: _____

This Stock Power may only be used as authorized by the Common Stock Purchase Agreement between the Holder and the Company, dated _____ and the exhibits thereto.

Instructions: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its repurchase option set forth in the Agreement without requiring additional signatures on the part of Holder.

IF YOU WISH TO MAKE A SECTION 83(B) ELECTION, THE FILING OF SUCH ELECTION IS YOUR RESPONSIBILITY.

THE FORM FOR MAKING THIS SECTION 83(B) ELECTION IS ATTACHED TO THIS AGREEMENT.

YOU MUST FILE THIS FORM WITHIN 30 DAYS OF PURCHASING THE SHARES.

YOU (AND NOT THE COMPANY, ANY OF ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR FILING SUCH FORM WITH THE IRS, EVEN IF YOU REQUEST THE COMPANY, ITS AGENTS OR ANY OTHER

PERSON TO MAKE THIS FILING ON YOUR BEHALF AND EVEN IF THE COMPANY, ANY OF ITS AGENTS OR ANY OTHER PERSON HAS PREVIOUSLY MADE THIS FILING ON YOUR BEHALF.

The election should be filed by mailing a signed election form by certified mail, return receipt requested to the IRS Service Center where you file your tax returns. See www.irs.gov.

EXHIBIT B

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING SECTION 83(B) ELECTION

The undersigned has entered into a stock purchase agreement with Sezzle Inc., a Delaware corporation (the "Company"), pursuant to which the undersigned is purchasing _____ shares of Common Stock of the Company (the "Shares"). In connection with the purchase of the Shares, the undersigned hereby represents as follows:

1. The undersigned has carefully reviewed the stock purchase agreement pursuant to which the undersigned is purchasing the Shares.

2. The undersigned either [check and complete as applicable]:

(a) has consulted, and has been fully advised by, the undersigned's own tax advisor, _____, whose business address is _____, regarding the federal, state and local tax consequences of purchasing the Shares, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or

(b) has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(a) to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned's executed stock purchase agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or

(b) not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of the Shares or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Dated:

PURCHASER:

(PRINT NAME)

(Signature)

Address:

Spouse of Purchaser (if applicable)

EXHIBIT C

ELECTION UNDER SECTION 83(B)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income for the current taxable year, the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME OF TAXPAYER: _____

NAME OF SPOUSE: _____

ADDRESS: _____

_____

IDENTIFICATION NO. OF TAXPAYER: _____

IDENTIFICATION NO. OF SPOUSE: _____

TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows:

_____ shares of the Common Stock of Sezzle Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is: _____

4. The property is subject to the following restrictions:

Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is:

$_____.

6. The amount (if any) paid for such property: [Paid for with property having a value of $_____ and equivalent to the value of the Shares] OR
[$_____].

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated:

PURCHASER:

(PRINT NAME)

(Signature)

Address:

Spouse of Purchaser (if applicable)

EXHIBIT D

FORM OF ASSIGNMENT OF IP AND OTHER ASSETS (SEE ATTACHED)

(See Attached)

SEZZLE INC.

ASSIGNMENT OF IP AND OTHER ASSETS

This Assignment of IP and Other Assets (this "Agreement") is made and entered into effective as of _____ (this "Effective Date") by and between Sezzle Inc., a Delaware corporation (the "Company"), and [Purchaser Name] (the "Assignor").

WHEREAS, prior to the Effective Date, the Assignor has developed certain technology and intellectual property on behalf of the Company and has developed or acquired other tangible personal property, as further described below, which relate to the Company's actual and proposed business associated with _____ (the "Business");

WHEREAS, the Assignor desires such technology and intellectual property and other tangible personal property to be assigned to and owned by the Company, in exchange for the shares of the Company's capital stock issued by the Company to the Assignor on or about the date hereof;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. **Certain Definitions**. As used herein, the following capitalized terms will have the meanings set forth below:

(a) "Technology" means all inventions, technology, ideas, concepts, processes, business plans, documentation, financial projections, models and any other items, authored, conceived, invented, developed or designed by the Assignor relating to the technology or Business of the Company that is not otherwise owned by the Company.

(b) "Derivative" means" (i) any derivative work of the Technology (as defined in Section 101 of the U.S. Copyright Act); (ii) all improvements, modifications, alterations,adaptations, enhancements and new versions of the Technology (the "Technology Derivatives"); and (iii) all technology, inventions, products or other items that, directly or indirectly, incorporate, or are derived from, any part of the Technology or any Technology Derivative.

(c) "Intellectual Property Rights" means, collectively, all worldwide patents, patent applications, patent rights, copyrights, copyright registrations, moral rights, trade names, trademarks, service marks, domain names and registrations and/or applications for all of the foregoing, trade secrets, know-how, mask work rights, rights in trade dress and packaging, goodwill and all other intellectual property rights and proprietary rights relating in any way to the Technology, any Derivative or any Embodiment, whether arising under the laws of the United States of America or the laws of any other state, country or jurisdiction.

(d) "Embodiment" means all documentation, drafts, papers, designs, schematics, diagrams, models, prototypes, source and object code (in any form or format and for all hardware platforms), computer-stored data, diskettes, manuscripts and other items describing all or any part of the Technology, any Derivative, any Intellectual Property Rights or any information related thereto or in which all of any part of the Technology, any Derivative, any Intellectual Property Right or such information is set forth, embodied, recorded or stored.

(e) “Business Assets” means all business and marketing plans, worldwide marketing rights, software, customer and supplier lists, price lists, mailing lists, customer and supplier records and other confidential or proprietary information relating to the Technology, as well as all computers, office equipment and other tangible personal property owned (i.e., not leased) by Assignor immediately prior to the execution and delivery of this Agreement and primarily used in or otherwise primarily related to the Business.

(f) “Assigned Assets” refers to the Technology, all Derivatives, all Intellectual Property Rights, all Embodiments and Business Assets, collectively.

2. **Assignment**.

(a) The Assignor hereby sells, transfers, assigns and conveys, to the Company, and its successors and assigns, the Assignor's entire right, title and interest in and to the Assigned Assets and all rights of action, power and benefit belonging to or accruing from the Assigned Assets including the right to undertake proceedings to recover past and future damages and claim all other relief in respect of any acts of infringement thereof whether such acts shall have been committed before or after the date of this assignment, the same to be held and enjoyed by said Company, for its own use and benefit and the use and benefit of its successors, legal representatives and assigns, as fully and entirely as the same would have been held and enjoyed by the Assignor, had this assignment not been made.

(b) The Assignor hereby appoints the Company the attorney-in-fact of the Assignor, with full power of substitution on behalf of the Assignor to demand and receive any of the Assigned Assets and to give receipts and releases for the same, to institute and prosecute in the name of the Assignor, but for the benefit of the Company, any legal or equitable proceedings the Company deems proper in order to enforce any rights in the Assigned Assets and to defend or compromise any legal or equitable proceedings relating to the Assigned Assets as the Company shall deem advisable. The Assignor hereby declares that the appointment made and powers granted hereby are coupled with an interest and shall be irrevocable by the Assignor.

(c) The Assignor hereby agrees that the Assignor and the Assignor's successors and assigns will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered such further acts, documents, or instruments confirming the conveyance of any of the Assigned Assets to the Company as the Company shall reasonably deem necessary, provided that the Company shall provide all necessary documentation to the Assignor.

3. **Assignor Representations and Warranties**. The Assignor represents and warrants to the Company that to the best of Assignor's knowledge the Assignor is the owner, inventor and/or author of, and can grant exclusive right, title and interest in and to, each of the Assigned Assets transferred by the Assignor hereunder and that none of the Assigned Assets are subject to any dispute, claim, prior license or other agreement, assignment, lien or rights of any third party, or any other rights that might interfere with the Company's use, or exercise of ownership of, any of the Assigned Assets. The Assignor further represents and warrants to the Company that to the best of Assignor's knowledge the Assigned Assets are free of any claim of any prior employer or third party client of the Assignor or any school, university or other institution the Assignor attended, and that the Assignor is not aware of any claims by any third party to any rights of any kind in or to any of the Assigned Assets. The Assignor agrees to immediately notify the Company upon becoming aware of any such claims.

4. **Reimbursement of Expenses**. The Company shall as promptly as practicable, reimburse the Assignor for the Assignor's actual out-of-pocket costs reasonably incurred with respect to Assignor's acquisition and maintenance of the Assigned Assets.

5. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers**. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices**. Any notice, demand or request required to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date and year first above written.

Dated:

ASSIGNOR:

[PURCHASER NAME]

(Signature)

Address:

United States
Email:

Spouse of Assignor (if applicable)

THE COMPANY:

SEZZLE INC.

By:
(Signature)

Name:
Title:

Address:

United States

EXHIBIT E

FORM OF PATENT ASSIGNMENT

(See Attached)

ANNEX I

Rule 506(d)(1)(i) to (viii) under the Securities Act of 1933, as amended

(i) Has been convicted, within ten years before such sale (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;
(B) Involving the making of any false filing with the Commission; or
(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;
(B) Involving the making of any false filing with the Commission; or
(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) At the time of such sale, bars the person from:
(1) Association with an entity regulated by such commission, authority, agency, or officer;
(2) Engaging in the business of securities, insurance or banking; or
(3) Engaging in savings association or credit union activities; or
(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

(iv) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:

(A) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;
(B) Places limitations on the activities, functions or operations of such person; or
(C) Bars such person from being associated with any entity or from participating in the offering of any penny stock;

(v) Is subject to any order of the Commission entered within five years before such sale that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or
(B) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(vi) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before such sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Is subject to a United States Postal Service false representation order entered within five years before such sale, or is, at the time of such sale, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

RECEIPT

Sezzle Inc., a Delaware corporation (the "Company"), hereby acknowledges receipt of:

_____ A check in the amount of $

_____ The assignment of certain intellectual property and/or other assets having an aggregate value equal to $_____

given by _____ as consideration for _____ shares of common Stock of the Company recorded on the books of the Company as Certificate No. _____.

PAn agreement to repay the company the purchase price upon the sale of these securities.

Dated:

THE COMPANY:

SEZZLE INC.

By: _____
(Signature)

Name:
Title:

RECEIPT AND CONSENT

The undersigned hereby acknowledges issuance of 3,000,000 shares of Common Stock of Sezzle Inc., a Delaware corporation (the "Company").

The undersigned further acknowledges that the Secretary of the Company, or his or her designee, is acting as escrow holder pursuant to the Common Stock Purchase Agreement that Purchaser has previously entered into with the Company. As escrow holder, the Secretary of the Company, or his or her designee, holds the original of the aforementioned shares issued in the undersigned's name.

Dated: 12/26/2017

PURCHASER:

_____
(PRINT NAME)

By: _____
(Signature)

Name:

Title:

Address:

Email:

_____
Spouse of Purchaser (if applicable)

SEZZLE INC.

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement ("this Agreement") is made as of 10/13/2016 by and between Sezzle, Inc., Delaware corporation (the "Company") and Paul Paradis ("Purchaser")

1. **Sale of Stock**. Subject to the terms and conditions of this Agreement, simultaneously with the execution and delivery of this Agreement by the parties or on such other date as the Company and Purchaser shall agree (the "Purchase Date"), the Company will issue and sell to purchaser, and Purchaser agrees to purchase from Company, 3,000,000 shares of the Company's Common Stock (the "Shares") at a purchase price of $0.0005 per share for a total purchase price of $1,500 (the "Aggregate Purchase Price"). On the Purchase Date, Purchaser will deliver the Aggregate Purchase Price to the Company and the Company will enter the Shares in Purchaser's name as of such date in the books and records of the Company or, if applicable, a duly authorized transfer agent of the Company. The Company will deliver to Purchaser, upon request, a notice of issuance with respect to the Shares as soon as practicable following such date. As used elsewhere herein, the term "Shares" refers to all of the Shares purchased hereunder and all securities received in connection with the Shares pursuant to stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other property to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Consideration for Shares**. As consideration for the Shares, Purchaser will deliver the Aggregate Purchase Price by an assignment of certain assets as set forth in the Assignment of IP and Other Assets or a patent assignment in the form attached to this Agreement as Exhibit D and/or Exhibit E, or a check made out to the Company or similar accepted consideration given to the company.

3. **Limitations on Transfer**. Purchaser shall not assign, encumber or dispose of any interest in the Shares except to the extent permitted by, and in compliance with the provisions below, the transfer restrictions set forth in the Company's Bylaws and applicable securities laws.

(a) **Repurchase Option; Vesting**.

(i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status (as defined below) for any reason (including death or Disability (as defined below)), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a period of 3 months from such date to repurchase all or any portion of the Unvested shares (as defined below) held by Purchaser as of the Termination Date at the original purchase price per Share (adjusted for any stock splits, stock dividends and the like) specified in Section 1. As used in this Agreement, "Unvested Shares" means Shares that have not yet been released from the Repurchase Option.

(ii) Unless the Company notifies Purchaser within 3 months from the Termination Date that it does not intend to exercise its Repurchase Option with respect to some or all of the Unvested Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the end of such 3 month period following such Termination Date, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to the end of such 3 month period. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Unvested Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Unvested Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Unvested Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Unvested Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Unvested Shares being repurchased shall be deemed automatically canceled as of the end of the 3 month period following the Termination Date unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Unvested Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Unvested Shares being repurchased by the Company, without further action by Purchaser.

(iii) 100% of the Shares shall initially be subject to the Repurchase Option (the "Vesting Shares"). 1/3rd of the Vesting Shares shall be released from the Repurchase Option on 10/13/2017, and an additional 1/36th of the Vesting Shares shall be released from the Repurchase Option on the 1st day of each month thereafter (and if there is no corresponding day, the last day of the month), until all Vesting Shares are released from the Repurchase Option; provided, however, that such scheduled releases from the Repurchase Option shall immediately cease as of the Termination Date. Fractional shares shall be rounded to the nearest whole share.

(iv) *Double Trigger Acceleration*: Notwithstanding the foregoing, if Purchaser is terminated without Cause (as defined below) by the Company (or a successor, if appropriate) or resigns for Good Reason (as defined below) in connection with or following the consummation of a Change of Control (as defined below), then the vesting of the Unvested Shares shall accelerate such that the Repurchase Option in Section 3(a) shall lapse as to 100% of the Unvested Shares. The lapse of repurchase rights provided for in the previous sentence shall occur immediately prior to the Termination Date. In the case of a sale of all or substantially all of the Company's assets other than to an Excluded Entity, if the acquirer of the Company's assets does not agree to assume this Agreement, or to substitute an equivalent award or right for this Agreement, and Purchaser transfers his employment to such acquirer in connection with such asset sale transaction, then any acceleration of vesting that would otherwise occur upon Purchaser's termination shall occur immediately prior to, and contingent upon, the means (1) a sale of all or substantially all of the Company's assets other than to an Excluded Entity (as defined below), (2) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (3) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company's then outstanding voting securities. Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company's incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company's securities immediately before such transaction, or (C) obtain funding for the voting Company in a financing that is approved by the Company's Board of Directors. An "Excluded Entity" means a corporation, limited liability company or other entity on which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation's, limited liability company's or other entity's voting securities outstanding immediately after such transaction. As used in this Agreement, "Cause" for the Company (or a successor, if appropriate) to terminate Purchaser's employment shall exist under the following conditions (I) Purchaser's willful and continued failure to substantially perform Purchaser's duties to the Company after there has been delivered to Purchaser by the Company's Board of Directors a written demand for substantial performance and opportunity to cure which sets forth in detail the specific respects in which the Company's Board of Directors believes that Purchaser has not substantially performed Purchaser's duties; (II) Purchaser having committed willful fraud, willful misconduct, dishonesty or other intentional action in any such case which is materially injurious to the Company; (III) Purchaser's having been convicted of, or having plead guilty or *nolo contendere* to, any crime that results in, or is reasonably expected to result in material harm to the business or reputation of the Company; or (IV) Purchaser's material breach of any material written agreement between Purchaser and the Company (including without limitation Purchaser's Proprietary Information, Inventions, Non-competition and Non-solicitation Agreement with the Company) and Purchaser's failure to cure such breach within 30 days after receiving written notice thereof. For purposes of clarity, a termination without "Cause" does not include any termination that occurs as a result of Purchaser's death or disability. The determination as to whether Purchaser's Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on Purchaser. The foregoing definition does not in any way limit the Company's ability to terminate Purchaser's employment or consulting relationship at any time, and the term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate. As used in this Agreement, "Good Reason" will mean Purchaser's resignation due to the occurrence of any of the following conditions which occurs without Purchaser's written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied: (1) a reduction of Purchaser's then current base salary by 10% or more unless such reduction is part of a generalized salary reduction affecting similarly situated employees; (2) a change in Purchaser's position with the Company that materially reduces Purchaser's duties, level of authority or responsibility; or (3) the Company conditions Purchaser's continued service with the Company on Purchaser's being transferred to a site of employment that would increase Purchaser's one-way commute by more than 35 miles from Purchaser's then principal residence. In order for Purchaser to resign for Good Reason, Purchaser must provide written notice to the Company of the existence of the Good Reason condition within 60 days of the initial existence of such Good Reason condition. Upon receipt of such notice, the Company will have 30 days during which it may remedy the Good Reason condition and not be required to provide for the vesting acceleration described herein as a result of such proposed resignation. If the Good Reason condition is not remedied within such 30-day period, Purchaser may resign based on the Good Reason condition specified in the notice effective no later than 30 days following the expiration of the 30-day cure period. If Purchaser is a Director but not an Employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Change of Control and Purchaser is removed from, or is not reelected to, the Board of Directors of the Company (or a successor, as appropriate) in connection with or following the consummation of a Change of Control, the vesting of any Unvested Shares shall accelerate such that the Repurchase Option shall lapse to the same extent as if Purchaser had been terminated without Cause as described above.

(b) **Right of First Refusal**. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder" may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal"), which the Company may wither (1) exercise its Right of First Refusal and purchase the Shares as forth in this Section 3(b) or (2) reject to exercise its Right of First Refusal and permit the transfer of the Shares to the Proposed Transferee (as defined below).

(i) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (A) the Holder's intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (C) the number of Shares to be transferred to each Proposed Transferee; (D) the terms and conditions of each proposed sale or transfer, including (without limitation) the purchase price for such Shares (the "Transfer Purchase Price"); and (E) the Holder's offer shall offer to the Company or its assignee(s) to purchase the Shares at the Transfer Purchase Price and upon the same terms (or terms as similar as reasonably possible).

(ii) **Exercise of Right of First Refusal**. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Transfer Purchase Price, provided that if the Transfer Purchase Price consists of no legal consideration (as, for example, in the case of a transfer by gift), the purchase price will be the fair market value of the Shares as determined in good faith by the Company's Board of Directors. If the Transfer Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Company's Board of Directors in good faith.

(iii) **Payment**. Payment of the Transfer Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 60 days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company (or its assignee(s)) and the Holder.

(iv) **Holder's Right to Transfer**. If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer any unpurchased Shares to the Proposed Transferee at the Transfer Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 120 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with the transfer restrictions set forth in the Company's Bylaws and any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. The Company, in consultation with its legal counsel, may require the Holder to provide an opinion of counsel evidencing compliance with applicable securities laws. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) **Exception for Certain Family Transfers**. Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or to a trust for the benefit of Purchaser or Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(b). "Immediate Family" as used in this Agreement shall mean lineal descendant or antecedent, spouse (or spouse's antecedents), father, mother, brother or sister (or their descendants), stepchild (or their antecedents or descendants), aunt or uncle (or their antecedents or descendants), brother-in-law or sister-in-law (or their antecedents or descendants) and shall include adoptive relationships, or any person sharing Purchaser's household (other than a tenant or an employee). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including divorce or intestate transfer upon death, but excluding transfer upon death by will (to any transferee) or a transfer to Immediate Family as set forth in Section 3(b)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have the right to purchase any or all of the Shares transferred at the fair market value of the Shares on the date of transfer (as determined by the Company in its sole discretion). Upon such a transfer, the Holder shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice from the Holder.

(d) **Assignment**. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees**. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights**. The Right of First Refusal granted the Company by Section 3(b) above and the right to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon (i) the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") (other than a registration statement relating solely to the issuance of Common Stock pursuant to a business combination or an employee incentive or benefit plan) or (ii) any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(g) **Lock-up Agreement**. If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Purchaser shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules, up to a maximum of 216 days from the effective date of the registration statement, and Purchaser shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

4. **Escrow of Unvested Shares**. For purposes of facilitating the enforcement of the provisions of Section 3, Purchaser agrees to deliver a Stock Power in the form attached to this Agreement as Exhibit A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, and such stock certificate(s), if any, to the Secretary of the Company, or the Secretary's designee, to hold such Shares (and stock certificate(s), if any) and Stock Power in escrow and to take all such actions and to effectuate all such transfers and/or releases as are required in accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations**. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any other person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities.

(d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144, which rule requires, among other things, that the Company be subject to the reporting requirements of the Exchange Act, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this Section 5(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 5(e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser represents that Purchaser is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (attached hereto as Annex I).

(g) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. **Restrictive Legends and Stop-Transfer Orders**.

(a) **Legends**. Any stock certificate or, in the case of uncertificated securities, any notice of issuance, for the Shares, shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) "THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

(ii) "THE SECURITIES REFERENCED HEREIN MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."

(iii) "THE TRANSFER OF SECURITIES REFERENCED HEREIN IS SUBJECT TO RESTRICTIONS REQUIRING APPROVAL OF THE COMPANY PURSUANT TO AND IN ACCORDANCE WITH THE COMPANY'S BYLAWS, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS. THE COMPANY SHALL NOT REGISTER OR OTHERWISE RECOGNIZE OR GIVE EFFECT TO ANY PURPORTED TRANSFER OF SHARES OF STOCK THAT DOES NOT COMPLY WITH THE COMPANY'S BYLAWS."

(b) **Stop-Transfer Notices**. Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer**. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(d) **Legend and Notice Removal**. When all of the following events have occurred, the Shares then held by Purchaser will no longer be subject to the legend specified in Section 6(a)(ii) and the Company will remove any stop-transfer notices associated with the transfer restrictions imposed by this Agreement:

(i) the termination of the Right of First Refusal;

(ii) the expiration or exercise in full of the Repurchase Option; and

(iii) the expiration or termination of the lock-up provisions of Section 3(g) (and of any agreement entered pursuant to Section 3(g)).

After such time and upon Purchaser's request, a new stock certificate or, in the case of uncertificated securities, notice of issuance, for the remaining Shares, shall be issued without the legend specified in Section 6(a)(ii) and delivered to Purchaser.

(e) **Required Notices**. Purchaser acknowledges that the Shares are issued and shall be held subject to all the provisions of this Section 6, the Certificate of Incorporation and the Bylaws of the Company and any amendments thereto, copies of which are on file at the principal office of the Company. A statement of all of the rights, preferences, privileges and restrictions granted to or imposed upon the respective classes and/or series of shares of stock of the Company and upon the holders thereof may be obtained by any stockholder upon request and without charge, at the principal office of the Company, and the Company will furnish any stockholder, upon request and without charge, a copy of such statement. Purchaser acknowledges that the provisions of this Section 6 shall constitute the notices required by Sections 151(f) and 202(a) of the Delaware General Corporation Law and the Purchaser hereby expressly waives the requirement of Section 151(f) of the Delaware General Corporation Law that it receive the written notice provided for in Sections 151(f) and 202(a) of the Delaware General Corporation Law within a reasonable time after the issuance of the Shares.

7. **No Employment Rights**. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent, subsidiary or affiliate of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election**. Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal revenue Service within 30 days from the date of purchase. Even if the fair market value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with Purchaser's federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, does not purport to be complete, and is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death, and Purchaser has consulted, and has been fully advised by, Purchaser's own tax advisor regarding such tax laws and tax consequences or has knowingly chosen not to consult such a tax advisor. Purchaser further acknowledges that neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to Purchaser with respect to the tax consequences of Purchaser's purchase of the Shares or of the making or failure to make an 83(b) Election. PURCHASER (AND NOT THE COMPANY, ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR APPROPRIATELY FILING SUCH FORM WITH THE IRS, EVEN IF PURCHASER REQUESTS THE COMPANY, ITS AGENTS OR ANY OTHER PERSON MAKE THIS FILING ON PURCHASER'S BEHALF.

Purchaser agrees that Purchaser will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment"), attached hereto as Exhibit B and, if Purchaser decides to make an 83(b) Election, a copy of the 83(b) Election, attached hereto as Exhibit C.

9. **Certain Defined Terms**.

(a) "**Affiliate**" means an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity.

(b) "**Consultant**" means any person, including an advisor but not an Employee, who is engaged by the Company, or any Parent, Subsidiary or Affiliate, to render services (other than capital-raising services) and is compensated for such services, and any Director whether compensated for such services or not.

(c) "**Continuous Service Status**" means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(d) "**Director**" means a member of the Board of Directors of the Company.

(e) "**Disability**" means "disability" within the meaning of Section 22(e)(3) of the Code.

(f) "**Employee**" means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Board of Directors of the Company in its sole discretion, subject to any requirements of applicable laws, including the Code. The payment by the Company of a director's fee shall not be sufficient to constitute "employment" of such director by the Company or any Parent, Subsidiary or Affiliate.

(g) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(h) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

10. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the state of Delaware and agree that any such litigation shall be conducted only in the courts of Delaware or the federal courts of the United States located in Delaware and no other courts.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers**. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns**. Exception as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices**. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

(i) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to this Agreement or any notices required by applicable law or the Company's Certificate of Incorporation or Bylaws by email or any other electronic means. Purchaser hereby consents to (i) conduct business electronically (ii) receive such documents and notices by such electronic delivery and (iii) sign documents electronically and agrees to participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

The parties have executed this Common Stock Purchase Agreement as of the date first set forth above.

THE COMPANY:

SEZZLE INC.

By: /s/ Charles G. Youakim
(Signature)
Name: Charles G. Youakim
Title: President and CEO

PURCHASER

Paul Paradis
(PRINT NAME)

By: /s/ Paul Paradis
(Signature)
Name: Paul Paradis
Title: CBDO

EXHIBIT A

STOCK POWER

FOR VALUE RECEIVED, the undersigned ("Holder"), hereby sells, assigns and transfers unto _____ ("Transferee") _____ shares of the Common Stock of Sezzle Inc., a Delaware corporation (the "Company"), standing in Holder's name on the Company's books as Certificate No. CS-_____ whether held in certificated or uncertificated form, and does hereby irrevocably constitute and appoint _____ to transfer said stock on the books of the Company with full power of substitution in the premises.

HOLDER:

_____
(Print Name)

By: _____
(Signature)
Name: _____
Title: _____

Address:

_____

_____

Email: _____

This Stock Power may only be used as authorized by the Common Stock Purchase Agreement between the Holder and the Company, dated _____ and the exhibits thereto.

Instructions: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its repurchase option set forth in the Agreement without requiring additional signatures on the part of the Holder.

IF YOU WISH TO MAKE A SECTION 83(B) ELECTION, THE FILING OF SUCH ELECTION IS YOUR RESPONSIBILITY.

THE FORM FOR MAKING THIS SECTION 83(B) ELECTION IS ATTACHED TO THIS AGREEMENT.

YOU MUST FILE THIS FORM WITHIN 30 DAYS OF PURCHASING THE SHARES.

YOU (AND NOT THE COMPANY, ANY OF ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR FILING SUCH FORM WITH THE IRS, EVEN IF YOU REQUEST THE COMPANY, ITS AGENTS OR ANY OTHER PERSON TO MAKE THIS FILING ON YOUR BEHALF AND EVEN IF THE COMPANY, ANY OF ITS AGENTS OR ANY OTHER PERSON HAS PREVIOUSLY MADE THIS FILING ON YOUR BEHALF.

The election should be filed by mailing a signed election form by certified mail, return receipt requested to the IRS Service Center where you file your tax returns. See www.irs.gov.

EXHIBIT B

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING SECTION 83(B) ELECTION

The undersigned has entered into a stock purchase agreement with Sezzle Inc., a Delaware corporation (the "Company"), pursuant to which the undersigned is purchasing _____ Shares of Common Stock of the Company (the "Shares"). In connection with the purchase of the Shares, the undersigned hereby represents as follows:

1. The undersigned has carefully reviewed the stock purchase agreement pursuant to which the undersigned is purchasing the Shares.

2. The undersigned either [check and complete as applicable]:

(a) ___has consulted, and has been fully advised by, the undersigned's own tax advisor, _____, whose business address is _____, regarding the federal, state and local tax consequences of purchasing the Shares, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or

(b)___has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(a)___to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned's executed stock purchase agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or

(b)___not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of the Shares or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Dated:_____

PURCHASER:

_____
(PRINT NAME)

_____
(Signature)

Address:

_____

_____

_____

_____
Spouse of Purchaser (if applicable)

EXHIBIT C

ELECTION UNDER SECTION 83(B)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income for the current taxable year, the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

   NAME OF TAXPAYER: _____

   NAME OF SPOUSE: _____

   ADDRESS: _____

   _____

   IDENTIFICATION NO. OF TAXPAYER: _____

   IDENTIFICATION NO. OF SPOUSE:_____

   TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows:

   _____shares of the Common Stock of Sezzle Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is: _____

4. The property is subject to the following restrictions:

   Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $_____

6. The amount (if any) paid for such property: Paid for with property having a value of $_____ and equivalent to the value of the Shares OR $_____

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated:_____

PURCHASER:

(PRINT NAME)

(Signature)

Address:

Spouse of Purchaser (if applicable)

EXHIBIT D

FORM OF ASSIGNMENT OF IP AND OTHER ASSETS

(See Attached)

SEZZLE INC.

ASSIGNMENT OF IP AND OTHER ASSETS

This Assignment of IP and Other Assets (this "Agreement") is made and entered into effective as of _____ (this "Effective Date") by and between Sezzle Inc., a Delaware corporation (the "Company"), and _____ (the "Assignor").

WHEREAS, prior to the Effective Date, the Assignor has developed certain technology and intellectual property on behalf of the Company and has developed or acquired other tangible personal property, as further described below, which relate to the Company's actual and proposed business associated with _____ (the "Business");

WHEREAS, the Assignor desires such technology and intellectual property and other tangible personal property to be assigned to and owned by the Company, in exchange for the shares of the Company's capital stock issued by the Company to the Assignor on or about the date hereof;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. **Certain Definitions**. As used herein, the following capitalized terms will have the meanings set forth below:

(a) "Technology" means all inventions, technology, ideas, concepts, processes, business plans, documentation, financial projections, models and any other items, authored, conceived, invented, developed or designed by the Assignor relating to the technology or Business of the Company that is not otherwise owned by the Company.

(b) "Derivative" means: (i) any derivative work of the Technology (as defined in Section 101 of the U.S. Copyright Act); (ii) all improvements, modifications, alterations, and (iii) all technology, inventions, products or other items that, directly or indirectly, incorporate, or are derived from, any part of the Technology or any Technology Derivative.

(c) "Intellectual Property Rights" means, collectively, all worldwide patents, patent applications, patent rights, copyrights, copyright registrations, moral rights, trade names, trademarks, service marks, domain names and registrations and/or applications for all of the foregoing, trade secrets, know-how, mask work rights, rights in trade dress and packaging, goodwill and all other intellectual property rights and proprietary rights relating in any way to the Technology, any Derivative or any Embodiment, whether arising under the laws of the United States of America or the laws of any other state, country or jurisdiction.

(d) "Embodiment" means all documentation, drafts, papers, designs, schematics, diagrams, models, prototypes, source and object code (in any form or format and for all hardware platforms), computer-stored data, diskettes, manuscripts and other items describing all or any part of the Technology, any Derivative, any Intellectual Property Rights or any information related thereto or in which all of any part of the Technology, any Derivative, any Intellectual Property Right or such information is set forth, embodied, recorded or stored.

(e) "Business Assets" means all business and marketing plans, worldwide marketing rights, software, customer and supplier lists, price lists, mailing lists, customer and supplier records and other confidential or proprietary information relating to the Technology, as well as all computers, office equipment and other tangible personal property owned (i.e., not leased) by Assignor immediately prior to the execution and delivery of this Agreement and primarily used in or otherwise primarily related to the Business.

(f) "Assigned Assets" refers to the Technology, all Derivatives, all Intellectual Property Rights, all Embodiments and Business Assets, collectively.

2. **Assignment**.

(a) The Assignor hereby sells, transfers, assigns and conveys, to the Company, and its successors and assigns, the Assignor's entire right, title and interest in and to the Assigned Assets and all rights of action, power and benefit belonging to or accruing from the Assigned Assets including the right to undertake proceedings to recover past and future damages and claim all other relief in respect of any acts of infringement thereof whether such acts shall have been committed before or after the date of this assignment, the same to be held and enjoyed by said Company, for its own use and benefit and the use and benefit of its successors, legal representatives and assigns, as fully and entirely as the same would have been held and enjoyed by the Assignor, had this assignment not been made.

(b) The Assignor hereby appoints the Company the attorney-in-fact of the Assignor, with full power of substitution on behalf of the Assignor to demand and receive any of the Assigned Assets and to give receipts and releases for the same, to institute and prosecute in the name of the Assignor, but for the benefit of the Company, any legal or equitable proceedings the Company deems proper in order to enforce any rights in the Assigned Assets and to defend or compromise any legal or equitable proceedings relating to the Assigned Assets as the Company shall deem advisable. The Assignor hereby declares that the appointment made and powers granted hereby are coupled with an interest and shall be irrevocable by the Assignor.

(c) The Assignor hereby agrees that the Assignor and the Assignor's successors and assigns will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered such further acts, documents, or instruments confirming the conveyance of any of the Assigned Assets to the Company as the Company shall reasonably deem necessary, provided that the Company shall provide all necessary documentation to the Assignor.

3. **Assignor Representatives and Warranties**. The Assignor represents and warrants to the Company that to the best of Assignor's knowledge the Assignor is the owner, inventor and/or author of, and can grant exclusive right, title and interest in and to, each of the Assigned Assets transferred by the Assignor hereunder and that none of the Assigned Assets are subject to any dispute, claim, prior license or other agreement, assignment, lien or rights of any third party, or any other rights that might interfere with the Company's use, or exercise of ownership of, any of the Assigned Assets. The Assignor further represents and warrants to the Company that to the best of Assignor's knowledge the Assigned Assets are free of any claim of any prior employer or third party client of the Assignor or any school, university or other institution the Assignor attended, and that the Assignor is not aware of any claims by any third party to any rights of any kind in or to any of the Assigned Assets. The Assignor agrees to immediately notify the Company upon becoming aware of any such claims.

4. **Reimbursement of Expenses**. The Company shall as promptly as practicable, reimburse the Assignor for the Assignor's actual out-of-pocket costs reasonably incurred with respect to Assignor's acquisition and maintenance of the Assigned Assets.

5. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers**. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices**. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith.

In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date and year first above written.

Dated:_____

ASSIGNOR:

_____
(Signature)

Address:

_____

_____
United States
Email: _____

_____
Spouse of Assignor (if applicable)

THE COMPANY:

SEZZLE INC.

By: _____
(Signature)

Name: _____
Title: _____

Address:

_____

_____

United States

EXHIBIT E

FORM OF PATENT ASSIGNMENT

(See Attached)

ANNEX I

Rule 506(d)(1)(i) to (viii) under the Securities Act of 1933, as amended

(i) Has been convicted, within ten years before such sale (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) At the time of such sale, bars the person from:

(1) Association with an entity regulated by such commission, authority, agency, or officer;

(2) Engaging in the business of securities, insurance or banking; or

(3) Engaging in savings association or credit union activities; or

(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

(iv) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:

(A) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;

(B) Places limitations on the activities, functions or operations of such person; or

(C) Bars such person from being associated with any entity or from participating in the offering of any penny stock;

(v) Is subject to any order of the Commission entered within five years before such sale that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or

(B) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(vi) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before such sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Is subject to a United States Postal Service false representation order entered within five years before such sale, or is, at the time of such sale, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

RECEIPT

Sezzle Inc., a Delaware corporation (the "Company"), hereby acknowledges receipt of:

_____A check in the amount of $_____

_____Foregoing ~~signing~~ bonus payment in the amount of $1,500

_____The assignment of certain intellectual property and/or other assets having an aggregate value equal to $_____

given by _____as consideration for _____shares of common Stock of the Company recorded on the books of the Company as Certificate No. _____

Dated:_____

THE COMPANY:

SEZZLE INC.

By: _____
(Signature)

Name: Charles G Youakim
Title: President and CEO

RECEIPT AND CONSENT

The undersigned hereby acknowledges issuance of _____shares of Common Stock of Sezzle Inc., a Delaware corporation (the "Company").

The undersigned further acknowledges that the Secretary of the Company, or his or her designee, is acting as escrow holder pursuant to the Common Stock Purchase Agreement that Purchaser has previously entered into with the Company. As escrow holder, the Secretary of the Company, or his or her designee, holds the original of the aforementioned shares issued in the undersigned's name.

Dated:_____

PURCHASER:

Paul Paradis
(PRINT NAME)

By: _____
(Signature)

Name: Paul Paradis
Title: CBDO

Address:

_____
Spouse of Purchaser (if applicable)

COMMON STOCK PURCHASE AGREEMENT

This Common Stock Purchase Agreement (this "Agreement" is made as of 5/25/2016 by and between Sezzle, Inc., a Delaware corporation (the "Company") and Paul Paradis ("Purchaser").

1. **Sale of Stock**. Subject to the terms and conditions of this Agreement, simultaneously with the execution and delivery of this Agreement by the parties or on such other date as the Company and Purchaser shall agree (the "Purchase Date"), the Company will issue and sell to Purchaser, and Purchaser agrees to purchase from the Company, 4,000,000 shares of the Company's Common Stock (the "Shares") at a purchase price of $0.0005 per share for a total purchase price of $2,000 (the "Aggregate Purchase Price"). On the Purchase Date, Purchaser will deliver the Aggregate Purchase Price to the Company and the Company will enter the Shares in Purchaser's name as of such date in the books and records of the Company or, if applicable, a duly authorized transfer agent of the Company. The Company will deliver to Purchaser, upon request, a notice of issuance with respect to the Shares as soon as practicable following such date. As used elsewhere herein, the term "Shares" refers to all of the shares purchased hereunder and all securities received in connection with the Shares pursuant to stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other property to which Purchaser is entitled by reason of Purchaser's ownership of the Shares.

2. **Consideration for Shares**. As consideration for the Shares, Purchaser will deliver the Aggregate Purchase Price by an assignment of certain assets as set forth in the Assignment of IP and Other Assets ***or*** a patent assignment in the form attached to this Agreement as Exhibit D and/or Exhibit E, ***or*** a check made out to the Company or similar accepted consideration given to the Company.

3. **Limitations on Transfer**. Purchaser shall not assign, encumber or dispose of any interest in the Shares except to the extent permitted by, and in compliance with the provisions below, the transfer restrictions set forth in the Company's Bylaws and applicable securities laws.

(a) **Repurchase Option; Vesting**.

(i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status (as defined below) for any reason (including death or Disability (as defined below)), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a period of 3 months from such date to repurchase all of any portion of the Unvested Shares (as defined below) held by Purchaser as of the Termination Date at the original purchase price per Share (adjusted for any stock splits, stock dividends and the like) specified in Section 1. As used in this Agreement, "Unvested Shares" means Shares that have not yet been released from the Repurchase Option.

(ii) Unless the Company notifies Purchaser within 3 months from the Termination Date that it does not intend to exercise its Repurchase Option with respect to some or all of the Unvested Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the end of such 3-month period following such Termination Date, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to the end of such 3-month period. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Unvested Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Unvested Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Unvested Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Unvested Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(ii) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Unvested Shares being repurchased shall be deemed automatically canceled as of the end of the 3-month period following the Termination Date unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Unvested Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Unvested Shares being repurchased by the Company, without further action by Purchaser.

(iii) 100% of the Shares shall initially be subject to the Repurchase Option (the "Vesting Shares"). 1/3rd of the Vesting Shares shall be released from the Repurchase Option on 5/15/2017, and an additional 1/36th of the Vesting Shares shall be released from the Repurchase Option on the 1st day of each month thereafter (and if there is no corresponding day, the last day of the month), until all Vesting Shares are released from the Repurchase Option; provided, however, that such scheduled releases from the Repurchase Option shall immediately cease as of the Termination Date. Fractional shares shall be rounded to the nearest whole share.

(iv) Double Trigger Acceleration: Notwithstanding the foregoing, if Purchaser is terminated without Cause (as defined below) by the Company (or a successor, if appropriate) or resigns for Good Reason (as defined below) in connection with or following the consummation of a Change of Control (as defined below), then the vesting of the Unvested Shares shall accelerate such that the Repurchase Option in Section 3(a) shall lapse as to 100 % of the Unvested Shares. The lapse of repurchase rights provided for in the previous sentence shall occur immediately prior to the Termination Date. In the case of a sale of all or substantially all of the Company's assets other than to an Excluded Entity, if the acquirer of the Company's assets does not agree to assume this Agreement, or to substitute an equivalent award or right for this Agreement, and Purchaser transfers his employment to such acquirer in connection with such asset sale transaction, then any acceleration of vesting that would otherwise occur upon Purchaser's termination shall occur immediately prior to, and contingent upon, the means (1) a sale of all or substantially all of the Company's assets other than to an Excluded Entity (as defined below), (2) a merger, consolidation or other capital reorganization or business combination transaction of the Company with or into another corporation, limited liability company or other entity other than an Excluded Entity, or (3) the consummation of a transaction, or series of related transactions, in which any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of all of the Company's then outstanding voting securities. Notwithstanding the foregoing, a transaction shall not constitute a Change of Control if its purpose is to (A) change the jurisdiction of the Company's incorporation, (B) create a holding company that will be owned in substantially the same proportions by the persons who hold the Company's securities immediately before such transaction, or (C) obtain funding for the Company in a financing that is approved by the Company's Board of Directors. An "Excluded Entity" means a corporation, limited liability company or other entity of which the holders of voting capital stock of the Company outstanding immediately prior to such transaction are the direct or indirect holders of voting securities representing at least a majority of the votes entitled to be cast by all of such corporation's, limited liability company's or other entity's voting securities outstanding immediately after such transaction. As used in this Agreement, "Cause" for the Company (or a successor, if appropriate) to terminate Purchaser's employment shall exist under the following conditions (I) Purchaser's willful and continued failure to substantially perform Purchaser's duties to the Company after there has been delivered to Purchaser by the Company's Board of Directors a written demand for substantial performance and opportunity to cure which sets forth in detail the specific respects in which the Company's Board of Directors believes that Purchaser has not substantially performed Purchaser's duties; (II) Purchaser having committed willful fraud, willful misconduct, dishonesty or other intentional action in any such case which is materially injurious to the Company; (III) Purchaser's having been convicted of, or having plead guilty or *nolo contendere* to, any crime that results in, or is reasonably expected to result in material harm to the business or reputation of the Company; or (IV) Purchaser's material breach of any material written agreement between Purchaser and the Company (including without limitation Purchaser's Proprietary Information, Inventions, Non-competition and Non-solicitation Agreement with the Company) and Purchaser's failure to cure such breach within 30 days after receiving written notice thereof. For purposes of clarity, a termination without "Cause" does not include any termination that occurs as a result of Purchaser's death or disability. The determination as to whether Purchaser's Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on Purchaser. The foregoing definition does not in any way limit the Company's ability to terminate Purchaser's employment or consulting relationship at any time, and the term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate. As used in this Agreement, "Good Reason" will mean Purchaser's resignation due to the occurrence of any of the following conditions which occurs without Purchaser's written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied: (1) a reduction of Purchaser's then current base salary by 10% or more unless such reduction is part of a generalized salary reduction affecting similarly situated employees; (2) a change in Purchaser's position with the Company that materially reduces Purchaser's duties, level of authority or responsibility; or (3) the Company conditions Purchaser's continued service with the Company on Purchaser's being transferred to a site of employment that would increase Purchaser's one-way commute by more than 35 miles from Purchaser's then principal residence. In order for Purchaser to resign for Good Reason, Purchaser must provide written notice to the Company of the existence of the Good Reason condition within 60 days of the initial existence of such Good Reason condition. Upon receipt of such notice, the Company will have 30 days during which it may remedy the Good Reason condition and not be required to provide for the vesting acceleration described herein as a result of such proposed resignation. If the Good Reason condition is not remedied within such 30-day period, Purchaser may resign based on the Good Reason condition specified in the notice effective no later than 30 days following the expiration of the 30-day cure period. If Purchaser is a Director but not an Employee or Consultant of the Company (or a successor, if appropriate) at the time of consummation of the Change of Control and Purchaser is removed from, or is not reelected to, the Board of Directors of the Company (or a successor, as appropriate) in connection with or following the consummation of a Change of Control, the vesting of any Unvested Shares shall accelerate such that the Repurchase Option shall lapse to the same extent as if Purchaser had been terminated without Cause as described above.

(b) **Right of First Refusal**. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder" may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusal"), which the Company may either (1) exercise its Right of First Refusal and purchase the Shares as forth in this Section 3(b) or (2) reject to exercise its Right of First Refusal and permit the transfer of the Shares to the Proposed Transferee (as defined below).

(i) **Notice of Proposed Transfer**. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (A) the Holder's intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (C) the number of Shares to be transferred to each Proposed Transferee; (D) the terms and conditions of each proposed sale or transfer, including (without limitation) the purchase price for such Shares ("Transfer Purchase Price"); and (E) the Holder's offer shall offer to the Company or its assignee(s) to purchase the Shares at the Transfer Purchase Price and upon the same terms (or terms as similar as reasonably possible).

(ii) **Exercise of Right of First Refusal**. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Transfer Purchase Price, provided that if the Transfer Purchase Price consists of no legal consideration (as, for example, in the case of a transfer by gift), the purchase price will be the fair market value of the Shares as determined in good faith by the Company's Board of Directors. If the Transfer Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Company's Board of Directors in good faith.

(iii) **Payment**. Payment of the Transfer Purchase Price shall be made, at the at the election of the Company or its assignee (s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness, or by any combination thereof within 60 days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company (or its assignee(s)) and the Holder.

(iv) **Holder's Right to Transfer**. If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 3(b), then the Holder may sell or otherwise transfer any unpurchased Shares to the Proposed Transferee at the Transfer Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 120 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with the transfer restrictions set forth in the Company's Bylaws and any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 shall continue to apply to the Shares in the hands of such Proposed Transferee. The Company, in consultation with its legal counsel, may require the Holder to provide an opinion of counsel evidencing compliance with applicable securities laws. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(v) **Exception for Certain Family Transfers**. Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or to a trust for the benefit of Purchaser or Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(b). "Immediate Family" as used in this Agreement shall mean lineal descendant or antecedent, spouse (or spouse's antecedents), father, mother, brother or sister (or their descendants), stepchild (or their antecedents or descendants), aunt or uncle (or their antecedents or descendants), brother-in-law or sister-in-law (or their antecedents or descendants) and shall include adoptive relationships, or any person sharing Purchaser's household (other than a tenant or an employee). In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

(c) **Company's Right to Purchase upon Involuntary Transfer**. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including divorce or intestate transfer upon death, but excluding transfer upon death by will (to any transferee) or a transfer to Immediate Family as set forth in Section 3(b)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have the right to purchase any or all of the Shares transferred at the fair market value of the Shares on the date of transfer (as determined by the Company in its sole discretion). Upon such a transfer, the Holder shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice from the Holder.

(d) **Assignment**. The right of the Company to purchase any part of the Shares may may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

(e) **Restrictions Binding on Transferees**. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

(f) **Termination of Rights**. The Right of First Refusal granted the Company by Section 3(b) above and the right to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon (i) the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act") (other than a registration statement relating solely to the issuance of Common Stock pursuant to a business combination or an employee incentive or benefit plan) or (ii) any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(g) **Lock-up Agreement**. If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Purchaser shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules, up to a maximum of 216 days from the effective date of the registration statement, and Purchaser shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

4. **Escrow of Unvested Shares**. For purposes of facilitating the enforcement of the provisions of Section 3, Purchaser agrees to deliver a Stock Power in the form attached to this Agreement as Exhibit A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, and such stock certificate(s), if any, to the Secretary of the Company, or the Secretary's designee, to hold such Shares (and stock certificate(s), if any) and Stock Power in escrow and to take all such actions and to effectuate all such transfers and/or releases as are required in accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5. **Investment and Taxation Representations**. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

(a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any other person or entity.

(b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

(c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities.

(d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144, which rule requires, among other things, that the Company be subject to the reporting requirements of the Exchange Act, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this Section 5(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 5(e) below.

(e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

(f) Purchaser represents that Purchaser is not subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (attached hereto as Annex I).

(g) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. **Restrictive Legends and Stop-Transfer Orders**.

(a) **Legends**. Any stock certificate or, in the case of uncertificated securities, any notice of issuance, for the Shares, shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

(i) "THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

(ii) "THE SECURITIES REFERENCED HEREIN MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."

(iii) "THE TRANSFER OF SECURITIES REFERENCED HEREIN IS SUBJECT TO RESTRICTIONS REQUIRING APPROVAL OF THE COMPANY PURSUANT TO AND IN ACCORDANCE WITH THE COMPANY'S BYLAWS, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS. THE COMPANY SHALL NOT REGISTER OR OTHERWISE RECOGNIZE OR GIVE EFFECT TO ANY PURPORTED TRANSFER OF SHARES OF STOCK THAT DOES NOT COMPLY WITH THE COMPANY'S BYLAWS."

(b) **Stop-Transfer Notices**. Purchase agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) **Refusal to Transfer**. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

(d) **Legend and Notice Removal**. When all of the following events have occurred, the Shares then held by Purchaser will no longer be subject to the legend specified in Section 6(a)(ii) and the Company will remove any stop-transfer notices associated with the transfer restrictions imposed by this Agreement:

(i) the termination of the Right of First Refusal;

(ii) the expiration or exercise in full of the Repurchase Option; and

(iii) the expiration or termination of the lock-up provisions of Section 3(g) (and of any agreement entered pursuant to Section 3(g)).

After such time and upon Purchaser's request, a new stock certificate or, in the case of uncertificated securities, notice of issuance, for the remaining Shares, shall be issued without the legend specified in Section 6(a)(ii) and delivered to Purchaser.

(e) **Required Notices**. Purchaser acknowledges that the Shares are issued and shall be held subject to all the provisions of this Section 6, the Certificate of Incorporation and the Bylaws of the Company and any amendments thereto, copies of which are on file at the principal office of the Company. A statement of all of the rights, preferences, privileges and restrictions granted to or imposed upon the respective classes and/or series of shares of stock of the Company and upon the holders thereof may be obtained by any stockholder upon request and without charge, at the principal office of the Company, and the Company will furnish any stockholder, upon request and without charge, a copy of such statement. Purchaser acknowledges that the provisions of this Section 6 shall constitute the notices required by Sections 151(f) and 202(a) of the Delaware General Corporation Law and the Purchaser hereby expressly waives the requirement of Section 151(f) of the Delaware General Corporation Law that it receive the written notice provided for in Sections 151(f) and 202(a) of the Delaware General Corporation Law within a reasonable time after the issuance of the Shares.

7. **No Employment Rights**. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent, subsidiary or affiliate of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

8. **Section 83(b) Election**. Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income the difference between the amount paid for the Shares and the fair market value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) of this Agreement. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within 30 days from the date of purchase. Even if the fair market value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with Purchaser's federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, does not purport to be complete, and is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death, and Purchaser has consulted, and has been fully advised by, Purchaser's own tax advisor regarding such tax laws and tax consequences or has knowingly chosen not to consult such a tax advisor. Purchaser further acknowledges that neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to Purchaser with respect to the tax consequences of Purchaser's purchase of the Shares or of the making or failure to make an 83(b) Election. PURCHASER (AND NOT THE COMPANY, ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR APPROPRIATELY FILING SUCH FORM WITH THE IRS, EVEN IF PURCHASER REQUESTS THE COMPANY, ITS AGENTS OR ANY OTHER PERSON MAKE THIS FILING ON PURCHASER'S BEHALF.

Purchaser agrees that Purchaser will execute and deliver to the Company with this executed Agreement a copy of the Acknowledgment and Statement of Decision Regarding Section 83(b) Election (the "Acknowledgment"), attached hereto as Exhibit B and, if Purchaser decides to make an 83(b) Election, a copy of the 83(b) Election, attached hereto as Exhibit C.

9. **Certain Defined Terms**.

(a) "**Affiliate**" means an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity.

(b) "**Consultant**" means any person, including an advisor but not an Employee, who is engaged by the Company, or any Parent, Subsidiary or Affiliate, to render services (other than capital-raising services) and is compensated for such services, and any Director whether compensated for such services or not.

(c) "**Continuous Service Status**" means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that such leave is for a period of not more than ninety (90) days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(d) "**Director**" means a member of the Board of Directors of the Company.

(e) "**Disability**" means "disability" within the meaning of Section 22(e)(3) of the Code.

(f) "**Employee**" means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Board of Directors of the Company in its sole discretion, subject to any requirements of applicable laws, including the Code. The payment by the Company of a director's fee shall not be sufficient to constitute "employment" of such director by the Company or any Parent, Subsidiary or Affiliate.

(g) "**Parent**" means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(h) "**Subsidiary**" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

10. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the state of Delaware and agree that any such litigation shall be conducted only in the courts of Delaware or the federal courts of the United States located in Delaware and no other courts.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers**. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices**. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

(i) **Electronic Delivery**. The Company may, in its sole discretion, decide to deliver any documents related to this Agreement or any notices required by applicable law or the Company's Certificate of Incorporation or Bylaws by email or any other electronic means. Purchaser hereby consents to (i) conduct business electronically (ii) receive such documents and notices by such electronic delivery and (iii) sign documents electronically and agrees to participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

The parties have executed this Common Stock Purchase Agreement as of the date first set forth above.

THE COMPANY:

SEZZLE INC.

By: /s/ Charles G. Youakim
Name: Charles G Youakim
Title: President and CEO

PURCHASER:

Paul Paradis
(PRINT NAME)

By: /s/ Paul Paradis
(Signature)
Name: Paul Paradis
Title: CBDO

EXHIBIT A

STOCK POWER

FOR VALUE RECEIVED, the undersigned ("Holder"), hereby sells, assigns and transfers unto _____ ("Transferee") _____ shares of the Common Stock of Sezzle Inc., a Delaware corporation (the "Company"), standing in Holder's name on the Company's books as Certificate No. UCS-____ whether held in certificated or uncertificated form, and does hereby irrevocably constitute and appoint _____ to transfer said stock on the books of the Company with full power of substitution in the premises.

Date:_____

HOLDER:

_____
(PRINT NAME)

By: _____
(Signature)

Name: _____
Title: _____

Address:

_____

_____

_____

Email: _____

This Stock Power may only be used as authorized by the Common Stock Purchase Agreement between the Holder and the Company, dated _____ and the exhibits thereto.

Instructions: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its repurchase option set forth in the Agreement without requiring additional signatures on the part of Holder.

IF YOU WISH TO MAKE A SECTION 83(B) ELECTION, THE FILING OF SUCH ELECTION IS YOUR RESPONSIBILITY.

THE FORM FOR MAKING THIS SECTION 83(B) ELECTION IS ATTACHED TO THIS AGREEMENT.

YOU MUST FILE THIS FORM WITHIN 30 DAYS OF PURCHASING THE SHARES.

YOU (AND NOT THE COMPANY, ANY OF ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR FILING SUCH FORM WITH THE IRS, EVEN IF YOU REQUEST THE COMPANY, ITS AGENTS OR ANY OTHER

PERSON TO MAKE THIS FILING ON YOUR BEHALF AND EVEN IF THE COMPANY, ANY OF ITS AGENTS OR ANY OTHER PERSON HAS PREVIOUSLY MADE THIS FILING ON YOUR BEHALF.

The election should be filed by mailing a signed election form by certified mail, return receipt requested to the IRS Service Center where you file your tax returns. See www.irs.gov.

EXHIBIT B

ACKNOWLEDGMENT AND STATEMENT OF DECISION
REGARDING SECTION 83(B) ELECTION

The undersigned has entered into a stock purchase agreement with Sezzle Inc., a Delaware corporation (the "Company"), pursuant to which the undersigned is purchasing _____ shares of Common Stock of the Company (the "Shares"). In connection with the purchase of the Shares, the undersigned hereby represents as follows:

1. The undersigned has carefully reviewed the stock purchase agreement pursuant to which the undersigned is purchasing the Shares.

2. The undersigned either [check and complete as applicable]:

(a) ___ has consulted, and has been fully advised by, the undersigned's own tax advisor, _____, whose business address is _____, regarding the federal, state and local tax consequences of purchasing the Shares, and particularly regarding the advisability of making elections pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended (the "Code") and pursuant to the corresponding provisions, if any, of applicable state law; or

(b) ___ has knowingly chosen not to consult such a tax advisor.

3. The undersigned hereby states that the undersigned has decided [check as applicable]:

(a) ___ to make an election pursuant to Section 83(b) of the Code, and is submitting to the Company, together with the undersigned's executed stock purchase agreement, an executed form entitled "Election Under Section 83(b) of the Internal Revenue Code of 1986;" or

(b) ___ not to make an election pursuant to Section 83(b) of the Code.

4. Neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to the undersigned with respect to the tax consequences of the undersigned's purchase of the Shares or of the making or failure to make an election pursuant to Section 83(b) of the Code or the corresponding provisions, if any, of applicable state law.

Dated:_____

PURCHASER:

_____
(PRINT NAME)

_____
(Signature)

Address:

_____
_____
_____

_____
Spouse of Purchaser (if applicable)

EXHIBIT C

ELECTION UNDER SECTION 83(B)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code, to include in taxpayer's gross income for the current taxable year, the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below:

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

   NAME OF TAXPAYER: _____

   NAME OF SPOUSE: _____

   ADDRESS:_____
   _____

   IDENTIFICATION NO. OF TAXPAYER:_____

   IDENTIFICATION NO. OF SPOUSE: _____

   TAXABLE YEAR: _____

2. The property with respect to which the election is made is described as follows:

   _____ shares of the Common Stock of Sezzle Inc., a Delaware corporation (the "Company").

3. The date on which the property was transferred is:_____

4. The property is subject to the following restrictions:

   Repurchase option at cost in favor of the Company upon termination of taxpayer's employment or consulting relationship.

5. The fair market value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $_____.

6. The amount (if any) paid for such property: [Paid for with property having a value of $_____ and equivalent to the value of the Shares] OR [$_____].

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated:

PURCHASER:

(PRINT NAME)

(Signature)

Address:

Spouse of Purchaser (if applicable)

EXHIBIT D

FORM OF ASSIGNMENT OF IP AND OTHER ASSETS

(See Attached)

SEZZLE INC.

ASSIGNMENT OF IP AND OTHER ASSETS

This Assignment of IP and Other Assets (this "Agreement") is made and entered into effective as of _____ (this "Effective Date") by and between Sezzle Inc., a Delaware corporation (the "Company"), and _____ (the "Assignor").

WHEREAS, prior to the Effective Date, the Assignor has developed certain technology and intellectual property on behalf of the Company and has developed or acquired other tangible personal property, as further described below, which relate to the Company's actual and proposed business associated with _____ (the "Business");

WHEREAS, the Assignor desires such technology and intellectual property and other tangible personal property to be assigned to and owned by the Company, in exchange for the shares of the Company's capital stock issued by the Company to the Assignor on or about the date hereof;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. **Certain Definitions**. As used herein, the following capitalized terms will have the meanings set forth below:

(a) "Technology" means all inventions, technology, ideas, concepts, processes, business plans, documentation, financial projections, models and any other items, authored, conceived, invented, developed or designed by the Assignor relating to the technology or Business of the Company that is not otherwise owned by the Company.

(b) "Derivative" means (i) any derivative work of the Technology (as defined in Section 101 of the U.S. Copyright Act); (ii) all improvements, modifications, alterations, adaptations, enhancements and new versions of the Technology (the "Technology Derivatives"); and (iii) all technology, inventions, products or other items that, directly or indirectly, incorporate, or are derived from, any part of the Technology or any Technology Derivative.

(c) "Intellectual Property Rights" means, collectively, all worldwide patents, patent applications, patent rights, copyrights, copyright registrations, moral rights, trade names, trademarks, service marks, domain names and registrations and/or applications for all of the foregoing, trade secrets, know-how, mask work rights, rights in trade dress and packaging, goodwill and all other intellectual property rights and proprietary rights relating in any way to the Technology, any Derivative or any Embodiment, whether arising under the laws of the United States of America or the laws of any other state, country or jurisdiction.

(d) "Embodiment" means all documentation, drafts, papers, designs, schematics, diagrams, models, prototypes, source and object code (in any form or format and for all hardware platforms), computer-stored data, diskettes, manuscripts and other items describing all or any part of the Technology, any Derivative, any Intellectual Property Rights or any information related thereto or in which all of any part of the Technology, any Derivative, any Intellectual Property Right or such information is set forth, embodied, recorded or stored.

(e) "Business Assets" means all business and marketing plans, worldwide marketing rights, software, customer and supplier lists, price lists, mailing lists, customer and supplier records and other confidential or proprietary information relating to the Technology, as well as all computers, office equipment and other tangible personal property owned (i.e., not leased) by Assignor immediately prior to the execution and delivery of this Agreement and primarily used in or otherwise primarily related to the Business.

(f) "Assigned Assets" refers to the Technology, all Derivatives, all Intellectual Property Rights, all Embodiments and Business Assets, collectively.

2. **Assignment**.

(a) The Assignor hereby sells, transfers, assigns and conveys, to the Company, and its successors and assigns, the Assignor's entire right, title and interest in and to the Assigned Assets and all rights of action, power and benefit belonging to or accruing from the Assigned Assets including the right to undertake proceedings to recover past and future damages and claim all other relief in respect of any acts of infringement thereof whether such acts shall have been committed before or after the date of this assignment, the same to be held and enjoyed by said Company, for its own use and benefit and the use and benefit of its successors, legal representatives and assigns, as fully and entirely as the same would have been held and enjoyed by the Assignor, had this assignment not been made.

(b) The Assignor hereby appoints the Company the attorney-in-fact of the Assignor, with full power of substitution on behalf of the Assignor to demand and receive any of the Assigned Assets and to give receipts and releases for the same, to institute and prosecute in the name of the Assignor, but for the benefit of the Company, any legal or equitable proceedings the Company deems proper in order to enforce any rights in the Assigned Assets and to defend or compromise any legal or equitable proceedings relating to the Assigned Assets as the Company shall deem advisable. The Assignor hereby declares that the appointment made and powers granted hereby are coupled with an interest and shall be irrevocable by the Assignor.

(c) The Assignor hereby agrees that the Assignor and the Assignor's successors and assigns will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered such further acts, documents, or instruments confirming the conveyance of any of the Assigned Assets to the Company as the Company shall reasonably deem necessary, provided that the Company shall provide all necessary documentation to the Assignor.

3. **Assignor Representations and Warranties**. The Assignor represents and warrants to the Company that to the best of Assignor's knowledge the Assignor is the owner, inventor and/or author of, and can grant exclusive right, title and interest in and to, each of the Assigned Assets transferred by the Assignor hereunder and that none of the Assigned Assets are subject to any dispute, claim, prior license or other agreement, assignment, lien or rights of any third party, or any other rights that might interfere with the Company's use, or exercise of ownership of, any of the Assigned Assets. The Assignor further represents and warrants to the Company that to the best of Assignor's knowledge the Assigned Assets are free of any claim of any prior employer or third party client of the Assignor or any school, university or other institution the Assignor attended, and that the Assignor is not aware of any claims by any third party to any rights of any kind in or to any of the Assigned Assets. The Assignor agrees to immediately notify the Company upon becoming aware of any such claims.

4. **Reimbursement of Expenses**. The Company shall as promptly as practicable, reimburse the Assignor for the Assignor's actual out-of-pocket costs reasonably incurred with respect to Assignor's acquisition and maintenance of the Assigned Assets.

5. **Miscellaneous**.

(a) **Governing Law**. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law.

(b) **Entire Agreement**. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

(c) **Amendments and Waivers**. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

(d) **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

(e) **Notices**. Any notice, demand or request required to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(f) **Severability**. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

(g) **Construction**. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

(h) **Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date and year first above written.

Dated:_____

ASSIGNOR:

[PURCHASER NAME]

_____
(Signature)

Address:

_____

_____

United States
Email: _____

_____
Spouse of Assignor (if applicable)

THE COMPANY:

SEZZLE INC.

By: _____
(Signature)

Name: _____
Title: _____

Address:

_____

_____
United States

EXHIBIT E

FORM OF PATENT ASSIGNMENT

(See Attached)

ANNEX I

Rule 506(d)(1)(i) to (viii) under the Securities Act of 1933, as amended

(i) Has been convicted, within ten years before such sale (or five years, in the case of issuers, their predecessors and affiliated issuers), of any felony or misdemeanor:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(ii) Is subject to any order, judgment or decree of any court of competent jurisdiction, entered within five years before such sale, that, at the time of such sale, restrains or enjoins such person from engaging or continuing to engage in any conduct or practice:

(A) In connection with the purchase or sale of any security;

(B) Involving the making of any false filing with the Commission; or

(C) Arising out of the conduct of the business of an underwriter, broker, dealer, municipal securities dealer, investment adviser or paid solicitor of purchasers of securities;

(iii) Is subject to a final order of a state securities commission (or an agency or officer of a state performing like functions); a state authority that supervises or examines banks, savings associations, or credit unions; a state insurance commission (or an agency or officer of a state performing like functions); an appropriate federal banking agency; the U.S. Commodity Futures Trading Commission; or the National Credit Union Administration that:

(A) At the time of such sale, bars the person from:

(1) Association with an entity regulated by such commission, authority, agency, or officer;

(2) Engaging in the business of securities, insurance or banking; or

(3) Engaging in savings association or credit union activities; or

(B) Constitutes a final order based on a violation of any law or regulation that prohibits fraudulent, manipulative, or deceptive conduct entered within ten years before such sale;

(iv) Is subject to an order of the Commission entered pursuant to section 15(b) or 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b) or 78o-4(c)) or section 203(e) or (f) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(e) or (f)) that, at the time of such sale:

(A) Suspends or revokes such person's registration as a broker, dealer, municipal securities dealer or investment adviser;

(B) Places limitations on the activities, functions or operations of such person; or

(C) Bars such person from being associated with any entity or from participating in the offering of any penny stock;

(v) Is subject to any order of the Commission entered within five years before such sale that, at the time of such sale, orders the person to cease and desist from committing or causing a violation or future violation of:

(A) Any scienter-based anti-fraud provision of the federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b-5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)) and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-6(1)), or any other rule or regulation thereunder; or

(B) Section 5 of the Securities Act of 1933 (15 U.S.C. 77e).

(vi) Is suspended or expelled from membership in, or suspended or barred from association with a member of, a registered national securities exchange or a registered national or affiliated securities association for any act or omission to act constituting conduct inconsistent with just and equitable principles of trade;

(vii) Has filed (as a registrant or issuer), or was or was named as an underwriter in, any registration statement or Regulation A offering statement filed with the Commission that, within five years before such sale, was the subject of a refusal order, stop order, or order suspending the Regulation A exemption, or is, at the time of such sale, the subject of an investigation or proceeding to determine whether a stop order or suspension order should be issued; or

(viii) Is subject to a United States Postal Service false representation order entered within five years before such sale, or is, at the time of such sale, subject to a temporary restraining order or preliminary injunction with respect to conduct alleged by the United States Postal Service to constitute a scheme or device for obtaining money or property through the mail by means of false representations.

RECEIPT

Sezzle Inc., a Delaware corporation (the "Company"), hereby acknowledges receipt of:

_____ A check in the amount of $

_____ Foregoing signing bonus payment in the amount of $2,000

_____The assignment of certain intellectual property and/or other assets having an aggregate value equal to $_____

given by _____as consideration for _____shares of common Stock of the Company recorded on the books of the Company as Certificate No._____ .

Dated:

THE COMPANY:

SEZZLE INC.

By: _____
(Signature)
Name: Charles G Youakim
Title: President and CEO

RECEIPT AND CONSENT

The undersigned hereby acknowledges issuance of _____shares of Common Stock of Sezzle Inc., a Delaware corporation (the "Company").

The undersigned further acknowledges that the Secretary of the Company, or his or her designee, is acting as escrow holder pursuant to the Common Stock Purchase Agreement that Purchaser has previously entered into with the Company. As escrow holder, the Secretary of the Company, or his or her designee, holds the original of the aforementioned shares issued in the undersigned's name.

Dated:

PURCHASER:

_____
(PRINT NAME)

By: _____
(Signature)

Name: Paul Paradis

Title: CBDO

Address:

_____
Spouse of Purchaser (if applicable)

Exhibit 10.11

REVOLVING CREDIT AND SECURITY AGREEMENT

among

SEZZLE FUNDING SPE II, LLC,
as Borrower,

THE LENDERS FROM TIME TO TIME PARTIES HERETO,

and

GOLDMAN SACHS BANK USA,
as Administrative Agent

Dated as of February 10, 2021

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SCHEDULES

EXHIBITS

REVOLVING CREDIT AND SECURITY AGREEMENT

REVOLVING CREDIT AND SECURITY AGREEMENT, dated as of February 10, 2021 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 GOLDMAN SACHS BANK USA, 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 1.01. 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) the Principal Loss Ratio shall be greater than 5.00%;

(b) as to any Vintage, the Vintage Default Ratio shall be greater than 4.00%;

(c) an Unmatured Event of Default or an Event of Default; *provided, however*, that if such Unmatured Event of Default or an 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;

(d) 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 is entered into within thirty (30) days following the date of such termination, the related Accelerated Amortization Event shall cease to exist; or

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

Notwithstanding anything in the foregoing to the contrary, any Accelerated Amortization Events caused by the occurrence of any of the events set forth in clauses (a) or (b) above shall cease to exist if, such clauses (a) or (b), as applicable, are satisfied and cured for four (4) consecutive Collection Periods as of the relevant Reporting Date occurring after such Accelerated Amortization Event as evidenced in Biweekly Reports.

"Account Reactivation Fee" means, with respect to any Receivable, a fee imposed by the Servicer as a result of an installment payment that is past due, including, but not limited to, a fee denominated as an Account Reactivation Fee in the Related Documents.

"Adjusted Benchmark Rate" means, for any Interest Accrual Period, an interest rate *per annum* equal to a fraction, expressed as a percentage, (a) the numerator of which is equal to the Benchmark for such Interest Accrual Period and (b) the denominator of which is equal to 100% *minus* the Applicable Reserve Percentage for such Interest Accrual Period.

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

"Administrative Agent Fee Letter" means that certain Administrative Agent Fee Letter dated as of the Closing Date, by and among the Borrower, the Sponsor, the Administrative Agent and the Initial Class A Lender.

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

"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.

"*Affiliate Fees*" means fees received from affiliate partners based on lead generation.

"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.

"Applicable Margin" means, (a) with respect to Class A Advances, 3.375% and (b) with respect to Class B Advances, 10.689%.

"Applicable Reserve Percentage" means, for any period, the percentage, if any, applicable during such period (or, if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including any basic, emergency, supplemental, marginal or other reserve requirements) with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term of three months.

"*Asset Balance Disbursed*" means, as of any date, with respect to each Collateral Receivable, (a) the applicable amount actually disbursed by the Sponsor to the Merchant with respect to such Collateral Receivable *minus* (b) any other amounts received by the Sponsor from the Merchant or otherwise in connection with such Collateral Receivable on the date such Collateral Receivable was originated.

"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 Receivable Balance" means, with respect to any Collateral Receivable, (a) the Receivable Balance 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, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Accrual Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Accrual Period" pursuant to clause (d) of Section 2.12.

"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).

"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 higher of (a) the Federal Funds Rate plus 0.50% and (b) the Prime Rate. Interest calculated pursuant to clause (a) above will be determined based on a year of 365 days or 366 days, as applicable, and the actual days elapsed. Interest calculated pursuant to clause (b) above will be determined based on a year of 360 days and the actual days elapsed.

"Bass Pro Shops" means BPS Direct, LLC doing business as Bass Pro Shops.

"Bass Pro Shops Receivable" means a Collateral Receivable in respect of which Bass Pro Shops is the related Merchant.

"Benchmark" means, initially, the LIBOR Rate; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the LIBOR 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 clause (a) of Section 2.12.

"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 obtain U.S. Dollars in the London interbank market to fund any Advance, (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 in the London interbank market does not accurately reflect the cost to such Lender, such assignee or such participant of making, funding or maintaining any Advance, 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 in the London interbank market to make, fund or maintain any Advance; *provided, however*, that a Benchmark Disruption Event shall not cover or be triggered by a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date with respect to the LIBOR Rate or the then-current Benchmark.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor 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 for the then-current Benchmark for U.S. dollar-denominated syndicated or bilateral credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is 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. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the 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 for any applicable Interest Accrual Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Administrative Agent:

(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Accrual Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Accrual Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "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 Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) 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 on the applicable Benchmark Replacement Date or (ii) 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 or bilateral credit facilities at such time;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "Interest Accrual Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Facility Documents.

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

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) 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);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to Borrower, so long as the Administrative Agent has not received, by 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to Borrower, written notice of objection to such Early Opt-in Election from Borrower.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) 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:

(1) 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);

(2) 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

(3) 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) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer 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 Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Facility Document in accordance with Section 2.12 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Facility Document in accordance with Section 2.12.

"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.

"Biweekly 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.

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

"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 Amended and Restated Limited Liability Company Agreement of the Borrower, dated as of the Closing Date, by and between the Parent, as sole member, and Ricardo Orozco, as Independent Manager.

"Borrowing" has the meaning specified in Section 2.01.

"Borrowing Base" means the sum of the Class A Borrowing Base and the Class B Borrowing Base.

"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.

"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.

"Class A Advance" has the meaning specified in Section 2.01.

"Class A Advance Rate" means, as of any date of determination, (a) if the Weighted Average FICO Score of all Collateral Receivables for which a FICO Score has been obtained around the time the Receivable was originated is greater than or equal to 580 on such date, 70% and (b) if the Weighted Average FICO Score of all Collateral Receivables for which a FICO Score has been obtained around the time the Receivable was originated is less than 580 on such date, 65%.

"Class A Borrowing Base" means, as of any date of determination, with respect to all Collateral Receivables, the sum of the Class A Borrowing Base Amounts of all such Collateral Receivables.

"Class A Borrowing Base Amount" means, as of any date of determination, with respect to each Collateral Receivable, the lesser of (a) the product of (i) the Class A Advance Rate and (ii) the Available Receivable Balance as of such date of such Collateral Receivable and (b) the product of (i) the Class A Advance Rate, (ii) the Available Receivable Balance as of such date of such Collateral Receivable and (iii) the Disbursed Percentage.

"Class A Committed Facility Amount" means (a) on or prior to the Termination Date, $97,220,000 and (b) following the Termination Date, the outstanding principal balance of all the Class A Committed Advances.

"Class A Committed Advance" has the meaning specified in Section 2.01.

"Class A Incremental Advance" has the meaning specified in Section 2.01.

"Class A Incremental Amount" means $97,220,000.

"Class A Interest" means, for each day during an Interest Accrual Period and each outstanding Class A Advance on such day, the sum of the products (for each day during such Interest Accrual Period) of:

IR x P x 1/D

where:

IR = the Interest Rate for such Class A Advance on such day;

P = the principal amount of such Class A Advance on such day; and

D = 360.

"Class A Lender" means each Person listed on Schedule 1-B, a Class A Lender and any other Person that shall have become a party hereto as a Class A Lender in accordance with the terms hereof, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

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

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

(a) the Class A Program Limit; and

(b) the Class A Borrowing Base at such time.

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

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

"Class A Maximum Committed Available Amount" means, at any time, the lesser of:

(a) the Class A Committed Facility Amount; and

(b) the Class A Borrowing Base at such time.

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

"Class A Obligations" means all Obligations owed to the Class A Lenders.

"Class A Program Limit" means the Class A Committed Facility Amount *plus* the Class A Incremental Amount.

"Class A Unused Fee" means, for each Interest Accrual Period that occurs during the Reinvestment Period, the product of (a) the Class A Unused Premium, (b) the greater of (i) zero and (ii) the excess of (A) the average of the Class A Committed Facility Amount during such Interest Accrual Period over (B) the average outstanding principal amount of all of the Class A Advances during such Interest Accrual Period, and (c) a fraction, the numerator of which is the number of days in such Interest Accrual Period and the denominator of which is 360.

"Class A Unused Premium" means, as of each Interest Accrual Period during the Reinvestment Period:

(a) except for each Interest Accrual Period that occurs during the first three months following the Closing Date, if the average outstanding principal amount of all of the Class A Advances during such Interest Accrual Period is less than 33.3% of the Class A Committed Facility Amount, 0.65%;

(b) for each Interest Accrual Period that occurs during the first three months following the Closing Date, if the average outstanding principal amount of all of the Class A Advances during such Interest Accrual Period is less than 33.3% of the Class A Committed Facility Amount, 0.50%;

(c) if the average outstanding principal amount of all of the Class A Advances during such Interest Accrual Period is greater than or equal to 33.3% of the Class A Committed Facility Amount but less than 66.6% of the Class A Committed Facility Amount, 0.50%; and

(d) if the average outstanding principal amount of all of the Class A Advances during such Interest Accrual Period is greater than 66.6% of the Class A Committed Facility Amount, 0.35%.

"Class B Advance" has the meaning specified in Section 2.01.

"Class B Advance Rate" means, as of any date of determination, (a) if the Weighted Average FICO Score of all Collateral Receivables for which a FICO Score has been obtained around the time the Receivable was originated is greater than or equal to 580 on such date, 90% and (b) if the Weighted Average FICO Score of all Collateral Receivables for which a FICO Score has been obtained around the time the Receivable was originated is less than 580 on such date, 85%.

"Class B Borrowing Base" means, as of any date of determination, (a) with respect to all Collateral Receivables, the sum of the Class B Borrowing Base Amounts of all such Collateral Receivables *minus* (b) the Class A Borrowing Base at such time.

"Class B Borrowing Base Amount" means, as of any date of determination, with respect to each Collateral Receivable, the lesser of (a) the product of (i) the Class B Advance Rate and (ii) the Available Receivable Balance as of such date of such Collateral Receivable and (b) the product of (i) the Class B Advance Rate, (ii) the Available Receivable Balance as of such date of such Collateral Receivable and (iii) the Disbursed Percentage.

"Class B Buyout Amount" has the meaning specified in Section 6.03.

"Class B Buyout Exercise Date" has the meaning specified in Section 6.03.

"Class B Buyout Group" has the meaning specified in Section 6.03.

"Class B Buyout Notice" has the meaning specified in Section 6.03.

"Class B Buyout Option" has the meaning specified in Section 6.03.

"Class B Buyout Option Termination Date" has the meaning specified in Section 6.03.

"Class B Buyout Triggering Event" means (a) any time the Final Maturity Date is declared by the Class A Lenders pursuant to Section 6.02 (a) or automatically occurs pursuant to Section 6.01(h) or (b) following the Administrative Agent's receipt of notice of the occurrence and continuation of an Event of Default from the Class B Lenders then holding a majority of the outstanding principal amount of the Class B Advances, and subject to any waiver of such Event of Default by the Administrative Agent and the Lenders in accordance with Section 12,01 or any applicable cure period set forth in clause (f) of the definition of "Fundamental Amendments", the Administrative Agent (at the direction of the Required Lenders) has not declared the Final Maturity Date or otherwise exercised the remedies available to it pursuant to Section 6.02, (i) within fifteen (15) Business Days following the end of such cure period, or (y) if the Administrative Agent entered into good faith negotiations with the Borrower to remedy such Event of Default, within twenty (20) Business Days following the end of such cure period.

"*Class B Committed Facility Amount*" means (a) on or prior to the Termination Date, $27,780,000 and (b) following the Termination Date, the outstanding principal balance of all the Class B Committed Advances.

"Class B Committed Advance" has the meaning specified in Section 2.01.

"Class B Incremental Advance" has the meaning specified in Section 2.01.

"Class B Incremental Amount" means $27,780,000.

"Class B Interest" means, for each day during an Interest Accrual Period and each outstanding Class B Advance on such day, the sum of the products (for each day during such Interest Accrual Period) of:

IR x P x 1/D

where:

IR = the Interest Rate for such Class B Advance on such day;

P = the principal amount of such Class B Advance on such day; and

D = 360.

"Class B Lender" means each Person listed on Schedule 1-B, as a Class B Lender and any other Person that shall have become a party hereto as a Class B Lender in accordance with the terms hereof, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance.

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

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

(a) the Class B Program Limit; and

(b) the Class B Borrowing Base at such time.

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

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

"Class B Maximum Committed Available Amount" means, at any time, the lesser of:

(a) the Class B Committed Facility Amount; and

(b) the Class B Borrowing Base at such time.

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

"Class B Program Limit" means the Class B Committed Facility Amount *plus* the Class B Incremental Amount.

"Class B Unused Fee" means, for each Interest Accrual Period that occurs during the Reinvestment Period, the product of (a) the Class B Unused Premium, (b) the greater of (i) zero and (ii) the excess of (A) the average of the Class B Committed Facility Amount during such Interest Accrual Period over (B) the average outstanding principal amount of all of the Class B Advances during such Interest Accrual Period, and (c) a fraction, the numerator of which is the number of days in such Interest Accrual Period and the denominator of which is 360.

"Class B Unused Premium" means, as of each Interest Accrual Period during the Reinvestment Period:

(a) except for each Interest Accrual Period that occurs during the first three months following the Closing Date, if the average outstanding principal amount of all of the Class B Advances during such Interest Accrual Period is less than 33.3% of the Class B Committed Facility Amount, 0.65%;

(b) for each Interest Accrual Period that occurs during the first three months following the Closing Date, if the average outstanding principal amount of all of the Class B Advances during such Interest Accrual Period is less than 33.3% of the Class B Committed Facility Amount, 0.50%;

(c) if the average outstanding principal amount of all of the Class B Advances during such Interest Accrual Period is greater than or equal to 33.3% of the Class B Committed Facility Amount but less than 66.6% of the Class B Committed Facility Amount, 0.50%; and

(d) if the average outstanding principal amount of all of the Class B Advances during such Interest Accrual Period is greater than 66.6% of the Class B Committed Facility Amount, 0.35%.

"Closing Date" means February 10, 2021.

"Code" means the Internal Revenue Code of 1986.

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

"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) February 26, 2021, and (b) each two week period thereafter beginning on (and including) a Saturday ending on (and including) the Friday two weeks 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 any Related Documents, including, but not limited to, all principal, late fees and any other fees (including, without limitation, Affiliate Fees and interchange fees), repurchase proceeds, interchange fee rebates and recoveries payable to the Borrower under or in connection with any such Receivables and all Proceeds from any sale or disposition of any such Receivables and Related Documents or of any merchandise that gave rise to such Receivables or Related Documents, including, but not limited to, all realized loss cap clawbacks and all other reimbursements or payments received from Merchants; *provided*, that "Collections" shall not include, in respect of any Receivable, referral fees from Ally Bank or other affiliate partners where such Receivable is not originated.

"Committed Facility Amount" means $125,000,000.

"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 Bass Pro Shops Receivables or other retailer specific promotional program or other test case Receivables approved by the Administrative Agent in its sole and absolute discretion may exceed 7.5% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

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

(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 for which the Merchant Discount Rate is greater than 8.0% may exceed 3.0% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(f) the Aggregate Receivable Balance of all Collateral Receivables on such date that would cause the Weighted Average Merchant Discount Rate to be greater than or equal to 3.0%;

(g) 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;

(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 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;

(i) 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 30.0% 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 may exceed 12.5% of the Aggregate Receivable Balance of all Collateral Receivables on such date;

(k) 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

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

"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.

"Contingent Jurisdiction" means Alaska, Arizona, California, Colorado, the District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Mississippi, Missouri, North Carolina, North Dakota, South Dakota, Oklahoma, Texas, Utah, Virginia, West Virginia, Wisconsin and Wyoming.

"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 is made in the ordinary course of business to such Obligor, or (b) an agreement between an Obligor and a Seller 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.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"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 Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

"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 28 days past due.

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

"*Disbursed Percentage*" means with respect to any Collateral Receivable, the ratio of the Asset Balance Disbursed for such Collateral Receivable divided by the Transaction Value for such Collateral Receivable.

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

"Early Opt-in Election" means, if the then-current Benchmark is LIBOR Rate, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding U.S. dollar-denominated syndicated or bilateral credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated or bilateral credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from LIBOR Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.

"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.

"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.

"Eurocurrency Liabilities" is defined in Regulation D of the Board of Governors of the Federal Reserve System, 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.

"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.

"*Exit Fee*" has the meaning specified in the Administrative Agent Fee Letter.

"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 after the origination thereof (including each Zero Down Receivable), (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 Administrative Agent Fee Letter, 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, 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.

"FICO Score" means, with respect to an Obligor of a Receivable, the credit score of the Obligor of a Receivable based on methodology developed by Fair Isaac Corporation and used by a Seller or its agents to determine credit risk when underwriting such Receivable. For purposes of clarification, the "FICO Score" of any Obligor shall mean the most recent FICO Score used to make a credit decision with respect to such Obligor, by the Borrower or the applicable Seller, as the case may be.

"Final Maturity Date" means the earliest of (a) June 12, 2023 (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 0.25%.

"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 5.01(j), Section 5.01(k) (solely to the extent such alteration would reduce the amount of Collections to be deposited into the U.S. Collection Account or the Canadian Collection Account (other than in connection with a Canadian Cash Transfer Event)), Section 5.01(l), Section 6.01 (*provided, however,* that, notwithstanding anything to the contrary in Section 6.01 or the foregoing clause (b), the Administrative Agent and the Required Lenders, in their sole discretion, may allow the Borrower to cure any Event of Default within no more than three (3) Business Days after the occurrence of such Event of Default (including the lapse of any applicable grace period) and, if the Borrower cures such Event of Default to the satisfaction of the Administrative Agent and the Required Lenders within such period of time, such Event of Default shall be deemed waived by the Lenders; *provided, further*, that any extensions of such cure period shall require the prior written consent of each Lender), Section 6.02, Section 6.03, Section 9.01, Section 12.01(b), Section 12.06 or Article XIII, (g) modify the definition of the terms "Accelerated Amortization Event," "Applicable Margin", "Borrowing Base," "Class A Advance Rate," "Class A Borrowing Base," "Class A Borrowing Base Amount," "Class A Interest," "Class A Maximum Advance Rate Test," "Class A Maximum Available Amount," "Class A Maximum Committed Advance Rate Test," "Class A Maximum Committed Available Amount," "Class B Advance Rate", "Class B Borrowing Base," "Class B Borrowing Base Amount," "Class B Buyout Triggering Event," "Class B Interest," "Class B Maximum Advance Rate Test," "Class B Maximum Available Amount," "Class B Maximum Committed Advance Rate Test," "Class B Maximum Committed Available Amount," "Defaulted Collateral Receivable," "Delinquent Collateral Receivable," "Fundamental Amendment," "Interest Rate," "Maximum Advance Rate Test," "Maximum Available Amount," "Maximum Committed Advance Rate Test," "Maximum Committed Available Amount," "Percentage" (*provided, however*, that an update to Schedule 1-A or Schedule 1-B, as applicable, in accordance with such definition shall not be deemed to be a modification to such definition), "Principal Loss Ratio," "Post-Default Rate," "Post-Reinvestment Period Rate," "Required Lenders," "Vintage Default Ratio" 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) release the Sponsor from its obligations under the Sponsor Indemnity Agreement, (j) release the Parent from its obligations under the Parent Pledge and Guaranty Agreement, (k) terminate or remove a Seller's obligations to repurchase receivables pursuant to any Receivable Purchase Agreement, (l) change the currency required for payments of Obligations under this Agreement or (m) 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.

"Incremental Advance" means a Class A Incremental Advance or a Class B Incremental Advance, as the context may require.

"Incremental Amount" means $125,000,000.

"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).

"Initial Class A Lender" means Goldman Sachs Bank USA.

"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" means, for each day during an Interest Accrual Period and each outstanding Advance on such day, the sum of the products (for each day during such Interest Accrual Period) of:

$$IR \times P \times 1/D$$

where:

IR = the Interest Rate for such Advance on such day;

P = the principal amount of such Advance on such day; and

D = 360.

"Interest Accrual Period" means,

(a) with respect to each Advance (or portion thereof) (i) with respect to the initial Payment Date for such Advance (or portion thereof), the period from and including the related Borrowing Date to, and including, the last day of the Collection Period ending immediately after such Borrowing Date and (ii) with respect to any subsequent Payment Date for such Advance (or portion thereof), the applicable Collection Period preceding such Payment Date; *provided,* that the final Interest Accrual Period for all outstanding Advances hereunder shall end on and include the day prior to the payment in full of the Advances hereunder;

(b) any Interest Accrual Period with respect to any Advance which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day; and

(c) in the case of any Interest Accrual Period for any Advance which commences before an Unmatured Event of Default or an Event of Default and would otherwise end on a date occurring after the occurrence of an Unmatured Event of Default or an Event of Default, the Administrative Agent may, in its sole discretion, cause such Interest Accrual Period to end upon the occurrence of an Unmatured Event of Default or an Event of Default and the duration of each Interest Accrual Period which commences on or after the occurrence of an Unmatured Event of Default or an Event of Default shall be of such duration as selected by the Administrative Agent.

"Interest Rate" means, for any Interest Accrual Period and for each Advance outstanding by a Lender for each day during such Interest Accrual Period:

(a) prior to the Scheduled Reinvestment Period Termination Date, 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 Adjusted Benchmark Rate *plus* the Applicable Margin, and, in the event that a Benchmark Disruption Event has occurred and is continuing, a rate equal to the Base Rate *plus* the Applicable Margin; or

(b) on and after the Scheduled Reinvestment Period Termination Date, 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, the Interest Rate shall be the Post-Reinvestment Period Rate *plus* the Applicable Margin; or

(c) 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 Adjusted Benchmark Rate or, if a Benchmark Disruption Event has occurred, the Base Rate *plus* the Post-Default Rate *plus* the Applicable 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.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"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, (a) any Class A Lender and any Class B Lender, and (b) "Lenders" means, collectively, all of the foregoing lenders.

"LIBOR Determination Date" means, with respect to any Interest Accrual Period, the day that is two (2) Business Days before the commencement of such Interest Accrual Period.

"LIBOR Rate" means, for any Payment Date and determined by the Administrative Agent on the LIBOR Determination Date with respect to any Interest Accrual Period with respect to which interest is to be calculated by reference to the "LIBOR Rate", the greater of (a) the Floor and (b) the Offered Rate. For the purposes hereof, the "Offered Rate" shall mean the offered rate for three-month U.S. dollar deposits, as the applicable rate appears on Reuters Screen LIBOR03 Page as of 11:00 a.m. (London, England time) on such date (rounded upwards, if necessary, to the nearest whole multiple of 1/100 of 1%); *provided* that if the applicable rate does not appear on Reuters Screen LIBOR03 Page, the rate for such date will be based upon the offered rates of the reference banks selected by Goldman Sachs Bank USA for U.S. dollar deposits as of 11:00 a.m. (London, England time) on such date. In such event, the Administrative Agent will request the principal London office of each of at least three reference banks selected by the Administrative Agent to provide a quotation of its rate. If on such date, two or more of such reference banks provide such offered quotations, the Offered Rate shall be the arithmetic mean of all such offered quotations (rounded to the nearest whole multiple of 1/100 of 1%). In on such date, fewer than two of such reference banks provide such offered quotations, the Offered Rate shall be the offered rate for three-month U.S. dollar deposits as determined on the immediately preceding day that such rate appeared on Reuters Screen LIBOR03 Page.

"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 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) prior to the making of a Class A Incremental Advance, the Class A Maximum Committed Advance Rate Test, (b) on and after the making of a Class A Incremental Advance, the Class A Maximum Advance Rate Test, (c) prior to the making of a Class B Incremental Advance, the Class B Maximum Committed Advance Rate Test, (d) on and after the making of a Class B Incremental Advance, the Class B Maximum Advance Rate Test, or (e) any one or more of the foregoing as the context may require.

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

(a) the Program Limit; 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 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 Committed Advance Rate Test" means a Class A Maximum Committed Advance Rate Test or a Class B Maximum Committed Advance Rate Test, as the context requires.

"Maximum Committed 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 Committed 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.

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.

"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.

"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, Prepayment Premium, Exit Fee, 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).

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

"Parent LLC Agreement" means that certain Limited Liability Company Agreement of the Parent, dated as of the Closing Date, by and between the Sponsor, as sole 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 twenty-eight (28) 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.

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

"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-A hereto, or with respect to each particular class, Schedule 1-B 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 either (i) the repurchase by a Seller of a Receivable if required pursuant to the applicable Receivable Purchase Agreement, or (ii) a transfer of Receivables to a Securitization Vehicle in connection with a broadly marketed and distributed issuance of asset-backed securities, (b) Ineligible Collateral Receivables or (c) Collateral Receivables with the prior written consent of the Administrative Agent; *provided*, *however*, that no sale of any Receivables shall be a Permitted Sale if, immediately following such sale, any applicable 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 a rate per annum equal to (a) prior to the Scheduled Reinvestment Period Termination Date, 2.50% per annum, and (b) on and after the Scheduled Reinvestment Period Termination Date, 3.50% per annum.

"Post-Reinvestment Period Rate" means a rate per annum equal to the sum of (a) the Adjusted Benchmark Rate or, if a Benchmark Disruption Event has occurred, the Base Rate *plus* (b) 1.00% per annum.

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

"Prepayment Premium" has the meaning specified in Section 2.06.

"Prime Rate" means the rate announced by Goldman Sachs Bank USA from time to time as its prime rate in the United States of America, such rate to change as and when such designated rate changes. The Prime Rate is not intended to be the lowest rate of interest charged by Goldman Sachs Bank USA in connection with extensions of credit to debtors. Goldman Sachs Bank USA may make commercial loans or other loans at rates of interest at, above, or below the Prime Rate.

"Principal Loss Ratio" means, on any date of determination, with respect to the Collection Period preceding such date of determination, the ratio (expressed as a percentage) equal to (a) the Aggregate Receivable Balance of all Collateral Receivables that are Past Due Collateral Receivables as of the last day of such Collection Period or would be Past Due Collateral Receivables if such Receivables were not sold or otherwise disposed of by the Borrower during such Collection Period, *divided by* (b) the Aggregate Receivable Balance of all Collateral Receivables that are Current Collateral Receivables as of the first day of such Collection Period; *provided, however,* that if the Aggregate Receivable Balance of all Collateral Receivables as of the first day of such Collection Period is zero ($0), the Principal Loss Ratio shall be zero for such Collection Period.

"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.

"Program Limit" means the Committed Facility Amount *plus* the Incremental Amount.

"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 Confirmation" 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.

"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 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 setting of the then-current Benchmark means (1) if such Benchmark is LIBOR Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not LIBOR Rate, the time determined by the Administrative Agent in its reasonable discretion.

"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, 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 Class A Advances are then outstanding, one or more Class A Lenders having Class A Advances in an amount greater than 50% of the aggregate outstanding principal amount of all Class A Advances;

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

(c) *third*, if no Class A Advances are then outstanding and the availability of the Class A Advances has been terminated hereunder,

(i) if any Class B Advances are then outstanding, one or more Class B Lenders having Class B Advances in an amount greater than 50% of the aggregate outstanding principal amount of all Class B Advances; or

(ii) if no Class B Advances are then outstanding, one or more Class B Lenders holding in the aggregate more than 50% of the aggregate Percentages of all Class B Lenders.

"*Rescheduled Receivable"* means a Collateral Receivable under which the Obligor has rescheduled any installment payment thereunder 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 February 10, 2023 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.

"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.

"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.

"Securitization Vehicle" means a special purpose bankruptcy remote entity formed for the purpose of directly or indirectly purchasing Receivables from the Borrower and issuing debt in the capital markets secured by such Receivables.

"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 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 corporation.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

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

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"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" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"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.

"*Transaction Value*" means, with respect to each Collateral Receivable, as of the applicable origination date of such Collateral 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.

"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 form 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 Fees" means the Class A Unused Fees and the Class B Unused Fees.

"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) First Premier Bank, a South Dakota banking corporation 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 Maintenance Amount" means, (a) $25,000 or (b) such lesser amount as may be agreed upon by the Borrower, the U.S. Collection Account Bank and the Administrative Agent in writing from time to time as the minimum balance to be maintained in the U.S. Collection Account.

"U.S. Collection Account Required Amount" means, as of any date of determination, the greater of (a) an aggregate amount equal to 1.00% of the highest Funded Facility Amount as of any day elapsed during the two Collection Periods preceding such date and (b) the U.S. Collection Account Maintenance Amount.

"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 Default Ratio" means, as of any date of determination, with respect to each Vintage, the ratio (expressed as a percentage) equal to (a) the Vintage Receivables Balance of all Vintage Receivables that became Defaulted Collateral Receivables at any time following the origination of such Vintage Receivables *minus* the aggregate amount of Vintage Collections received by a Seller or the Borrower at any time following the origination of such Vintage Receivables**,** *divided by* (b) the Vintage Total Transaction Value of all Vintage Receivables originated during such Vintage.

"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.

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

"Weighted Average FICO Score" means, as of any date of determination with respect to all Collateral Receivables for which a FICO Score has been obtained around the time the Receivable was originated, the ratio (expressed as a number) obtained by summing the products obtained by multiplying:

The FICO Score of the related Obligor as of the Credit Approval Date	X	The principal balance of such Collateral Receivable as of such date of determination

and dividing such sum by the Receivable Balance of all Collateral Receivables as of such date of determination for which a FICO Score has been obtained around the time the Receivable was originated.

"Weighted Average Merchant Discount Rate" means, as of any date of determination with respect to all Collateral Receivables, the ratio (expressed as a percentage) obtained by summing the products obtained by multiplying:

The Merchant Discount Rate	X	The principal balance of such Collateral Receivable as of such date of determination

and dividing such sum by the Receivable Balance of all Collateral Receivables as of such date of determination.

"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.

"Withdrawal Principal Loss Ratio" means, on any date of determination, with respect to the two-week period ending on such date of determination, the ratio (expressed as a percentage) equal to (a) the Aggregate Receivable Balance of all Collateral Receivables that are Past Due Collateral Receivables as of the last day of such period or would be Past Due Collateral Receivables if such Receivables were not sold or otherwise disposed of by the Borrower during such period, *divided by* (b) the Aggregate Receivable Balance of all Collateral Receivables that are Current Collateral Receivables as of the first day of such period; *provided, however,* that if the Aggregate Receivable Balance of all Collateral Receivables as of the first day of such period is zero ($0), the Withdrawal Principal Loss Ratio shall be zero for such period.

"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.

"Zero Down Receivable" means a Collateral Receivable for which the related Contract provides for the final scheduled installment to be made by the Obligor 56 days after the origination thereof.

Section 1.02. 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 1.03. 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 1.04. 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 of (a) (i) the FICO Score of the related Obligor as reported at the time such Collateral Receivable was made, or (ii) 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 1.05. *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 2.01. Revolving Credit Facility. (a) On the terms and subject to the conditions herein set forth, including Article III, (i) each Class A Lender severally agrees to make loans to Borrower (each, a *"Class A Committed 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 Class A Lender and, as to all Class A Lenders, in an amount that would not cause the aggregate principal balance of the Class A Committed Advances to exceed the Class A Maximum Committed Available Amount as then in effect, and (ii) each Class B Lender severally agrees to make loans to Borrower (each, a "*Class B Committed Advance"* and, together with any Class A Committed Advance, a *"Committed 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 Class B Lender and, as to all Class B Lenders, in an amount that would not cause the aggregate principal balance of the Class B Committed Advances to exceed the Class B Maximum Committed Available Amount as then in effect; *provided, however*, that, in each case, except with respect to the initial Class A Committed Advance and initial Class B Committed Advance hereunder, the aggregate principal amount of any such Committed Advance shall not, by itself or when combined with the principal amounts of all Committed Advances made by the Lenders to the Borrower during the thirty (30) days immediately preceding the proposed Borrowing Date for such Class A Committed Advance or Class B Committed Advance, as applicable, exceed 50% of the Committed Facility Amount. No Lender shall make any Committed Advance or portion thereof if it would cause the aggregate outstanding principal amount of the Committed Advances to exceed the Maximum Committed Available Amount as then in effect.

(b) *Incremental Advances*. If the aggregate outstanding principal balance of the Class A Committed Advances is in excess of the Class A Committed Facility Amount on the relevant Borrowing Date, on the terms and subject to the conditions hereinafter set forth, including Article III, each Class A Lender severally may agree, in its sole and absolute discretion, to make incremental loans to the Borrower (each, a "*Class A Incremental Advance*", and together with the Class A Committed Advances, each a "*Class A 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 Class A Lender and, as to all Class A Lenders, in an aggregate principal amount up to but not exceeding the Class A Maximum Available Amount as then in effect.

If the aggregate outstanding principal balance of the Class B Committed Advances is in excess of the Class B Committed Facility Amount on the relevant Borrowing Date, on the terms and subject to the conditions hereinafter set forth, including Article III, each Class B Lender severally may agree, in its sole and absolute discretion, to make incremental loans to the Borrower (each, a "*Class B Incremental Advance*", and together with the Class B Committed Advances, each a "*Class B Advance*", and together with the Class A Advances, 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 Class B Lender and, as to all Class B Lenders, in an aggregate principal amount up to but not exceeding the Class B 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.

(c) 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 2.02. 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 1:00 p.m. at least two (2) Business Days prior to the day of the requested Borrowing. A Notice of Borrowing received after 1:00 p.m. 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 $250,000 (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 calendar week.

(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 shall 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.

Section 2.03. 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 2.04. 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) Class A Interest shall accrue on the unpaid principal amount of each Class A Advance from the date of such Class A Advance until such principal amount is paid in full and Class B Interest shall accrue on the unpaid principal amount of each Class B Advance from the date of such Class B Advance until such principal amount is paid in full.

(c) Accrued Class A Interest on each Class A Advance or accrued Class B Interest on each Class B Advance, as applicable, shall be due and payable in arrears (x) on each Payment Date, and (y) in connection with any prepayment pursuant to Section 2.05(a); *provided* that (i) with respect to any prepayment in full of the Advances outstanding, accrued Interest on such amount to but excluding the date of prepayment may be payable on such date or as otherwise agreed to between the Lenders and the Borrower and (ii) with respect to any partial prepayment of the Advances outstanding, accrued Interest on such amount to but excluding the date of prepayment shall be payable following such prepayment on the applicable Payment Date in accordance with the Priority of Payments for the Collection Period in which such prepayment occurred.

(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 Prepayment Premium, Exit Fees and Unused Fees, and to pay any other fees as set forth hereunder and in the Administrative Agent Fee Letter, 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, Class A Interest on any Class A Advance or Class B Interest on any Class B Advance, as applicable, and principal of any Advance, any Prepayment Premium, any Exit Fee, 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 2.05. 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 the Prepayment Premium or Exit Fee (if any) as set forth in Section 2.06, 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 $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 Prepayment Premium or Exit Fee). 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 2.06. Prepayment Premium and Exit Fee.

(a) If the Borrower terminates this Agreement or otherwise voluntarily prepays all or any portion of the outstanding principal balance of any Advances prior to the Scheduled Reinvestment Period Termination Date, the Borrower shall pay, to the Administrative Agent, for the pro rata benefit and account of each Lender, in immediately available funds, a non-refundable prepayment fee equal to the product of (i) the outstanding principal amount of the Advances being prepaid as of the date of such prepayment, (ii) the Applicable Margin corresponding to the applicable Advances being prepaid *plus* the Post-Default Rate (if applicable), and (iii) a fraction (expressed as a percentage) having a numerator equal to the number of days from and including the date of such prepayment to the Scheduled Reinvestment Period Termination Date and a denominator equal to 360 (collectively, the *"Prepayment Premiums"*); *provided, however*, that no such Prepayment Premium shall be payable in connection with any prepayment made (A) to satisfy any breach of a Maximum Advance Rate Test, (B) with respect to any payments required pursuant to Section 9.01 of the Agreement or (C) in connection with a Permitted Sale to a Securitization Vehicle in connection with a broadly marketed and distributed issuance of asset-backed securities (but the Exit Fee shall be due and payable in the case of this clause (C)).

(b) For the avoidance of doubt, any applicable Prepayment Premium shall be due and payable at any time the Advances become due and payable prior to the Scheduled Reinvestment Period Termination Date, whether due to acceleration pursuant to the terms of the Agreement (in which case it shall be due immediately), by operation of law or otherwise (including, without limitation, on account of the commencement of an Insolvency Event), and whether such acceleration occurs prior to, upon or subsequent to the commencement of an Insolvency Event. 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 acceleration or prepayment, and by mutual agreement of the parties as to a reasonable estimation and calculation of the lost profits or damages of the Lenders, the Prepayment Premiums constitute 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 Prepayment Premium 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) If the Borrower terminates this Agreement or otherwise voluntarily prepays all or any portion of the outstanding principal balance of any Advances in connection with a Permitted Sale to a Securitization Vehicle in connection with a broadly marketed and distributed issuance of asset-backed securities, the Borrower shall pay the Exit Fee in accordance with the terms and provisions set forth in the Administrative Agent Fee Letter.

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

Section 2.07. 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 2.08. 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 2.09. 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. Effect of Benchmark Transition Event.

(a) *Benchmark Replacement*. Notwithstanding anything to the contrary herein or in any other Facility Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Facility Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Facility Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Facility Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Borrower by the Administrative Agent without any amendment to, or further action or consent of any other party to, this Agreement or any other Facility Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from the Borrower.

(b) *Benchmark Replacement Conforming Changes*. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Facility Document, any amendments implementing such Benchmark Replacement 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 of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 2.12, including any determination with respect to a 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 sole discretion and without consent from any other 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 Term SOFR*. 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 Term SOFR or LIBOR 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 or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Accrual Period" 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 or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Accrual Period" 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 (c) of "Interest Rate". Interest payable at the Post-Default Rate or the Post-Reinvestment Period 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.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.01. Conditions Precedent to this Agreement. This Agreement shall become effective once the Administrative Agent shall have received, prior to or concurrently with the making 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 (other than the Backup Servicing Agreement), 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;

(f) 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;

(g) 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;

(h) 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;

(i) legal opinions (addressed to each of the Secured Parties) of Maslon 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;

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

(k) evidence that (x) all fees to be received by the Administrative Agent and each Lender on or prior to the Closing Date pursuant to the Administrative Agent Fee Letter or otherwise have been received; and (y) the accrued reasonable and documented fees and expenses of Chapman and Cutler 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;

(l) 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;

(m) 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); and

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

Section 3.02. Conditions Precedent to Each Borrowing. Each Advance to be made hereunder (including the initial Class A Advance and the initial Class B 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, (i) the aggregate outstanding principal balance of the Committed Advances or Advances, as applicable, shall be less than or equal to the Maximum Committed Available Amount or the Maximum Available Amount, respectively, at such time, (ii) the aggregate outstanding principal balance of the Class A Committed Advances or the Class A Advances, as applicable, shall be less than or equal to the Class A Maximum Committed Available Amount and the Class A Maximum Available Amount, respectively, at such time and (iii) the aggregate outstanding principal balance of the Class B Committed Advances or the Class B Advances, as applicable, shall be less than or equal to the Class B Maximum Committed Available Amount and the Class B Maximum Available Amount, respectively, at such time; in each case, as demonstrated in the calculations attached to the applicable Notice of Borrowing;

(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 Purchase Confirmation 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 4.01. 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:

(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 the 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 Weekly Report and each Biweekly 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.

(j) *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).

(k) *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.

(l) *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.

(m) *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 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.

(n) *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.

(o) *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.

(p) *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.

(q) *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.

(r) *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.

(s) *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.

(t) *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 Weekly Report, Biweekly 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 pursuant to the Credit Guidelines and was sold to the Borrower by such Seller for a price at least equal to fair market value.

(u) *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 4.02. 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; or

(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 5.01. 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 or 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.

(ii) 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 any Maximum Advance Rate Test, the Principal Loss Ratio and the Vintage Default Ratio) 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 and (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;

(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;

(xiii) (A) on a biweekly basis, simultaneously with the delivery of the Biweekly Report, any reports and calculations prepared by a Seller and the Servicer and received by the Borrower with regard to the Receivables during the related Collection Period, if any, and (B) all reports and notices it receives pursuant to a Receivable Purchase Agreement and the Servicing Agreement within two (2) Business Days of the receipt thereof or within any shorter period as otherwise requested hereunder; and

(xiv) upon request by the Administrative Agent or any Lender, but no less frequently than on each Reporting Date, the Data Tape.

(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 Lender (or any Person designated by the Administrative Agent or such Lender) to visit and inspect and make copies thereof at reasonable intervals and conduct evaluations 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 Weekly Report and the Biweekly 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 each of the Weekly Report and the Biweekly 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 two visits per calendar year requested by the Administrative Agent, 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, or promptly provide any such findings provided to it in connection with the exercise of such inspection rights to the Administrative Agent. 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 fund or pay the purchase price of Collateral Receivables acquired by the Borrower from a Seller pursuant to a Receivable Purchase Agreement and all costs and expenses in connection with the transactions pursuant to Section 12.04(a) hereof; and

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

(A) to fund or pay the purchase price of Collateral Receivables acquired by the Borrower from a Seller pursuant to a Receivable Purchase Agreement and 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.

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) The Borrower shall provide (or cause to be compiled and provided) to the Administrative Agent and the Backup Servicer a bi-weekly report on a settlement basis (each, a *"Biweekly Report"*) for the previous Collection Period no later than 1:00 p.m. on each Reporting Date. The Biweekly Report delivered for any Collection Period shall contain the information with respect to the Collateral Receivables included in the Collateral set forth in Schedule 8 hereto, and shall be determined as of the last day of the Collection Period applicable to such Biweekly Report. Each Biweekly Report shall also include a Maximum Advance Rate Test Calculation Statement, the calculation of the Principal Loss Ratio and the Vintage Default Ratio, and a Data Tape, in each case, as determined as of the last day of the Collection Period applicable to such Biweekly Report.

(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 *"Weekly Report"*) an updated report in form and substance reasonably acceptable to the Administrative Agent for the period covering the last week of the prior Collection Period and the first week of the then current Collection Period. The Weekly Report shall contain an updated Data Tape, with current information on Delinquent Collateral Receivables and Defaulted Collateral Receivables.

(iii) Each delivery of a Weekly Report or a Biweekly 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 Biweekly Report and the Weekly Report, the Borrower shall deliver (or caused to be delivered) to the Backup Servicer the Biweekly Master File. Within five (5) Business Days following the delivery to the Backup Servicer of the Biweekly 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, 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 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) *Post-Closing Obligations.*

(i) By no later than sixty (60) days following the Closing Date (or such later date as the Administrative Agent may agree to in its sole discretion in writing), the Borrower shall have delivered to the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent, the Backup Servicing Agreement, which shall be in full force and effect. Notwithstanding anything to the contrary herein, any provision hereof requiring delivery of documents or items to or from the Backup Servicer shall be given no effect prior to the execution and delivery of the Backup Servicing Agreement in accordance with the immediately foregoing sentence; *provided, however*, that concurrently with the execution and delivery of the Backup Servicing Agreement, the Borrower shall have delivered to the Backup Servicer each document or item (whether or not electronic) comprising a Related Document with respect to the Receivables pledged hereunder since the Closing Date and the Borrower shall cause the Backup Servicer to deliver to the Administrative Agent a Backup Servicer Certificate in respect of such Receivables.

(ii) By no later than thirty (30) days following the Closing Date (or such later date as the Administrative Agent may agree to in its sole discretion in writing), the Borrower shall have delivered (or caused the Sponsor to deliver) to the Administrative Agent, in form and substance reasonably acceptable to the Administrative Agent, evidence that the Sponsor has complied with each of the requirements set forth on Schedule 10.

Section 5.02. 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, (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 and Servicing Guide.* 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 or Servicing Guide, without the prior consent of the Administrative Agent.

(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.

Section 5.03. 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.

ARTICLE VI

EVENTS OF DEFAULT

Section 6.01. 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 any 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), 5.02 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 thirty (30) 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 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 thirty (30) 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

(l) the occurrence of a Material Adverse Effect with respect to the Borrower, the Parent or the Sponsor; or

(l) the Borrower or the Parent becomes an investment company required to be registered under the Investment Company Act; or

(m) 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

(n) (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

(o) 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

(p) a Sponsor Indemnity Event of Default shall have occurred and be continuing; or

(q) the occurrence of any of the following:

(i) the Principal Loss Ratio shall be greater than 6.00%; or

(ii) as to any Vintage, the Vintage Default Ratio shall be greater than 5.25%.

Section 6.02. 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. Notwithstanding anything herein to the contrary, the Administrative Agent shall not exercise any such control rights with respect to the Collateral during any period from the date of a Class B Buyout Triggering Event to the applicable Class B Buyout Exercise Date (or, if such Class B Buyout Option is not exercised by the Class B Lenders, the Class B Buyout Option Termination Date); *provided, however*, that any sale process may be commenced prior to the Class B Buyout Exercise Date or the Class B Buyout Option Termination Date, as applicable, at the discretion of the Administrative Agent.

Section 6.03. Class B Buyout Option.

(a) Following a Class B Buyout Triggering Event, the Class B Lenders (or any subset of them, each, a *"Class B Buyout Group"*) shall have the option exercised by delivery of a written notice to the Administrative Agent (a *"Class B Buyout Notice"*), to purchase all (but not less than all) of the aggregate principal amount of the Class A Advances (at par), together with interest and fees due with respect thereto, and all other Class A Obligations (collectively, the *"Class B Buyout Option"*). On the date of the Class B Buyout Triggering Event, the Administrative Agent shall deliver to the Class B Lenders written notice specifying the estimated amount of Class A Obligations (including, without limitation, the aggregate principal amount of all Class A Advances and all accrued and unpaid interest and fees with respect thereto) outstanding and unpaid as of the date that is ten (10) Business Days following the date of the Class B Buyout Triggering Event. Unless the Administrative Agent (acting at the direction of the Required Lenders) agrees in writing to a longer time period, the Class B Buyout Option shall be exercisable by any one or more Class B Lenders for a period of ten (10) Business Days (or, if such Class B Lender Group has provided the Administrative Agent with written evidence of a capital call in respect of the Class B Buyout Amount at the time of delivery of the Class B Buyout Notice, fifteen (15) Business Days), commencing on the date of the Class B Buyout Triggering Event (each date succeeding such 10th or 15th Business Day, as the case may be, a *"Class B Buyout Option Termination Date"*). Prior to the applicable Class B Buyout Option Termination Date, the Class B Buyout Group may exercise the Class B Buyout Option by delivering the Class B Buyout Notice to the Administrative Agent, which notice (i) shall be irrevocable, (ii) shall state that each Class B Lender in the Class B Buyout Group is electing to exercise the Class B Buyout Option (in such allocation as the Class B Buyout Group has agreed) and (iii) shall specify the date on which such right is to be exercised (such date, the *"Class B Buyout Exercise Date"*), which date shall be a Business Day not more than ten (10) Business Days after receipt by the Administrative Agent of such Class B Buyout Notice.

(b) On the Business Day prior to the Class B Buyout Exercise Date, the Administrative Agent shall deliver to the Class B Buyout Group written notice specifying the Class A Obligations (including, without limitation, the aggregate principal amount of all Class A Advances and all accrued and unpaid interest and fees with respect thereto) outstanding and unpaid as of the Class B Buyout Exercise Date (collectively, the *"Class B Buyout Amount"*). On the Class B Buyout Exercise Date, the Class A Lenders shall sell to the Class B Buyout Group their respective *pro rata* portions of the Class B Buyout Amount, and the Class B Buyout Group shall purchase from the Class A Lenders, at their respective *pro rata* portions of the Class B Buyout Amount, all of the Class A Advances. Such Class B Buyout Amount shall be remitted by wire transfer of immediately available funds by the Class B Buyout Group to the Administrative Agent for disbursement to the Class A Lenders. Accrued and unpaid interest on the Class A Advances shall be calculated through the Business Day on which the foregoing purchase and sale shall occur and any amounts received by the Administrative Agent after 11:00 a.m. shall be deemed received on the next Business Day.

(c) By delivery of the Class B Buyout Notice, the Class B Buyout Group hereby agrees to indemnify and hold harmless the Administrative Agent and Class A Lenders from and against any loss, liability, claim, damage or expense (including reasonable fees and expenses of legal counsel and indemnification) arising out of any claim asserted by a third party as a direct result of any acts by the members of the Class B Buyout Group occurring after the date of such purchase (but excluding, for the avoidance of doubt, any such loss, liability, claim, damage or expense resulting from the gross negligence, bad faith or willful misconduct of any Class A Lender seeking indemnification).

(d) Any purchase pursuant to this Section 6.03 shall be expressly made without representation or warranty of any kind by the Class A Lenders or any other Person acting on their behalf, except that the Class A Lenders shall be deemed to represent and warrant, severally as to its Class A Advances: (i) the amount of such Class A Advances being purchased and that the purchase price and other sums payable by the Class B Buyout Group are true, correct and accurate, (ii) it has all right, title and interest in and to such Class A Advances free and clear of any Liens of such Class A Lender or created or suffered to exist by such Class A Lender, (iii) as to the absence of any claims made or threatened in writing against such Class A Lender related to such Class A Advances, and (iv) such Class A Lender is duly authorized to assign such Class A Advances.

ARTICLE VII

PLEDGE OF COLLATERAL; RIGHTS OF THE ADMINISTRATIVE AGENT

Section 7.01. Grant of Security. (a) The Borrower hereby grants, pledges, transfers and collaterally assigns to the Administrative Agent, 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 name the Borrower as debtor and the Administrative Agent as secured party and that describe 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 7.02. 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 7.03. 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 7.04. 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 7.05. 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 and once each week between Biweekly Reports, 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 7.06. 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 7.07. 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 8.01. 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 8.02. 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 (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 and (iii) the proceeds of any Permitted Sale to a Securitization Vehicle shall be deposited into the U.S. Collection Account and shall be immediately applied to the payments described in Section 9.01.

(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 9.01. 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"*) and related Biweekly Report:

(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 Class A Lender to pay (1) accrued and unpaid Interest on the Class A Advances, (2) amounts payable to each such Class A Lender or the Administrative Agent under Section 2.09(a), 2.10, 12.03(d) and 12.04, and (3) accrued and unpaid Prepayment Premiums, Exit Fees and Class A Unused Fees accrued during the related Interest Accrual Period due to each Class A Lender (in the case of each of subclauses (1), (2) and (3) above, *pro rata*, based on the respective amounts owed to each Class A Lender);

(iv) *fourth*,

(1) prior to the end of the Reinvestment Period and if the Class A Maximum Advance Rate Test or the Class A Maximum Committed Advance Rate Test, as applicable, is not satisfied as of the related Determination Date (without giving effect to amounts which are on deposit in the Canadian Collection Account or the U.S. Collection Account representing collections of principal payments received by the Borrower on the Collateral Receivables), to pay the outstanding principal of the Class A Advances of each Class A Lender (*pro rata*, based on each Class A Lender's Percentage) until the Class A Maximum Advance Rate Test or the Class A Maximum Committed Advance Rate Test, as applicable, 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 Class A Advances of each Class A Lender (*pro rata*, based on each Class A Lender's Percentage) until paid in full;

(v) *fifth*, to the Administrative Agent for distribution to each Class B Lenders to pay (1) accrued and unpaid Interest on the Class B Advances, (2) amounts payable to each such Class B Lender or the Administrative Agent under Section 2.09(a), 2.10, 12.03(d) and 12.04, and (3) accrued and unpaid Prepayment Premium, and Class B Unused Fees accrued during the related Interest Accrual Period due to each Class B Lender (in the case of each of subclauses (1), (2) and (3) above, *pro rata*, based on the respective amounts owed to each Class B Lender);

(vi) *sixth*,

(1) prior to the end of the Reinvestment Period, if the Class B Maximum Advance Rate Test or the Class B Maximum Committed Advance Rate Test, as applicable, is not satisfied as of the related Determination Date (without giving effect to amounts which are on deposit in the Canadian Collection Account or the U.S. Collection Account representing collections of principal payments received by the Borrower on the Collateral Receivables), to pay the outstanding principal of the Class B Advances of each Class B Lender (*pro rata*, based on each Class B Lender's Percentage) until the Class B Maximum Advance Rate Test or the Class B Maximum Committed Advance Rate Test, as applicable, 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 Class B Advances of each Class B Lender (*pro rata*, based on each Class B Lender's Percentage) until paid in full;

(vii) *seventh*, 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

(viii) *eighth*, the remainder to the Borrower or as directed by the Borrower.

Section 9.02. Recycling. Funds may be withdrawn from time to time from the Canadian Collection Account or the U.S. Collection Account no more than once per Business Day and no more than once in between Payment Dates (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 at least one (1) Business Day prior to 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 (i) 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, each applicable Maximum Advance Rate Test shall be satisfied, and (ii) calculations evidencing that the Withdrawal Principal Loss Ratio was less than 5.00% and the Vintage Default Ratio was less than 4.00%, in each case, as of two (2) Business Days prior to such Withdrawal Date;

(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;

(h) 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;

(i) 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

(j) the Borrower shall have delivered to the Administrative Agent a fully executed copy of the Purchase Confirmation 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 10.01. 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 10.02. 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 10.03. 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 10.04. Appointment of Backup Servicer. Upon resignation of the Servicer under the Servicing Agreement or the occurrence and continuance of a Servicer Event of Default, the Administrative Agent may (with the consent of the Required Lenders) at any time require the Borrower to appoint the Backup Servicer, as servicer of the Receivables in accordance with the Backup Servicing Agreement. The Borrower shall promptly comply with any such request from the Administrative Agent. The Borrower shall provide direction to the Backup Servicer with respect to modifications of the terms of the Receivables in accordance with the requirements set forth in the Servicing Agreement, and shall comply with all restrictions with respect to the release, discharge, termination or cancellation of any Receivable.

ARTICLE XI

THE ADMINISTRATIVE AGENT

Section 11.01. 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, but excluding the Administrative Agent Fee Letter), 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.

Section 11.02. 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 11.03. 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 (including for the avoidance of doubt, the Biweekly Report), 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 11.04. 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 paragraph (c) 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 11.05. 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 or, (ii) if such successor Administrative Agent is a Lender or an Affiliate of such Administrative Agent or any Lender. 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 11.06. 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 11.07. 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).

ARTICLE XII

MISCELLANEOUS

Section 12.01. 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) subject to clauses (iii) and (iv) below, any Fundamental Amendment shall require the written consent of each affected Lender;

(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;

(iii) the parties acknowledge and agree that increases in

(A) (x) the Committed Facility Amount shall be allocated pro rata between the Class A Committed Facility Amount and the Class B Committed Facility Amount and (y) the Incremental Amount shall be allocated pro rata between the Class A Incremental Amount and the Class B Incremental Amount,

(B) the Class A Committed Facility Amount or Class A Incremental Amount, may be allocated at the Administrative Agent's sole discretion (which may not be on a pro-rata basis) among the existing Class A Lenders agreeing to provide such increased amount, or any new Class A Lender joining this Agreement (subject to the requirements of Section 13.02) (such existing and new Class A Lenders, collectively, the "*Class A Increasing Lenders*"), and

(C) the Class B Committed Facility Amount or Class B Incremental Amount (x) shall be first offered by the Administrative Agent to the existing Class B Lenders on a pro-rata basis, who may decide in their sole discretion to accept such offer (the "*Accepting Class B Lenders*") and (y) if any such Class B Lender declines to accept such offer, such Class B Lender's applicable pro-rata portion may be allocated at the Administrative Agent's sole discretion (which may not be on a pro-rata basis) among the Accepting Class B Lenders, or any new Class B Lender joining this Agreement (subject to the requirements of Section 13.02) (the Accepting Class B Lenders and the new Class B Lenders, collectively, the "*Class B Increasing Lenders*"), and in the case of clauses (A) through (C) above, shall require the written consent of solely the Borrower, the Administrative Agent, the Class A Increasing Lenders and the Class B Increasing Lenders; and

(iv) the parties acknowledge and agree that decreases in the Committed Facility Amount shall be allocated pro rata (x) between the Class A Committed Facility Amount and the Class B Committed Facility Amount and (y) among all Lenders in accordance with their respective Percentages.

Section 12.02. 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.

Section 12.03. 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) *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 12.04. 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), 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 12.05. 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 12.06. Assignability. The Borrower may not assign its rights or obligations hereunder or any interest herein without the prior written consent of the Administrative Agent. 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 12.07. 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 12.08. 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 12.09. 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) 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 12.19. 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 12.20. 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 12.22. 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 12.23. 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 13.01. 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 13.02. 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, on a pro rata basis, in the sole discretion of such Lender, subject to, other than in connection with the exercise of the Class B Buyout Option or 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 and to approve any amendment, modification or waiver of any provision of this Agreement provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 12.01 that affects such Participant. 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 13.03. 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. Such notes or components may be assigned different interest rates, so long as (x) with respect to Class A Advances, the weighted average of such interest rates does not exceed the Class A Interest and (y) with respect to Class B Advances, the weighted average of such interest rates does not exceed the Class B Interest, in each case, without giving effect to any deviation attributable to the imposition of any Post-Default Rate or prepayments pursuant to Section 2.06 hereof and without the prior consent of the Borrower and the Administrative Agent.

[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 Revolving Credit and Security Agreement]

GOLDMAN SACHS BANK USA, as Administrative Agent and Class A Lender

By: _____
Name:
Title:

[Signature Page Revolving Credit and Security Agreement]

BASTION CONSUMER FUNDING II LLC, as Class B Lender

By: _____
Name:
Title:

[Signature Page Revolving Credit and Security Agreement]

SCHEDULE 1-A

LENDERS – PERCENTAGE

LENDER	PERCENTAGE	COMMITTED FACILITY AMOUNT	INCREMENTAL AMOUNT
GOLDMAN SACHS BANK USA	77.78%	$ 97,220,000	$ 97,220,000
BASTION CONSUMER FUNDING II LLC	22.22%	$ 27,780,000	$ 27,780,000
AGGREGATE PERCENTAGE:	100%	$ 125,000,000	$ 125,000,000

SCHEDULE 1-B

LENDERS – CLASS PERCENTAGES

CLASS A LENDER	PERCENTAGE OF CLASS A ADVANCES	CLASS A COMMITTED FACILITY AMOUNT	CLASS A INCREMENTAL AMOUNT
GOLDMAN SACHS BANK USA	100%	$97,220,000	$ 97,220,000
TOTAL:	100%	$97,220,000	$ 97,220,000

CLASS B LENDER	PERCENTAGE OF CLASS B ADVANCES	CLASS B COMMITTED FACILITY AMOUNT	CLASS B INCREMENTAL AMOUNT
BASTION CONSUMER FUNDING II LLC	100%	$27,780,000	$ 27,780,000
TOTAL:	100%	$27,780,000	$ 27,780,000

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 January 1, 2021 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, 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 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, 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 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) 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; and (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);

(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) such Receivable has been fully disbursed and funded (and no obligation for making any future advance to the related Obligor exists or is contemplated with respect to such Receivable);

(s) except in the case of a Zero Down Receivable, the Obligor of such Receivable made the initial scheduled installment payment at the time such Receivable was originated and such payment has cleared;

(t) (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;

(u) such Receivable was originated by the applicable Seller and sold by such Seller to the Borrower without any fraud or misrepresentation on the part of such Seller or on the part of the related Obligor;

(v) 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**;**

(w) with respect to which, neither the related Merchant nor the applicable Seller is liable to the Obligor for goods sold or services rendered to the Obligor;

(x) (i) except in the case of a Rescheduled Receivable, a Bass Pro Shops Receivable or a Zero Down Receivable, such Receivable is payable in four (4) equal, interest-free installments payable over a period not to exceed six (6) weeks, (ii) if such Receivable (other than a Bass Pro Shops Receivable or a Zero Down Receivable) is a Rescheduled Receivable, 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 a Bass Pro Shops Receivable, such Receivable is (A) payable in five (5) equal, interest-free installments payable over a period not to exceed five (5) months, unless such Bass Pro Shops Receivable is a Rescheduled Receivable, in which case, such Bass Pro Shops Receivable is payable in five (5) equal, interest-free installments payable over a period not to exceed nine (9) months and (B) the Administrative Agent has approved (in writing) the inclusion of Bass Pro Shops Receivables, and (iv) if such Receivable is a Zero Down Receivable, such Receivable is payable in four (4) equal, interest-free installments payable over a period not to exceed eight (8) weeks, unless such Zero Down Receivable is a Rescheduled Receivable, in which case, such Zero Down Receivable is payable in four (4) equal, interest-free installments payable over a period not to exceed ten (10) weeks, and in the case of each of clauses (i) through (iv), such Receivable is otherwise on terms and conditions that are reasonably acceptable to the Administrative Agent;

(y) (i) the Obligor of such Receivable does not reside in a Contingent Jurisdiction, or (ii) if the Obligor of such Receivable resides in a Contingent Jurisdiction, then, (A) for a Receivable related to a Contract originated on or prior to March 15, 2021, neither an Account Reactivation Fee nor a Rescheduling Fee has been charged and neither such fee is permitted to be charged in respect to such related Contract or (B) the Receivable relates to a Contract originated after the date when the Administrative Agent has approved (in writing) Contracts originated in a Contingent Jurisdiction, which approval shall not be unreasonably withheld;

(z) (i) the Obligor of such Receivable does not reside in the Province of Saskatchewan, or (ii) if the Obligor of such Receivable resides in the Province of Saskatchewan, the Borrower has delivered (or shall cause the Canadian Seller to deliver) evidence reasonably acceptable to the Administrative Agent that the Canadian Seller has obtained all Governmental Authorizations or Private Authorizations necessary to originate Receivables in the Province of Saskatchewan;

(aa) such Receivable does not arise from product returns or exchanges with respect to the underlying sale;

(bb) such Receivable is not a Receivable for which the Administrative Agent in its good faith business judgment determines collection to be doubtful;

(cc) such Receivable is not subject to a Regulatory Event;

(dd) the Original Receivable Balance of such Receivable does not exceed $2,500;

(ee) 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;

(ff) 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);

(gg) 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;

(hh) 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);

(ii) 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;

(jj) (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);

(kk) 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);

(ll) if a FICO Score was obtained for the relevant Obligor, the Obligor of which had a FICO Score obtained at the time of origination thereof of at least the minimum FICO Score required pursuant to the Credit Guidelines; and

(mm) the purchase of such Receivable by the Borrower would not cause the number of Contracts related to the Receivables sold to the Borrower on a given day (or other interval) for which a FICO Score was obtained with respect to the relevant Obligor to be less than five percent (5%) of the aggregate number of Contracts related to the Receivables sold to the Borrower on such day (or for such other interval);

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:	Goldman Sachs Bank USA 200 West Street New York, NY 10282 Attention: Mortgage Trading/Warehouse Lending and IBD Structured Finance Group Telephone No.: (212) 902-0974 Email: gs-sf-consumer-ny@gs.com, gs-asset-financing@gs.com and gs-consumer-am@gs.com
with copies (which shall not constitute notice) to:	Goldman Sachs Warehouse Lending 2001 Ross Avenue, Suite 2800 Dallas, TX 75201 Attention: Jeff Hartwick, Peter McGrane and Mohamad Kaafarani Telephone No.: (972) 368-2952, (972) 368-2256 and (972) 368-2064 Email: jeff.hartwick@gs.com, peter.mcgrane@gs.com and mohamad.kaafarani@gs.com
If to the Borrower:	Sezzle Funding SPE II, LLC 251 1st Avenue North, Suite 200 Minneapolis, MN 55401 Attention: Karen Hartje Telephone No: 651.442.0363 Email: karen.hartje@sezzle.com

SCHEDULE 4

ACCOUNT DETAILS

SCHEDULE 5

CREDIT GUIDELINES

SCHEDULE 6

SERVICING GUIDE

SCHEDULE 7

DATA TAPE INFORMATION

SCHEDULE 8

FORM OF BIWEEKLY REPORT

SCHEDULE 9

COMPETITORS

SCHEDULE 10

POST-CLOSING COMPLIANCE REQUIREMENTS

(1) The Sponsor shall have revised its Unfair Deceptive or Abusive Acts or Practices (*"UDAAP"*) policy to (i) provide an explanation of how each element thereof actually works in practice, (ii) provide examples thereof relevant to the Sponsor's products and services, (iii) describe how the Sponsor ensures compliance with such UDAAP policy and (iv) discuss whether and how the Sponsor analyzes consumer complaints for potential UDAAPs;

(2) The Sponsor shall have reviewed its Truth in Lending Act (*"TILA"*) disclosures (e.g., disclosure of creditor, narrative format of payment schedule and undefined purchase amount) in respect of its Contracts offered to Obligors in respect of Receivables payable in six (6) equal, interest-free installments (including Bass Pro Shops Receivables) in consultation with legal counsel and shall have made revisions to such disclosures as such counsel may recommend to ensure compliance with TILA;

(3) The Sponsor shall have developed and implemented a refund policy that describes its processes for effectuating refunds to Obligors by Merchants both in the U.S. and Canada;

(4) The Sponsor shall have conducted a review of applicable state-specific disclosures required to be included in a Contract (at minimum (i) for all jurisdictions in which the Sponsor is licensed and (ii) with respect to Contracts offered to Obligors in respect of Receivables payable in six (6) equal, interest-free installments (including Bass Pro Shops Receivables), in states that have adopted the Uniform Consumer Credit Code) and implement any required changes;

(5) The Sponsor shall have memorialized in writing its existing onboarding and oversight processes for Merchants in a comprehensive "Merchant Policy", that provides for, among other things, the scope of onboarding reviews of Merchants, review of Merchant eligibility per the Sponsor's "Authorized Use Policy", the training of Merchant analysts, Merchant escalations, on-going oversight activities conducted, and off-boarding or termination of Merchants;

(6) The Sponsor shall have developed and implemented a complaint policy that details its handling of Obligor complaints, including review of Obligor complaints, disposition, and trending / root cause analysis;

(7) The Sponsor shall have implemented change management policies and procedures;

(8) The Sponsor shall have revised its "Hardship Policy" to state that fees will not be charged in the Province of Quebec;

(9) The Sponsor shall have revised its "Data Privacy Policy" to describe what information the Sponsor receives from and provides to Merchants, and how such information may be processed by each of the Sponsor and such Merchants and the Sponsor shall have included provisions in each of the Sponsor's agreements with such Merchants that restricts the use of such information by such Merchants solely to the purpose for such disclosure; and

(10) The Sponsor shall have revised its "Data Privacy Policy" to fully describe what personal information in respect of any Obligor the Sponsor collects, how that information may be used and disclosed, and any options the user of such information may have, with particular consideration to the Sponsor's practices with respect to fraud prevention and data sharing with Merchants. Any instances where the Sponsor's "Data Privacy Policy" does not reflect its actual practices (e.g., statements that the Sponsor may draw on bank accounts absent a pre-authorized debit agreement), shall have been aligned with actual practice.

(11) The Sponsor shall have revised the "Initial Statement" in respect of each Contract for a Canadian Receivable to disclose the "Outstanding Balance" and "Loan Amount" instead of the "Payment Schedule" referred to therein and the Administrative Agent shall have received a form of e-mail communication sent to Obligors containing their Contract for such Canadian Receivables, each in form and substance reasonably satisfactory to the Administrative Agent.

LIMITED GUARANTY AND INDEMNITY AGREEMENT

This LIMITED GUARANTY AND INDEMNITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "*Limited Guaranty*") is executed as of February 10, 2021, by SEZZLE INC., a Delaware corporation ("*Limited Guarantor*"), for the benefit of GOLDMAN SACHS BANK USA, as administrative agent (together with its successors and assigns, the "*Administrative Agent*") on behalf of the Secured Parties under that certain Revolving Credit and Security Agreement, dated as of the date hereof, among Sezzle Funding SPE II, LLC, a Delaware limited liability company, as borrower (the "*Borrower*"), the Administrative Agent, and each of the Lenders party thereto from time to time (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*").

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to provide a revolving credit facility to Borrower (the "*Loan*");

WHEREAS, Limited Guarantor is the direct owner of 100% of the legal and beneficial equity interests in Sezzle Funding SPE II Parent, LLC, a Delaware limited liability company ("*Parent*");

WHEREAS, Parent is the direct owner of 100% of the legal and beneficial equity interests in Borrower;

WHEREAS, Limited Guarantor will obtain substantial direct and indirect benefits from the Loan, and to induce the Lenders to make the Loan under the Credit Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Limited Guarantor has agreed to provide the limited guaranty and undertaking set forth herein in favor of the Secured Parties; and

WHEREAS, it is a condition precedent to the obligation of the Lenders to maintain the Loan under the Credit Agreement that Limited Guarantor execute and deliver this Limited Guaranty to the Secured Parties.

NOW, THEREFORE, as an inducement to the Lenders to make the Loan and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. *Definitions*.

(a) Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Credit Agreement. The rules of construction set forth in Sections 1.02 and 1.03 of the Credit Agreement shall be applicable to this Limited Guaranty.

(b) For purposes of this Limited Guaranty, the term "*Guaranteed Obligations*" means any loss, damage, penalty, action, judgment, suit, cost, expense, disbursement, liability, settlement, claim or other obligation (collectively, "*Losses*") incurred by any Secured Party (including but not limited to reasonable out-of-pocket attorneys' fees and costs) arising out of or in connection with any of the following events in clauses (A) through (J) (each, a "*Subject Action*"):

(A) fraud, malfeasance, misrepresentation, gross negligence, misappropriation of funds, noncompliance with Applicable Law, willful misconduct or bad faith by any of Borrower, Parent, Canadian Seller or Limited Guarantor (whether in its capacity as U.S. Seller, Servicer or otherwise) (each, a "*Related Party*") in connection with the Loan or any Facility Document;

(B) (w) any incurrence of indebtedness by Borrower or the Parent other than pursuant to the Credit Agreement or as permitted under the Facility Documents; (x) any consensual lien or encumbrance on, or any removal, disposal, transfer, sale, assignment or disposition by a Related Party of, any property of Borrower or Parent, as applicable, other than pursuant to the Credit Agreement or as permitted under the Facility Documents; (y) any failure to vest, or delay in vesting, in the Administrative Agent (for the benefit of the Secured Parties) a perfected security interest in the Collateral (as defined in each of the Credit Agreement and the Parent Pledge and Guaranty Agreement) free and clear of Liens to the extent that such failure is caused by a Related Party; or (z) the failure to file, or any delay in filing, financing statements, continuation statements or other similar instruments or documents under the UCC of any applicable jurisdiction or any other Applicable Law with respect to any Collateral, whether at the time of any Advance or at any subsequent time to the extent that such failure is caused by or under the control of a Related Party;

(C) (x) any petition for bankruptcy, insolvency, dissolution or liquidation under the Bankruptcy Code or any similar federal or state law with respect to Borrower or Parent is (1) filed by a Related Party or (2) other than if such petition was filed by any Secured Party or objection is prohibited under Applicable Law, consented to, or acquiesced in by a Related Party, (y) any Related Party shall have colluded with other creditors to cause an involuntary bankruptcy filing with respect to Borrower or Parent, or (z) Borrower or Parent fails to comply with, and to at all times have complied with, the covenants of Borrower set forth in Section 5.03 of the Credit Agreement or of Parent set forth in Section 5.06 of the Parent Pledge and Guaranty Agreement, which failure results in a substantive consolidation of Borrower or Parent with any other affiliate of Borrower or Parent in a bankruptcy or similar proceeding;

(D) the Borrower (x) becoming taxable as a partnership, corporation or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes; or (y) being subject to withholding taxes, including any withholding taxes imposed, charged, levied or payable on the Canadian Receivables under Part XIII of the Income Tax Act (Canada), or incurring liability for failure to withhold taxes;

(E) (y) the misapplication, misappropriation, or conversion or by any Related Party of any Collections or other Collateral either (1) to the benefit of any Person other than Borrower or (2) in contravention of the Facility Documents or (z) the commingling of Collections or other Collateral at any time with other funds of a Related Party except as expressly authorized by the Facility Documents;

(F) any intentional act or grossly negligent or willful omission by any Related Party in violation of the Facility Documents which has the effect of reducing or impairing the Collateral or the rights of the Administrative Agent or the other Secured Parties with respect thereto;

(G) any Related Party shall assert any claim, defense or offset against any Secured Party that such Related Party expressly waived or agreed not to assert pursuant to the Facility Documents;

(H) in any judicial proceeding, any Related Party makes application to a court to declare that (x) all or any portion of the Lien of the Administrative Agent or obligation of the Borrower to pay principal or interest on or in respect of the Advances under the Credit Agreement as specified therein be rescinded, set aside or determined to be void or unenforceable or (y) any of the terms of the Facility Documents be modified without the consent of the Administrative Agent and the Lenders or the consent of each Person whose consent is required by the terms of such Facility Document;

(I) (w) the breach by a Related Party of any representation, warranty or covenant in the Credit Agreement or any Facility Document which has a Material Adverse Effect on the Collateral; (x) any amendment of any Constituent Documents of the Borrower or Parent in violation of the Facility Documents; (y) the occurrence of a Change of Control without the Administrative Agent's prior written consent, or (z) the occurrence of a Limited Guaranty Event of Default; or

(J) an actual, pending or threatened Regulatory Proceeding against any Related Party, the Administrative Agent or any Lender affecting any Related Party or the Collateral.

(c) As used herein, the following terms have the following meanings:

"Cash Equivalent" 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 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.

"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.

"*Leverage Ratio*" means, as of the end of each fiscal quarter, the ratio of (a) total consolidated indebtedness for borrowed money for Limited Guarantor and its subsidiaries on a consolidated basis as of such day to (b) the Tangible Net Worth for Limited Guarantor and its subsidiaries on a consolidated basis as of such day.

"*Net Worth*" means, with respect to Limited Guarantor 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 Limited Guarantor delivered pursuant to Section 9(a) hereof.

"*Proceeding*" means any 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, statute or writ, in each case, by a Governmental Authority in connection with any action, suit, proceeding, investigation, claim, allegation or adverse determination by or before a Governmental Authority.

"*Regulatory Proceeding*" means any of the following: any Proceeding, including but not limited to any consumer lending or consumer protection Proceeding; truth-in-lending Proceeding; fair lending Proceeding; predatory or abusive lending Proceeding; unfair collection practices Proceeding; equal credit opportunity Proceeding; privacy of information Proceeding; consumer regulatory Proceeding; Proceeding claiming that any Related Party fails to hold any licenses required under Applicable Law; any Proceeding involving a claim that the rate of interest charged or fees charged on any Receivable exceeds the rate or fees permitted under any state or local law.

"*Tangible Net Worth*" means, as of any date of determination, the consolidated Net Worth of Limited Guarantor less the consolidated net book value of all assets of Limited Guarantor and its subsidiaries on a consolidated basis (to the extent reflected as an asset in the consolidated balance sheet of Limited Guarantor at such date), which will be treated as intangibles under GAAP.

"*Unrestricted Cash*" means, with respect to Limited Guarantor and its consolidated subsidiaries, as of any date of determination, the cash and Cash Equivalents of Limited Guarantor and its consolidated subsidiaries that, in accordance with GAAP, is reflected on the consolidated balance sheet of Limited Guarantor, 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.

2. *Limited Guaranty; Indemnity*. Limited Guarantor hereby, unconditionally and irrevocably, guarantees to the Secured Parties and their successors, endorsees, transferees and assigns the prompt and complete payment and performance of the Guaranteed Obligations, and hereby agrees that it shall be fully liable for, and shall indemnify and hold the Secured Parties harmless from and against, all Losses arising as a result of a Subject Action. Limited Guarantor shall have no liability to the Secured Parties under this Limited Guaranty absent the occurrence of a Subject Action. Limited Guarantor further agrees to pay, as and when incurred, any and all reasonable and documented expenses (including, without limitation, all reasonable and documented out-of-pocket fees and disbursements of counsel) which are incurred by any Secured Party in enforcing any rights with respect to, or collecting, any or all of the Guaranteed Obligations and/or enforcing, or obtaining advice of counsel in respect of, any rights with respect to, or collecting against, Limited Guarantor under this Limited Guaranty.

3. *Subrogation*. Upon making any payment hereunder, Limited Guarantor shall be subrogated to the rights of the Secured Parties against Borrower and any Collateral under the Facility Documents for any Guaranteed Obligations with respect to such payment; *provided* that Limited Guarantor shall not seek to enforce any right or receive any payment by way of subrogation until all Obligations have been paid in full (other than contingent indemnity obligations not yet due and owing). Until one year and one day after payment of the full amount and discharge of all Obligations, the performance of all of Limited Guarantor's obligations hereunder and the termination of this Limited Guaranty, neither any payment made by or for the account of Limited Guarantor nor any performance or enforcement of any obligation pursuant to this Limited Guaranty shall entitle Limited Guarantor by subrogation, indemnity, exoneration, reimbursement, contribution or otherwise to any payment by Borrower or to any payment from or out of any property of Borrower, and Limited Guarantor shall not exercise any right or remedy against Borrower or any property of Borrower by reason of any performance by Limited Guarantor of this Limited Guaranty. If any amount shall be paid to Limited Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full or performed, such amount shall be held in trust for the benefit of the Secured Parties and shall forthwith be paid to the Secured Parties to be credited and applied upon the Obligations, whether matured or unmatured, in accordance with the terms of this Limited Guaranty.

4. *Amendments, etc*. Limited Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against Limited Guarantor, and without notice to or further assent by Limited Guarantor, any demand for payment of any of the Obligations made by the Secured Parties may be rescinded by the Secured Parties, and any of the Obligations continued, and the Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Secured Parties, and the Credit Agreement, and the other Facility Documents and any other document in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with its terms and as the Secured Parties may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Secured Parties for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for this Limited Guaranty or any property subject thereto.

5. *Limited Guaranty Absolute and Unconditional*. (a) Limited Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Secured Parties upon this Limited Guaranty or acceptance of this Limited Guaranty; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Limited Guaranty; and all dealings between Borrower or Limited Guarantor, on the one hand, and the Secured Parties, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Limited Guaranty. Limited Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Borrower or the Limited Guaranty with respect to the Guaranteed Obligations. This Limited Guaranty shall be construed without regard to (i) the validity or enforceability of the Credit Agreement, the other Facility Documents, any of the Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Secured Parties, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by it or Borrower against the Secured Parties, or (iii) any other circumstance whatsoever (with or without notice to or knowledge of Borrower or Limited Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of Borrower for the Obligations, or of Limited Guarantor under this Limited Guaranty, in bankruptcy or in any other instance. When pursuing its rights and remedies, including but not limited to making a demand, hereunder against Limited Guarantor, the Secured Parties may, but shall be under no obligation, to pursue such rights and remedies that they may have against Borrower, Limited Guarantor or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Secured Parties to pursue such other rights or remedies or to collect any payments from Borrower, Limited Guarantor or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve Limited Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Secured Parties against Limited Guarantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings. This Limited Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon Limited Guarantor and its successors and assigns thereof, and shall inure to the benefit of the Secured Parties, and their successors, endorsees, transferees and assigns, until all the Obligations and the obligations of Limited Guarantor under this Limited Guaranty shall have been satisfied by payment in full, notwithstanding that from time to time during the term of the Credit Agreement Borrower may be free from any Obligations.

(b) Without limiting the generality of the foregoing, Limited Guarantor hereby agrees, acknowledges, and represents and warrants to the Administrative Agent and the Lenders as follows:

(i) To the extent permitted by law, Limited Guarantor hereby waives any defense arising by reason of, and any and all right to assert against the Secured Parties any claim or defense based upon, an election of remedies by the Secured Parties which in any manner impairs, affects, reduces, releases, destroys and/or extinguishes Limited Guarantor's subrogation rights, rights to proceed against Borrower or any other guarantor for reimbursement or contribution, and/or any other rights of Limited Guarantor to proceed against Borrower, against any other guarantor, or against any other Person or security.

(ii) Limited Guarantor is presently informed of the financial condition of Borrower and of all other circumstances which diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Limited Guarantor hereby covenants that it will make its own investigation and will continue to keep itself informed of the financial condition of Borrower, of all other circumstances which bear upon the risk of nonpayment and that it will continue to rely upon sources other than the Secured Parties for such information and will not rely upon the Secured Parties for any such information. Absent a written request for such information by Limited Guarantor to the Secured Parties, Limited Guarantor hereby waives its right, if any, to require the Secured Parties to disclose to Limited Guarantor any information which the Secured Parties may now or hereafter acquire concerning such condition or circumstances including, but not limited to, the release of or revocation by any other guarantor.

(iii) Limited Guarantor has independently reviewed the Credit Agreement and the other Facility Documents and has made an independent determination as to the validity and enforceability thereof, and in executing and delivering this Limited Guaranty to the Administrative Agent on behalf of the Secured Parties, Limited Guarantor is not in any manner relying upon the validity, and/or enforceability, and/or attachment, and/or perfection of any Liens or security interests of any kind or nature granted by Borrower or any other guarantor to the Administrative Agent or the Secured Parties, now or at any time and from time to time in the future.

6. *Reinstatement*. This Limited Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Secured Parties upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

7. *Payments*. Limited Guarantor shall pay any Guaranteed Obligations within five (5) Business Days of receipt from the Administrative Agent of a written notice (a "*Notice of Loss*") of the occurrence of a Subject Action and Loss. Limited Guarantor hereby agrees that the Guaranteed Obligations will be paid to the Secured Parties or to the Administrative Agent on the Secured Parties' behalf without deduction, abatement, recoupment, reduction, set-off, suspension, deferment or counterclaim in U.S. Dollars and in accordance with the wiring instructions provided by the Administrative Agent.

8. *Representations and Warranties*. Limited Guarantor represents and warrants as of the date hereof and as of the date each Loan is made that:

(a) *Legal Status*. Limited Guarantor is duly organized and existing and in good standing under the laws of its jurisdiction of organization, and is qualified or licensed to do business (and is in good standing as a foreign corporation, if applicable) in all jurisdictions in which such qualification or licensing is required or in which the failure to so qualify or to be so licensed could reasonably be expected to result in a Material Adverse Effect on Limited Guarantor. Limited Guarantor has the corporate power and authority to execute and deliver, and perform its obligations under, this Limited Guaranty.

(b) *Authorization and Validity*. This Limited Guaranty has been duly authorized by Limited Guarantor, and upon its execution and delivery in accordance with the provisions hereof will constitute a legal, valid and binding agreement and obligation of Limited Guarantor, enforceable in accordance with its 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, regardless of whether considered in a proceeding in equity or at law.

(c) *No Violation*. The execution, delivery and performance by Limited Guarantor of this Limited Guaranty does not violate any provision of any law or regulation, or contravene any provision of the Constituent Documents of Limited Guarantor, nor will it result in any breach of or default under any contract, obligation, indenture or other instrument to which Limited Guarantor is a party or by which Limited Guarantor may be bound.

(d) *Litigation*. There are no pending or threatened actions, claims, investigations, suits or proceedings by or before any Governmental Authority, arbitrator, court or administrative agency that could reasonably be expected to result in a Material Adverse Effect on Limited Guarantor.

(e) *Correctness of Financial Statement*. The audited annual financial statements of Limited Guarantor dated December 31, 2019 and all interim quarterly financial statements delivered by Limited Guarantor to the Administrative Agent prior to the date hereof, (i) present fairly in all material respects the financial condition of Limited Guarantor as of the applicable date set forth therein, (ii) disclose all liabilities of Limited Guarantor as of such date that are required to be reflected or reserved against under GAAP, whether liquidated or unliquidated, fixed or contingent, and (iii) have been prepared in accordance with GAAP consistently applied (subject, in the case of any quarterly financial statements, to the absence of footnotes and year-end audit adjustments). Since the dates of such financial statements, no event has occurred that has resulted in a Material Adverse Effect on Limited Guarantor.

(f) *Fraudulent Conveyance*. Limited Guarantor does not intend to incur, nor does it believe that it has incurred, debts beyond its ability to pay such debts as they mature. Limited Guarantor is not contemplating the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of itself, any of its subsidiaries or any of their respective assets.

(g) *Tax Returns and Tax Liability*. Limited Guarantor has filed its required income tax returns, and has no knowledge of any pending assessments or adjustments of its income tax payable with respect to any year.

(h) *No Subordination*. There is no agreement, indenture, contract or instrument to which Limited Guarantor is a party or by which Limited Guarantor may be bound that requires the subordination in right of payment of Limited Guarantor's obligations subject to this Limited Guaranty to any other obligation of Limited Guarantor.

(i) *Permits, Franchises*. Limited Guarantor possesses all permits, consents, approvals, franchises and licenses required and rights to all trademarks, trade names, patents, and fictitious names, if any, in each case, necessary to enable it to conduct the business in which it is now engaged.

(j) *ERISA*. Limited Guarantor is in compliance in all material respects with all applicable provisions of the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time ("*ERISA*") and does not maintain and is not required to contribute to any employee benefit plan (as defined in ERISA).

(k) *Anti-Money Laundering*. (x) To the extent applicable, Limited Guarantor is in compliance in all respects with the regulations and rules promulgated by OFAC, including the Subject Laws (y) Limited Guarantor 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 Limited Guarantor (based on the implementation of its internal procedures and controls), no direct investor in Limited Guarantor is a Person whose name appears on the "List of Specially Designated Nationals" and "Blocked Persons" maintained by the OFAC.

(l) *Solvency*. Limited Guarantor is Solvent.

9. *Covenants*. (a) Limited Guarantor shall deliver or cause to be delivered to the Administrative Agent:

(i) the financial statements and other information and document set forth in Sections 5.01(d)(i), 5.01(d)(ii) and 5.01(d)(iii) of the Credit Agreement; and

(ii) any other financial information regarding Limited Guarantor reasonably requested by the Administrative Agent.

(b) Limited Guarantor covenants and agrees that it will not change its legal name or jurisdiction of registration without having provided to the Administrative Agent thirty (30) days' prior written notice together with such other information as the Administrative Agent may reasonably request in connection with its "know your client" compliance analysis.

(c) Limited Guarantor shall maintain adequate books and records in accordance with GAAP consistently applied in order to reflect accurately in all material respects all financial activity of Limited Guarantor. Limited Guarantor shall permit any representative of the Administrative Agent jointly with, at the invitation of the Administrative Agent, any Lender, during normal business hours and upon reasonable advance notice, to inspect, audit and examine such books and records, to make copies of the same, and to inspect the properties of Limited Guarantor. Limited Guarantor shall be responsible for the reasonable and documented fees and expenses for such audits.

(d) Limited Guarantor shall pay and discharge or cause to be paid and discharged, when due all taxes, assessments and governmental charges or levies imposed upon Limited Guarantor or upon Limited Guarantor's income and profits or upon any of Limited Guarantor's property, real, personal or mixed or upon any part thereof, as well as any other lawful claims which, if unpaid, might become a lien upon such properties or any part thereof, except for any such taxes, assessments and governmental charges, levies or claims as are appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are provided. Limited Guarantor shall file, or cause to be filed on behalf of Limited Guarantor on a timely basis all federal and other material tax returns.

(e) Limited Guarantor shall promptly inform the Administrative Agent in writing of any of the following:

(i) Any default or breach by Limited Guarantor of any obligation hereunder, or the occurrence or existence of any event or circumstance that Limited Guarantor reasonably expects will, with the passage of time, become a default or breach by Limited Guarantor;

(ii) Any dispute, licensing issue, litigation, investigation, proceeding or regulatory suspension between Limited Guarantor, on the one hand, and any Governmental Authority or any other Person, on the other hand, that could reasonably be expected to result in a Material Adverse Effect on Limited Guarantor;

(iii) Any material change in accounting policies or financial reporting practices of Limited Guarantor; and

(iv) Any event, circumstance or condition that has resulted in, or has a reasonable likelihood of resulting in, a Material Adverse Effect on Limited Guarantor.

(f) Limited Guarantor shall maintain all licenses, permits or other approvals necessary for Limited Guarantor to conduct its business and to perform its obligations under this Limited Guaranty, and Limited Guarantor shall conduct its business in accordance with Applicable Law in all material respects.

(g) Limited Guarantor shall not make any material change in the accounting policies or financial reporting practices of Limited Guarantor or its subsidiaries, except to the extent such change is permitted by GAAP, consistently applied.

(h) Subject to Section 12.03 of the Credit Agreement, any payments made by Limited Guarantor to the Secured Parties shall be made in Dollars and shall be free and clear of, and without deduction or withholding for, any taxes; *provided, however*, that if Limited Guarantor shall be required by law to deduct or withhold any taxes from any sums payable to the Secured Parties, then Limited Guarantor shall (i) make such deductions or withholdings and pay such amounts to the relevant authority in accordance with Applicable Law, (ii) pay to the Secured Parties the sum that would have been payable had such deduction or withholding not been made, and (iii) at the time such payment is made, pay to the Secured Parties all additional amounts to preserve the after-tax yield the Secured Parties would have received if such tax had not been imposed.

(i) Limited Guarantor shall preserve and maintain its legal existence and all of its material rights, privileges and franchises, and remain in good standing under the laws of each state in which it conducts business where failure to be in good standing could reasonably be expected to result in a Material Adverse Effect on Limited Guarantor.

(j) Limited Guarantor shall respect and appropriately document the separate and independent nature of its activities, as compared with those of the Parent and the Borrower, take all reasonable steps to continue its identity as a separate legal entity and make it apparent to Persons that each of Borrower, the Parent and Limited Guarantor are separate entities, including correcting any known misunderstanding regarding Limited Guarantor's separate identity. Without limiting the foregoing, and notwithstanding anything to the contrary contained in this Limited Guaranty, Limited Guarantor shall (i)(A) maintain its books and records separate from the books and records of Borrower and Parent, (B) maintain separate bank accounts, and not commingle its funds with those of Borrower and Parent except as permitted by the Facility Documents and (C) cause its officers to act independently of Borrower and Parent; and (ii) not (A) take any action to dissolve or liquidate in whole or in part or permit the Borrower or the Parent to dissolve or liquidate in whole or in part; (B) (1) commence any case, proceeding or other action under any existing or future bankruptcy, insolvency or similar law seeking to have an order for relief entered with respect to it, or seeking reorganization, arrangement, adjustment, wind-up, liquidation, dissolution, composition or other relief with respect to it or its debts, (2) seek appointment of a receiver, trustee, custodian or other similar official for it or any of its assets, (3) make a general assignment for the benefit of its creditors, or (4) take any action in furtherance of, or consenting or acquiescing in, any of the foregoing; (C) without the prior written consent of the Administrative Agent, merge or consolidate with any other Person if such merger or consolidation would result in an Event of Default or if Limited Guarantor would not be the surviving entity, (D) guarantee, provide indemnification for or pay the obligations of Borrower or Parent, other than under or as may be permitted under the Facility Documents, (E) engage in any other action that detracts from whether the separate legal identity of Limited Guarantor and the Borrower or Parent will be respected, including, acting other than in its name and through its duly authorized officers or agents, or (F) act in any other manner that could reasonably be expected to mislead others with respect to Borrower's or Parent's, on the one hand, and Limited Guarantor's, on the other hand, separate identities.

(k) Limited Guarantor covenants and agrees that prior to the date which is one year and one day after the payment of the full amount and discharge of all Obligations, Limited Guarantor shall not institute against, or join any other Person in instituting against, Borrower or Parent, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law. This clause (k) shall survive the termination of this Limited Guaranty.

(l) Limited Guarantor, shall satisfy the following financial covenants (the "*Financial Covenants*"):

(i) *Minimum Tangible Net Worth*. Limited Guarantor shall at all times maintain a Tangible Net Worth at least equal to greater of (i) (x) if the aggregate outstanding principal balance of Advances is less than or equal to $125.0 million, $15.0 million or (y) the aggregate outstanding principal balance of Advances is greater than $125.0 million, $30.0 million and (ii) any minimum net worth or similar covenant set forth in any Comparable Guaranty.

(ii) *Maximum Leverage Ratio*. Limited Guarantor shall at all times maintain a Leverage Ratio no greater than the lesser of (i) (x) on or prior to March 31, 2022, 8.00:1.00, or (y) after March 31, 2022, 12.00:1.00, and (ii) the maximum ratio for any leverage ratio or similar covenant set forth in any Comparable Guaranty.

(iii) *Liquidity*. Limited Guarantor shall at all times maintain Unrestricted Cash at any time in an amount at least equal to the greater of (i) $7.5 million, (ii) 7.5% of the Funded Facility Amount and (iii) the dollar minimum for any minimum liquidity or unrestricted cash or similar covenant set forth in any Comparable Guaranty.

(iv) *Compliance Certificate*. Limited Guarantor shall provide to the Administrative Agent, concurrently with delivery of the financial statements set forth in Section 9(a)(i), a certificate of a Responsible Officer of Limited Guarantor in the form attached hereto as Exhibit A confirming that Limited Guarantor is in compliance with each of the above financial covenants.

(v) *Notice of Financial Covenants in Other Facilities*. Limited Guarantor shall provide to Agent notice of any Comparable Guaranty that contains financial covenants similar to the ones contained herein into which it may enter from time to time following the date of this Limited Guaranty within five (5) Business Days following the execution of such Comparable Guaranty. Limited Guarantor shall (i) certify in such notice that such Comparable Guaranty does not contain financial covenants more restrictive than the ones hereunder or (ii) if such Comparable Guaranty does contain financial covenants that are more restrictive than the ones hereunder (collectively, the "*Additional Covenants*"), describe in such notice such Additional Covenants and represent that such description is true, complete and accurate.

10. *Limited Guaranty Events of Default*. It is hereby understood and agreed that an event of default shall have occurred hereunder if (each, a "*Limited Guaranty Event of Default*"):

(a) Limited Guarantor shall default in the payment of any Guaranteed Obligations required to be paid by it under this Limited Guaranty and such default is not cured within one (1) Business Day; or

(b) Any representation, warranty or certification made herein by Limited Guarantor or in any certificate furnished by Limited Guarantor to Administrative Agent pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect (or in all respect if such representation or warranty contained in this Limited Guaranty is already qualified by "in all material respects" or another materiality qualifier) when as of the time made or furnished and such failure shall remain uncured for a period in excess of fifteen (15) days after the earlier of (x) written notice to Limited Guarantor (which may be by email) by the Administrative Agent, and (y) actual knowledge of a Responsible Officer of Limited Guarantor; or

(c) Limited Guarantor fails to comply with the Financial Covenants; or

(d) Except as otherwise set forth in this Section 10, Limited Guarantor shall fail to observe or perform or comply with any term, covenant, provision or agreement contained in this Limited Guaranty, and such failure to observe or perform shall continue unremedied for a period ten (10) days following the earlier of (x) written notice to Limited Guarantor (which may be by email) by the Administrative Agent, and (y) actual knowledge of a Responsible Officer of Limited Guarantor; or

(e) Limited Guarantor shall admit in writing its inability to pay its debts as such debts become due; or

(f) An Insolvency Event relating to Limited Guarantor; or

(g) The dissolution or termination, whether voluntary or involuntary, of Limited Guarantor.

11. *Termination*. Subject to the provisions of Section 6, this Limited Guaranty shall automatically terminate on the date of the final payment in full of the Obligations (other than contingent indemnity obligations not yet due and owing) and the termination of the Credit Agreement.

12. *Severability*. Any provision of this Limited Guaranty 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, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13. *Paragraph Headings*. The paragraph headings used in this Limited Guaranty are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

14. *No Waiver; Cumulative Remedies*. No Secured Party shall by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of any Secured Party, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Secured Parties of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Secured Parties would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights or remedies provided by law.

15. *Waivers and Amendments*. None of the terms or provisions of this Limited Guaranty may be waived, amended, supplemented or otherwise modified except by a written instrument executed by Limited Guarantor and the Administrative Agent; provided that any provision of this Limited Guaranty may be waived by the Administrative Agent in a letter or agreement executed by the Administrative Agent and delivered to Limited Guarantor as set forth in Section 18 hereof.

16. *Successors and Assigns*. This Limited Guaranty shall be binding upon the successors and permitted assigns of Limited Guarantor and shall inure to the benefit of the Secured Parties and their permitted successors and assigns. This Limited Guaranty may not be assigned by Limited Guarantor without the written consent of the Administrative Agent, and any such attempt to assign or transfer this Limited Guaranty in violation of this Section 16 shall be null and void and of no effect whatsoever. This Limited Guaranty may not be assigned by the Secured Parties except in accordance with the express terms of the Credit Agreement.

17. *GOVERNING LAW*. THIS LIMITED GUARANTY SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, 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).

18. *Notices*. 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 I 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 18. 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).

19. *Submission To Jurisdiction; Waivers*. Each party hereto hereby irrevocably and unconditionally:

(a) Submits for itself and its property in any legal action or proceeding relating to this Limited Guaranty, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, located in the County of New York, and the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) Consents that any such action or proceeding may be brought in such courts and waives any objection that such party 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's address set forth on Schedule I attached hereto or at such other address of which the parties shall have been notified in writing; and

(d) Agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

20. *Integration*. This Limited Guaranty represents the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, on or before the date hereof.

21. *Acknowledgments.* Limited Guarantor hereby acknowledges that:

(a) Limited Guarantor has been advised by counsel in the negotiation, execution and delivery of this Limited Guaranty;

(b) Neither the Administrative Agent nor the Lenders have any fiduciary relationship to Limited Guarantor, and the relationship between the Lenders, the Administrative Agent and Limited Guarantor is solely that of surety and creditor; and

(c) No joint venture exists between the Lenders, the Administrative Agent and Limited Guarantor or among the Lenders, the Administrative Agent, Borrower and Limited Guarantor.

22. *Confidentiality*. The Administrative Agent and the Lenders agree to maintain all non-public information relating to Limited Guarantor received hereunder in accordance with the provisions of Section 12.09 of the Credit Agreement.

23. *Execution in Counterparts*. This Limited Guaranty 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 Limited Guaranty. Delivery of an executed signature page of this Limited Guaranty by 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 document 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, without limitation, 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.

24. *WAIVERS OF JURY TRIAL*. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS LIMITED GUARANTY OR ANY OTHER FACILITY DOCUMENT AND FOR ANY COUNTERCLAIM HEREIN OR THEREIN.

25. *Further Assurances*. Limited Guarantor shall take any and all further actions and execute and deliver any and all such further documents and undertakings as are necessary or reasonably requested by the Administrative Agent to effectuate the purposes of this Limited Guaranty.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned has caused this Limited Guaranty to be duly executed and delivered as of the date first above written.

SEZZLE INC.
as Limited Guarantor

By: /s/ Karen Hartje
Name: Karen Hartje
Title: Chief Financial Officer

Acknowledged:

GOLDMAN SACHS BANK USA,
as the Administrative Agent

By: /s/ Thomas Manning
Name: Thomas Manning
Title: Authorized Signatory

SCHEDULE I

NOTICE INFORMATION

If to the Administrative Agent or any Lender:

Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Mortgage Trading/Warehouse Lending and IBD Structured Finance Group
Telephone No.: (212) 902-0974
Email: gs-sf-consumer-ny@gs.com, gs-asset-financing@gs.com and gs-consumer-am@gs.com

with copies (which shall not constitute notice) to:

Goldman Sachs Warehouse Lending
2001 Ross Avenue, Suite 2800
Dallas, TX 75201
Attention: Jeff Hartwick, Peter McGrane and Mohamad Kaafarani
Telephone No.: (972) 368-2952, (972) 368-2256 and (972) 368-2064
Email: jeff.hartwick@gs.com, peter.mcgrane@gs.com and mohamad.kaafarani@gs.com

If to Limited Guarantor:

Sezzle Inc.
251 1st Avenue North, Suite 200
Minneapolis, MN 55401
Attention: Karen Hartje
Telephone No: 651.442.0363
Email: karen.hartje@sezzle.com

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

[_____], [20__]

Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Mortgage Trading/Warehouse Lending and IBD Structured Finance Group
Telephone No.: (212) 902-0974
Email: gs-sf-consumer-ny@gs.com, gs-asset-financing@gs.com and gs-consumer-am@gs.com

with copies (which shall not constitute notice) to:

Goldman Sachs Warehouse Lending
2001 Ross Avenue, Suite 2800
Dallas, TX 75201
Attention: Jeff Hartwick, Peter McGrane and Mohamad Kaafarani
Telephone No.: (972) 368-2952, (972) 368-2256 and (972) 368-2064
Email: jeff.hartwick@gs.com, peter.mcgrane@gs.com and mohamad.kaafarani@gs.com

Ladies and Gentlemen:

Reference is made to the Limited Guaranty and Indemnity Agreement, dated as of February 10, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "*Limited Guaranty*"), by Sezzle Inc., a Delaware corporation ("*Limited Guarantor*"), for the benefit of Goldman Sachs Bank USA, as administrative agent (together with its successors and assigns, the "*Administrative Agent*") on behalf of the Secured Parties under that certain to the Revolving Credit and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), dated as of February 10, 2021, by and among Sezzle Funding SPE II, LLC, as borrower, the Administrative Agent and each of the Lenders party thereto from time to time. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Limited Guaranty or the Credit Agreement.

This Certificate is furnished to the Administrative Agent pursuant to Section 9(l)(iv) of the the Limited Guaranty.

(i) *Authority.* I am the duly elected, qualified and acting [_____][1] of Limited Guarantor and hereby certify that the information provided in this Certificate is true, correct and complete. For the avoidance of doubt, I make no certification regarding the "Borrower Certification" accompanying this Certificate or the matters referred to therein.

[1] Title of the Responsible Officer executing this Certificate.

(ii) *Fiscal Period.* This Certificate is for the period ended [month] [date], [year][2] (the "*Certification Date*"). As of the Certification Date, Limited Guarantor has complied with all covenants and agreements in the Facility Documents to which it is a party.

(iii) *Financial Statements.* The [unaudited quarterly][audited annual] financial statements of Limited Guarantor attached hereto as Annex A fairly present, in all material respects, the financial condition and results of operations of Limited Guarantor in accordance with GAAP, consistently applied, as at the end of, and for, the [quarterly period ended on [_____], [20__] (subject to normal year-end audit adjustments)][fiscal year ended on [_____], [20__].

(iv) *Minimum Tangible Net Worth.* Limited Guarantor [has][has not] complied with the minimum Tangible Net Worth covenants pursuant to Section 9(l)(i) as of the Certification Date. The information provided below is true, complete and accurate as of the Certification Date:

(A)	Aggregate outstanding principal balance of Advances as of the Certification Date	$[____]
(B)	Tangible Net Worth as of the Certification Date	$[____]
(C)	Minimum Tangible Net Worth	(x) if Line (A) is less than or equal to $125.0 million, $15.0 million; or (y) if Line (A) is greater than $125.0 million, $30.0 million[3]
(D)	Is Line B greater than or equal to Line C?	[yes][no]

(v) *Maximum Leverage Ratio.* Limited Guarantor [has][has not] complied with the maximum Leverage Ratio covenant pursuant to Section 9 (l)(ii) as of the Certification Date. The information provided below is true, complete and accurate as of the Certification Date:

(A)	Total consolidated indebtedness for borrowed money for Limited Guarantor and its consolidated subsidiaries as of the Certification Date	$[____]
(B)	Tangible Net Worth as of the Certification Date	$[____]
(C)	Leverage Ratio (A) : (B) =	[____] : 1.00
(D)	Maximum Leverage Ratio	(x) on or prior to March 31, 2022, 8.00:1.00, or (y) after March 31, 2022, 12.00:1.00[4]
(E)	Compliance with Maximum Leverage Ratio?	[yes][no]

[2] Last Business Day of immediately preceding fiscal quarter.
[3] If a Comparable Guaranty is in place, replace with such greater minimum Tangible Net Worth set forth therein.
[4] If a Comparable Guaranty is in place, replace with such lesser Maximum Leverage Ratio set forth therein.

(vi) *Liquidity.* Limited Guarantor [has][has not] complied with the liquidity covenant pursuant to Section 9(l)(iii) as of the Certification Date. The information provided below is true, complete and accurate as of the Certification Date:

(A)	Unrestricted Cash as of the Certification Date	$[____]
(B)	7.5% of Funded Facility Amount as of the Certification Date	$[____]
(C)	Minimum Unrestricted Cash	greater of (x) $7.5 million and (y) Line B [5]
(D)	Is Line A greater than or equal to Line C?	[yes][no]

(vii) [*Notice of Comparable Guaranties*. I hereby notify the Administrative Agent that the [Comparable Guaranty] dated as of [month] [date], [year] between [____], as Limited Guarantor and [party] contains financial covenants more restrictive than the ones in the Limited Guaranty.] [6] [I hereby certify that the below Additional Covenants are true, complete and accurate:

(a) [Additional Covenant];

(b) [Additional Covenant]; and

(c) [Additional Covenant].][7]

[5] If a Comparable Guaranty is in place, replace with such greater minimum liquidity set forth therein.

[6] Per Section 9(l)(v) please add this certification if Limited Guarantor enters into a Comparable Guaranty.

[7] Per Section 9(l)(v), please add description and representation of the financial covenants that are more restrictive than the ones under the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each Limited Guarantor has caused this Compliance Certificate to be executed as of the date first written above.

SEZZLE INC.

By: _____
Name:
Title:

ANNEX A
TO FORM OF COMPLIANCE CERTIFICATE

FINANCIAL STATEMENTS

(see attached)

BORROWER CERTIFICATION

[_____], [20__]

Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Mortgage Trading/Warehouse Lending and IBD Structured Finance Group
Telephone No.: (212) 902-0974
Email: gs-sf-consumer-ny@gs.com, gs-asset-financing@gs.com and gs-consumer-am@gs.com

with copies (which shall not constitute notice) to:

Goldman Sachs Warehouse Lending
2001 Ross Avenue, Suite 2800
Dallas, TX 75201
Attention: Jeff Hartwick, Peter McGrane and Mohamad Kaafarani
Telephone No.: (972) 368-2952, (972) 368-2256 and (972) 368-2064
Email: jeff.hartwick@gs.com, peter.mcgrane@gs.com and mohamad.kaafarani@gs.com

Reference is hereby made to the Revolving Credit and Security Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), dated as of February 10, 2021, between Sezzle Funding SPE II, LLC, as Borrower (the "*Borrower*"), the Lenders from time to time party thereto and Goldman Sachs Bank USA, as Administrative Agent. Capitalized terms used herein without definition have the meanings assigned to such terms in the Credit Agreement.

I am the duly elected, qualified and acting [_____][8] of the Borrower and hereby certify, pursuant to Section 5.01(d)(iv) of the Credit Agreement, that as of the date hereof (A) the Borrower, the Parent and the Sponsor have complied with all covenants and agreements in the Facility Documents to which they are a party, (B) [except as set forth below,] no Accelerated Amortization Event, Unmatured Event of Default or Event of Default has occurred and is continuing and (C) attached as Annex A is the Maximum Advance Rate Test Calculation Statement as of the date hereof.

[_____][9]

SEZZLE FUNDING SPE II, LLC,
as Borrower

By: _____
Name:
Title:

[8] Title of the Responsible Officer executing this Certificate.

[9] Describe Accelerated Amortization Events, Unmatured Events of Default and Events of Default that have occurred and are continuing and set forth the details thereof and the action which the Borrower or the relevant Person is taking or proposes to take with respect thereto.

ANNEX A
TO BORROWER CERTIFICATION

MAXIMUM ADVANCE RATE TEST CALCULATION STATEMENT

(see attached)

Exhibit 10.13

PLEDGE AND GUARANTY AGREEMENT

THIS PLEDGE AND GUARANTY AGREEMENT (as the same may be amended, restated, supplemented or otherwise modified from time to time, this *"Agreement"*) is entered into as of February 10, 2021 by and between SEZZLE FUNDING SPE II PARENT, LLC, a Delaware limited liability company (*"Parent"*), and GOLDMAN SACHS BANK USA, in its capacity as administrative agent (together with its successors and assigns in such capacity, the *"Administrative Agent"*) for itself and for the Secured Parties (as defined in the Credit Agreement referred to below).

PRELIMINARY STATEMENT

Reference is made to that certain Revolving Credit and Security Agreement, dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified from time to time, the *"Credit Agreement"*) by and among Sezzle Funding SPE II, LLC, a Delaware limited liability company, as the borrower (the *"Borrower"*), the Lenders party thereto from time to time and the Administrative Agent. Parent is entering into this Agreement in order to induce the Lenders to enter into, and extend credit to the Borrower under, the Credit Agreement.

Parent is the sole member and owner of 100% of the Equity Interests of the Borrower and will derive substantial direct and indirect benefits from the transactions contemplated by the Credit Agreement.

ACCORDINGLY, as an inducement to the Lenders to extend credit to the Borrower and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Parent and the Administrative Agent, on behalf of the Secured Parties, hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Terms Defined in the Credit Agreement or UCC. All capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement. All capitalized terms used herein and not defined herein or in the Credit Agreement that are defined in the UCC shall have the meanings assigned to such terms in the UCC.

Section 1.02 Rules of Construction. The rules of construction set forth in Section 1.02 of the Credit Agreement shall be applicable to this Agreement.

Section 1.03 Definitions of Certain Terms Used Herein. As used in this Agreement, in addition to the terms defined in the Preliminary Statement, the following terms shall have the following meanings:

"Collateral" means all Accounts, cash, Chattel Paper, Electronic Chattel Paper, commercial tort claims, copyrights, Deposit Accounts, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Instruments, insurance, Inventory, Investment Property, letters of credit, Letter-of-Credit Rights, licenses, patents, Payment Intangibles, Securities, Supporting Obligations, trademarks, income and Pledged Securities, wherever located, in which Parent now has or hereafter acquires any right or interest, and the Proceeds, insurance Proceeds and products thereof, together with all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto.

"Deposit Accounts" has the meaning set forth in Article 9 of the UCC and in any event shall include, but not be limited to, all funds held therein and all certificates and instruments, if any, from time to time representing or evidencing a Deposit Account.

"Indemnitees" has the meaning given such term in Section 8.19 of this Agreement.

"Instrument" has the meaning set forth in Article 9 of the UCC.

"Investment Property" has the meaning set forth in Article 9 of the UCC.

"Parent Guaranteed Obligations" has the meaning given such term in Section 2.01 of this Agreement.

"Pledged Collateral" means all Pledged Securities and all other Instruments, Securities and other Investment Property of Parent, whether or not physically delivered to the Administrative Agent pursuant to this Agreement.

"Pledged Securities" means all of the issued and outstanding Equity Interests of the Borrower with all certificates evidencing such Equity Interests, options or rights of any nature whatsoever which may be issued or granted by the Borrower to Parent with respect to any of its Equity Interests, whether now owned or subsequently acquired, including, without limitation, (a) all rights to receive all income, profit or other dividends, distributions, cash, warrants, rights, options, instruments, securities and other property of any nature whatsoever by Parent with respect to such interests; (b) all of Parent's capital or membership interest, including any capital accounts, in the Borrower, and all accounts, deposits or credits of any kind with the Borrower; (c) all of Parent's voting rights or rights to control or direct the affairs of the Borrower; (d) all of Parent's right, title and interest in the Borrower and in or to any of the Borrower's assets or property, including any interest of Parent in the entries of the books of the Borrower or on the books of any securities intermediary pertaining to its Equity Interests; (e) all other right, title and interest in or to the Borrower as such rights are derived from the foregoing; (f) all claims of Parent for damages arising out of a breach of or a default relating to the foregoing; (g) all rights of Parent to terminate, amend, modify, supplement or waive performance under the Constituent Documents of the Borrower, to perform thereunder and to compel performance and otherwise exercise the remedies thereunder; and (h) all of the Proceeds of any and all of the above.

"*Proceeds*" has, with reference to any asset or property, the meaning assigned to it under the UCC and, 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.

"Related Parties" means, with respect to any Person, such Person's Affiliates, and their respective officers, directors, employees, agents, managers of, and any Person Controlling any of, the foregoing.

"Securities Account" has the meaning set forth in Article 8 of the UCC.

"Security" has the meaning set forth in Article 8 of the UCC.

ARTICLE II

GUARANTY

Section 2.01 The Guarantee. As an inducement to the Lenders to extend credit to the Borrower and in consideration of benefits expected to accrue to the Borrower by reason of the Advances and for other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, Parent hereby unconditionally and irrevocably guarantees to the Administrative Agent and the other Secured Parties, the due and punctual payment and performance of all present and future Obligations and other covenants of the Borrower under the Facility Documents, including, the due and punctual payment of principal of, and interest on, the Advances and the due and punctual payment of all other Obligations now or hereafter owed by the Borrower under the Facility Documents, in each case, as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof and thereof (including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower in a case under the Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against the Borrower in any such proceeding) (collectively, the *"Parent Guaranteed Obligations"*). In case of failure by the Borrower to punctually pay any Obligations guaranteed hereby, Parent hereby unconditionally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, and as if such payment were made by the Borrower, without counterclaim, set-off, deduction, defense, abatement, recoupment, suspension or deferment.

Section 2.02 Amendments, etc. Parent shall remain obligated hereunder notwithstanding that, without any reservation of rights against Parent, and without notice to or further assent by Parent, any demand for payment of any of the Parent Guaranteed Obligations made by the Secured Parties may be rescinded by the Secured Parties, and any of the Parent Guaranteed Obligations continued, and the Parent Guaranteed Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, restated, accelerated, compromised, waived, surrendered or released by the Secured Parties, and the Credit Agreement, and the other Facility Documents and any other document in connection therewith may be amended, modified, restated, supplemented, waived or terminated, in whole or in part, in accordance with its terms and as the Secured Parties may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Secured Parties for the payment of the Parent Guaranteed Obligations may be sold, exchanged, waived, surrendered or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for Parent Guaranteed Obligations or for this Agreement or any property subject thereto.

Section 2.03 Guaranty and other Obligations Absolute and Unconditional. (a) The Parent Guaranteed Obligations shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Agreement; and all dealings between Borrower or Parent, on the one hand, and the Secured Parties, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Agreement.

(b) This Agreement shall be construed without regard to (i) the validity or enforceability of the Credit Agreement, the other Facility Documents, any of the Parent Guaranteed Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Secured Parties, (ii) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by it or Borrower against the Secured Parties, or (iii) any other circumstance whatsoever (with or without notice to or knowledge of Borrower or Parent) which constitutes, or might be construed to constitute, an equitable or legal discharge of Borrower for the Obligations or the Parent Guaranteed Obligations, or of Parent under this Agreement, in bankruptcy or in any other instance. When pursuing its rights and remedies, including but not limited to making a demand, hereunder against Parent, the Secured Parties may, but shall be under no obligation, to pursue such rights and remedies that they may have against Borrower, Parent or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Secured Parties to pursue such other rights or remedies or to collect any payments from Borrower, Parent or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Borrower or any such other Person or any such collateral security, guarantee or right of offset, shall not relieve Parent of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Secured Parties against Parent. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings.

(c) Without limiting the generality of the foregoing, Parent hereby agrees, acknowledges, represents and warrants to Secured Parties as follows:

(i) Parent is presently informed of the financial condition of Borrower and of all other circumstances which diligent inquiry would reveal and which bear upon the risk of nonpayment of the Parent Guaranteed Obligations. Parent hereby covenants that it will make its own investigation and will continue to keep itself informed of the financial condition of Borrower, of all other circumstances which bear upon the risk of nonpayment and that it will continue to rely upon sources other than the Secured Parties for such information and will not rely upon the Secured Parties for any such information. Absent a written request for such information by Parent to the Secured Parties, Parent hereby waives its right, if any, to require the Secured Parties to disclose to Parent any information which the Secured Parties may now or hereafter acquire concerning such condition or circumstances including, the release of or revocation by any other guarantor.

(ii) Parent has independently reviewed the Credit Agreement and the other Facility Documents and has made an independent determination as to the validity and enforceability thereof, and in executing and delivering this Agreement to Administrative Agent on behalf of the Secured Parties, Parent is not in any manner relying upon the validity, or enforceability, or attachment, or perfection of any Liens or security interests of any kind or nature granted by Borrower or any other guarantor to Administrative Agent or the Secured Parties, now or at any time and from time to time in the future.

ARTICLE III

GRANT OF SECURITY INTEREST

Section 3.01 Security Interest. As further security for the performance by the Borrower and Parent of all the terms, covenants and agreements on the part of the Borrower and Parent to be performed under the Credit Agreement, this Agreement or any other Facility Document, including the payment when due of all Obligations and the Parent Guaranteed Obligations, Parent hereby grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in all of its right, title and interest, whether now owned or hereafter acquired, in and to the Collateral. This Agreement shall constitute a security agreement under Applicable Law.

Section 3.02 Financing Statements. Parent hereby authorizes the filing of financing statements, continuation statements, amendments thereto and assignments thereof, describing the Collateral covered thereby (a) as "all assets of debtor" or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Article III and regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC of such jurisdiction or (b) as being of an equal or lesser scope or with greater detail, and any other filing, recording or registration (including any filing, recording or registration that may be necessary or appropriate under this Article III) that the Administrative Agent in its reasonable discretion may deem necessary or appropriate to further protect or maintain the perfection of the security interests. Parent authorizes the Administrative Agent to file financing or continuation statements, and amendments thereto and assignments thereof, relating to the Collateral without the signature of Parent. A photocopy or other reproduction of this Agreement shall be sufficient as a financing statement where permitted by law.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Parent represents and warrants to the Administrative Agent and the other Secured Parties as of each Measurement Date that:

Section 4.01 Title, Authorization, Validity and Enforceability. Parent has been duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization, and has all requisite power and authority to own its properties and to transact the businesses in which it is now engaged. Parent 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. The execution and delivery by the Parent of, and the performance of its obligations under the Facility Documents to which it is a party and any 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 Parent), regardless of whether considered in a proceeding in equity or at law. Parent has rights in and the power to transfer the Collateral upon which it grants a Lien under this Agreement free and clear of any and all Liens (other than Permitted Liens). The execution and delivery of this Agreement by Parent creates a valid, enforceable Lien on all of its right, title, interest in, to and under the Collateral owned by Parent and the Proceeds thereof. When financing statements have been duly filed in the appropriate offices against Parent in Delaware, the Administrative Agent for the benefit of the Secured Parties will have a valid first priority perfected security interest in the Collateral owned by Parent in which a security interest may be perfected by filing of a financing statement under the UCC.

Section 4.02 Compliance with Agreements, Laws, Etc. Neither the execution and delivery nor the performance by Parent of this Agreement, the creation and perfection of the security interest in the Collateral granted hereunder, or the compliance with the terms and provisions hereof, in each case, (a) require any consent or approval of the directors, members or managers of Parent, other than any consents or approvals previously obtained, (b) conflict with, or result in a breach or violation of or constitute (with or without notice or lapse of time or both) a default under its Constituent Documents, (c) 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, or (C) any order, writ, judgment, award, injunction or decree binding on or affecting it or any of its assets or properties or (d) 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).

Section 4.03 Location and Legal Name. Parent's chief executive office and principal place of business is located in the State of Minnesota, County of Hennepin and Parent maintains its books and records in the State of Minnesota, County of Hennepin. Parent's registered office and the jurisdiction of organization of Parent is the jurisdiction referred to in Section 4.01. Parent's tax identification number is 86-1912031. Parent 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.

Section 4.04 Filing Requirements. (a) None of the Collateral owned by Parent consists of copyrights, patents or trademarks, other intellectual property collateral, Commercial Chattel Paper, Electronic Chattel Paper, Fixtures, Inventory, Equipment or Instruments (other than Instruments which have already been delivered to the Administrative Agent) and (b) all Collateral is of a type for which security interests or liens may be perfected by filing UCC financing statements.

Section 4.05 No Financing Statements, Security Agreements. Other than Permitted Liens, the Parent has not pledged, assigned, sold, granted a security interest in, or otherwise conveyed any of the Collateral. Parent has not authorized the filing of and is not aware of any financing statements against Parent that include a description of the 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 Parent is not aware of any judgment liens, PBGC liens or tax lien filings against Parent.

Section 4.06 Pledged Instruments, Securities and Other Investment Property. Parent is the sole direct, legal and beneficial owner of all Instruments, Securities and other Investment Property constituting Collateral, including, without limitation, all such Instruments, Securities and other Investment Property which has been delivered to the Administrative Agent by or on behalf of Parent. Parent further represents and warrants that Exhibit A sets forth a complete and accurate list of each Instrument, Security and other type of Investment Property owned by Parent.

Section 4.07 Pledged Securities and other Collateral. (a) The Pledged Securities pledged by Parent hereunder have been duly authorized and validly issued and are fully paid and nonassessable under the laws of the State of Delaware;

(b) the Pledged Securities pledged by Parent constitute 100% of the Equity Interests of the Borrower;

(c) Parent is the record and beneficial owner of, and has good title to, the Collateral free of any and all Liens or options in favor of, or claims of, any other Person, except any Lien created by this Agreement and the Collateral has not previously been assigned, sold, transferred, pledged or encumbered (except pursuant to this Agreement);

(d) upon delivery to the Administrative Agent of the Pledged Securities, the Lien granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on such Pledged Securities and related Proceeds, enforceable as such against all creditors of Parent, including all Persons purporting to purchase any Pledged Securities and related Proceeds from Parent;

(e) there currently exist no certificates, instruments or writings representing the Pledged Securities (other than those certificates delivered to the Administrative Agent) and to the extent that in the future there exist any such certificates, instruments or writings, Parent shall deliver all such certificates, instruments or writings to the Administrative Agent, together with an indorsement executed in blank related thereto;

(f) except for restrictions and limitations imposed by the Facility Documents or securities laws generally, the Pledged Securities are and will continue to be freely transferable and assignable, and none of the Pledged Securities is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions, contractual restriction or Applicable Law of any nature that might prohibit, impair, delay or otherwise affect in any manner material and adverse to the Secured Parties the pledge of such Pledged Securities hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Administrative Agent of rights and remedies hereunder; and

(g) each equity interest in the Borrower (i) is a "security" within the meaning of Sections 8-102(a)(15) and 8-103 of the UCC, (ii) is a "financial asset" (within the meaning of Section 8-102(a)(9) of the UCC), (iii) is a "certificated security" within the meaning of Section 8-102(a)(4) of the UCC and (iv) is not credited to a "securities account" (within the meaning of Section 8-501(a) of the UCC).

Section 4.08 Deposit Accounts and Securities Accounts. All of Parent's Deposit Accounts and Securities Accounts are completely and accurately listed on Exhibit A.

Section 4.09 Litigation. Parent is not subject to any proceeding, action, litigation or investigation pending or, or to the knowledge of Parent, overtly threatened in writing against or affecting it or its assets, before any Governmental Authority (a) seeking to prevent the consummation or performance of any of the transactions contemplated by this Agreement and the other Facility Documents or (b) that could reasonably be expected to result in a Material Adverse Effect on Parent.

Section 4.10 Taxes. Parent 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, if required, in accordance with GAAP.

Section 4.11 No Subordination. There is no agreement, indenture, contract or instrument to which Parent is a party or by which Parent may be bound that requires the subordination in right of payment of any of Parent's obligations subject to this Agreement to any other obligation of Parent.

Section 4.12 Governmental Authorizations; Private Authorizations; Governmental Filings. The Parent 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 Governmental Filings necessary for the execution and delivery by it of the Facility Documents to which it is a party, the pledge of the Collateral by the Parent under this Agreement, the guaranty of the Parent Guaranteed Obligations by the Parent under this Agreement and the performance by the Parent of its obligations under this Agreement and the other Facility Documents, and no 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 pledge of the Collateral by the Parent under this Agreement, the guaranty of the Parent Guaranteed Obligations by the Parent and the performance by the Parent of its obligations under this Agreement and the other Facility Documents to which it is a party.

Section 4.13 ERISA. Neither Parent 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).

Section 4.14 Solvency; Fraudulent Conveyance. Parent and Borrower, on a consolidated basis, are Solvent. Parent is not contemplating the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of itself, any of its subsidiaries or any of their respective assets.

ARTICLE V

COVENANTS

From the date of this Agreement and thereafter until this Agreement is terminated, Parent covenants and agrees that:

Section 5.01 Defense of Title. Parent shall take any and all actions necessary to defend title to the Collateral against all Persons and to defend the security interest of the Administrative Agent in such Collateral and the priority thereof against any Lien not expressly permitted hereunder.

Section 5.02 Disposition of Collateral. Parent shall not sell, lease, assign or otherwise dispose of the Collateral, except as permitted pursuant to this Agreement.

Section 5.03 Liens and Indebtedness. Parent shall not create, incur, or suffer to exist any Lien on the Collateral except Permitted Liens, *provided,* that nothing herein shall be deemed to constitute an agreement to subordinate any of the Liens of the Administrative Agent under the Facility Documents to any Permitted Liens. Parent shall not create, incur, or suffer to exist any indebtedness, other than the Parent Guaranteed Obligations.

Section 5.04 Change in Corporate Existence, Type or Jurisdiction of Organization, Location, Name.

(a) Parent shall furnish to the Administrative Agent not less than thirty (30) days (or such shorter period as the Administrative Agent may agree in writing) prior written notice of any change (a) in Parent's corporate name, (b) in the location of Parent's chief executive office, its principal place of business, and, upon request of the Administrative Agent, in 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) in Parent's identity, jurisdiction of organization or organizational structure or (d) in Parent's U.S. Federal Taxpayer 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 Parent.

(b) Other than as permitted under Section 5.04(a), Parent shall not consent or permit any amendments to its Constituent Documents or the Constituent Documents of the Borrower without the Administrative Agent's prior written consent.

Section 5.05 Other Financing Statements. Parent shall not suffer to exist or authorize the filing of any financing statement naming it as debtor, except any financing statement authorized under this Agreement for the benefit of the Secured Parties. Parent shall not file or authorize the filing of any financing statement or amendment or termination statement with respect to any financing statement filed in connection herewith without the prior written consent of the Administrative Agent, subject to Parent's rights under Section 9-509(d)(2) of the UCC.

Section 5.06 Special Purpose Entity, No Other Business, Restricted Payments and Transactions with Affiliates. Parent shall not engage in any business or activity other than owning, pledging, transferring or collaterally assigning the Equity Interests in the Borrower, entering into and performing its obligations under the Facility Documents to which it is a party and engaging in any lawful act or activity and exercising any powers permitted to limited liability companies organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient or advisable for the accomplishment of the foregoing purposes. The covenants, terms and provisions set forth in Section 5.02(g), Section 5.02(i) and Section 5.03(a) of the Credit Agreement are hereby incorporated by reference and shall apply to Parent, *mutatis mutandis*.

Without limiting any, and subject to all, other covenants of Parent contained in this Agreement, Parent shall conduct its business and operations separate and apart from that of any other Person (including the holders of the Equity Interests of Parent and their respective Affiliates) and in furtherance of the foregoing, the Parent shall not (a) 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, Parent 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 Parent LLC Agreement shall be voted; and (b) appoint any Person as an Independent Manager of Parent (i) who does not satisfy the definition of an Independent Manager or (ii) 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.

Section 5.07 Other General Covenants. (a) Parent shall maintain adequate books and records in accordance with GAAP consistently applied in order to reflect accurately in all material respects all financial activity of Parent.

(b) Parent agrees that the rights of the Administrative Agent and other Secured Parties under Section 5.01(e) of the Credit Agreement shall apply to Parent, *mutatis mutandis*.

(c) Parent shall pay and discharge or cause to be paid and discharged, when due all taxes, assessments and governmental charges or levies imposed upon Parent or upon Parent's income and profits or upon any of Parent's property, as well as any other lawful claims which, if unpaid, might become a lien upon such properties or any part thereof, except for any such taxes, assessments and governmental charges, levies or claims as are appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are provided. Parent shall file, or cause to be filed on behalf of Parent on a timely basis all federal and other material tax returns.

(d) Parent shall promptly inform the Administrative Agent in writing of any of the following:

(i) Any default or breach by Parent of any obligation hereunder, or the occurrence or existence of any event or circumstance that Parent reasonably expects will, with the passage of time, become a default or breach by Parent;

(ii) Any dispute, licensing issue, litigation, investigation, proceeding or regulatory suspension between Parent, on the one hand, and any Governmental Authority or any other Person, on the other hand, that could reasonably be expected to result in a Material Adverse Effect on Parent; and

(iii) Any event, circumstance or condition that has resulted in, or has a reasonable likelihood of resulting in, a Material Adverse Effect with respect to Parent or the Borrower.

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

(f) Parent shall not make any material change in the accounting policies or financial reporting practices of Parent or its subsidiaries, except to the extent such change is permitted by GAAP, consistently applied.

(g) Any and all payments by or on account of any obligation of Parent made 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 or withholding for, any and all taxes except as required by Applicable Law. If Parent or the Administrative Agent shall be required by Applicable Law (as determined in the good faith discretion of Parent or the 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 Parent or the 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 Parent shall be increased as necessary so that after such deduction or withholding has been made (including deductions or withholdings applicable to additional sums payable under this Section 5.07(g)) such Secured Party receives an amount equal to the sum it would have received had no such deductions or withholding been made.

(h) Parent shall take such reasonable action from time to time as shall be necessary to ensure that all assets described in Section 3.01 constitute "Collateral" hereunder.

Section 5.08 Instruments, Securities, Chattel Paper and Documents. Parent shall (a) deliver to the Administrative Agent immediately upon execution of this Agreement the originals of all Chattel Paper, Securities and Instruments constituting Collateral (if any then exist), (b) hold in trust for the Administrative Agent upon receipt and promptly thereafter deliver to the Administrative Agent any Chattel Paper, Securities and Instruments constituting Collateral received after the date hereof, and (c) upon the Administrative Agent's request, deliver to the Administrative Agent (and thereafter hold in trust for the Administrative Agent upon receipt and immediately deliver to the Administrative Agent) any Document evidencing or constituting Collateral, together, in each of the foregoing cases, with such endorsements or instruments of transfer or assignment in blank or to order as the Administrative Agent may reasonably request.

Section 5.09 Securities and Other Investment Property. Exercise of Rights in Pledged Instruments, Securities and Other Investment Property.

(a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have notified Parent that its rights under this Section 5.09(a) are being suspended or the Administrative Agent is otherwise exercising any other remedies hereunder, Parent shall be entitled to exercise all voting and other rights with respect to the Pledged Collateral; *provided, however*, that no vote shall be cast, right exercised or other action taken which would in any respect be inconsistent with or result in any violation of any provision of this Agreement or any other Facility Document.

(b) Unless an Event of Default shall have occurred and be continuing, Parent shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral to the extent and only to the extent that all such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Facility Documents.

(c) The Administrative Agent or its nominee shall have the right at any time after the continuance of an Event of Default to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Collateral or any part thereof, and to receive all dividends and interest in respect of such Collateral.

(d) All distributions and other amounts which are received by Parent contrary to the provisions of this Agreement or the other Facility Documents shall be received in trust for the benefit of the Administrative Agent, shall be segregated from other funds of Parent and shall be paid over to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsement requested by the Administrative Agent.)

Section 5.10 Additional Subsidiaries. Parent shall not form or hold, own or acquire any Equity Interest in, any subsidiaries, other than the Borrower, nor undertake any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws).

Section 5.11 Pledged Securities. (a) If Parent shall receive (or become entitled to receive) by virtue of its being or having been the owner of any Pledged Security, any (i) certificate or instrument, including without limitation, any certificate representing a dividend or distribution in connection with any increase or reduction of capital, reclassification, merger, consolidation, sale of assets, combination of shares, membership interests or other Equity Interest, stock splits, spin-off or split-off, promissory notes or other instruments; (ii) option or right, whether as an addition to, substitution for, conversion of or an exchange for, any Pledged Security or otherwise in respect thereof; (iii) dividends payable in securities; or (iv) distributions of securities or other Equity Interest of the Pledged Security in connection with a partial or total liquidation or dissolution, then Parent shall accept and receive each such certificate, instrument, option, right, dividend or distribution in trust for the benefit of the Administrative Agent and shall deliver it forthwith to the Administrative Agent in the exact form received together with any necessary endorsement or stock power, to be held by the Administrative Agent as Collateral and as further collateral security for the Obligations. Any sums paid upon or in respect of the Pledged Securities upon the liquidation or dissolution of the Borrower shall be paid over to the Administrative Agent, to be held by it hereunder as additional security for the Obligations, and in case any distribution of capital shall be made on or in respect of any of the Pledged Securities or any property shall be distributed upon or with respect to any of the Pledged Securities pursuant to the recapitalization or reclassification of the capital of the Borrower or pursuant to the reorganization thereof, the property so distributed shall be delivered to the Administrative Agent to be held by it, together with indorsements in blank related thereto, as additional security for the Obligations; *provided, however*, that Parent shall not consent or otherwise permit any such liquidation, dissolution, recapitalization, reclassification or reorganization without the prior written consent of the Administrative Agent.

(b) Without the prior written consent of the Administrative Agent, Parent shall not directly or indirectly (i) vote to enable, or take any other action to permit, the Borrower to issue any Equity Interest or to issue any other securities convertible into or granting the right to purchase or exchange for any Equity Interest in the Borrower or (ii) vote or agree to admit any Person as an additional member, manager or other equity holder of the Borrower.

(c) Parent shall furnish to the Administrative Agent from time to time statements and schedules further identifying and describing the Pledged Securities and other Collateral and such other reports in connection with the Pledged Securities and other Collateral as the Administrative Agent may reasonably request, all in reasonable detail.

(d) The equity interests in the Borrower (i) shall at all times be "securities" within the meaning of Sections 8-102(a)(15) and 8-103 of the UCC, (ii) shall at all times be "financial assets" (within the meaning of Section 8-102(a)(9) of the UCC) and (iii) shall not be credited to a "securities account" (within the meaning of Section 8-501(a) of the UCC). The Constituent Documents and the certificates evidencing the Pledged Securities each shall at all times state that the Pledged Securities are "securities" as such term is defined in Article 8 of the UCC as in effect in the State of Delaware.

ARTICLE VI

REMEDIES UPON EVENT OF DEFAULT

Section 6.01 Acceleration and Remedies. (a) Upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may (and, at the direction of the Required Lenders, shall) exercise any or all of the following rights and remedies:

(i) Those rights and remedies provided in this Agreement, the Credit Agreement, or any other Facility Document.

(ii) Those rights and remedies available to a secured party under the UCC (whether or not the UCC applies to the affected Collateral) or under any other Applicable Law (including, without limitation, any law governing the exercise of a bank's right of setoff or bankers' lien) when a debtor is in default under a security agreement.

(iii) Without notice except as specifically provided in Section 8.01 hereof or elsewhere herein, sell, lease, assign, grant an option or options to purchase or otherwise dispose of, deliver, or realize upon, the Collateral or any part thereof at public or private sale or sales (which sales may be adjourned or continued from time to time with or without notice), for cash, on credit or for future delivery without assumption of any credit risk, and upon such other terms as the Administrative Agent may deem commercially reasonable.

(iv) Concurrently with written notice to Parent, exercise any and all voting and other rights with respect to the Pledged Collateral.

(v) Concurrently with written notice to Parent, transfer and register in its name or in the name of its nominee the whole or any part of the Pledged Collateral, to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations, to exercise the voting and all other rights as a holder with respect thereto, to collect and receive all cash dividends, interest, principal and other distributions made thereon and to otherwise act with respect to the Pledged Collateral as though the Administrative Agent was the outright owner thereof.

(b) In connection with the exercise of any remedies in Section 6.01(a) above:

(i) The Administrative Agent, on behalf of itself and the other Secured Parties, may comply with any applicable state or federal law requirements in connection with a disposition of the Collateral, and such compliance will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(ii) The Administrative Agent shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Administrative Agent and the other Secured Parties, the whole or any part of the Collateral so sold, free of any right of equity redemption, which equity redemption Parent hereby expressly releases.

(iii) Until the Administrative Agent is able to effect a sale, lease, or other disposition of Collateral, the Administrative Agent shall have the right to hold or use Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving Collateral or its value or for any other purpose deemed appropriate by the Administrative Agent. The Administrative Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Administrative Agent's remedies (for the benefit of the Administrative Agent and other Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment.

(iv) Notwithstanding the foregoing, neither the Administrative Agent nor any other Secured Parties shall be required to (a) make any demand upon, or pursue or exhaust any of their rights or remedies against, Parent, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Obligations or to pursue or exhaust any of their rights or remedies with respect to any Collateral therefor, any other collateral therefor or any direct or indirect guarantee thereof, (b) marshal the Collateral, any such other collateral or any guarantee of the Obligations or to resort to the Collateral, any such other collateral or any such guarantee in any particular order, or (c) effect a public sale of any Collateral.

(v) If, at any time when the Administrative Agent shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder and the Pledged Collateral or the part thereof to be sold shall or may not, for any reason whatsoever, be effectively registered under the Securities Act, the Administrative Agent may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Collateral or part thereof could be or shall have been filed under the Securities Act (or similar statute), (y) may approach and negotiate with a single possible purchaser to effect such sale, and (z) may restrict such sale to purchasers each of whom is an accredited investor under the Securities Act and who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Pledged Collateral or any part thereof. Parent acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of such sale being private. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Collateral for the period of time necessary to permit Parent or the Borrower to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if Parent and the Borrower would agree to do so.

(vi) The proceeds of any sale or disposition of the Collateral shall be applied in accordance with the Priority of Payments.

Section 6.02 Parent's Obligations Upon an Event of Default. Upon the request of the Administrative Agent after the occurrence and during the continuance of an Event of Default, Parent shall (and shall cause an issuer of Collateral to) execute all documents and agreements that are reasonably necessary or appropriate to have the Collateral to be assigned to the Administrative Agent or its designee.

ARTICLE VII

WAIVERS AND REMEDIES

Section 7.01 No Impairment. No delay or omission of the Administrative Agent or any other Secured Parties to exercise any right or remedy granted under this Agreement shall impair such right or remedy or be construed to be a waiver of any Unmatured Event of Default, Event of Default or an acquiescence therein, and any single or partial exercise of any such right or remedy shall not preclude any other or further exercise thereof or the exercise of any other right or remedy. All rights and remedies contained in this Agreement or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the other Secured Parties until this Agreement shall have terminated pursuant to Section 8.13.

Section 7.02 Parent Remains Liable. Notwithstanding any other provision contained in this Agreement, Parent shall remain liable under the Constituent Documents to observe and perform all of the conditions and obligations to be observed and performed by Parent thereunder. None of the Administrative Agent, any other Secured Party or any of their respective directors, officers, employees, affiliates or agents shall have any obligations or liability under or with respect to any Collateral by reason of or arising out of this Agreement (except as set forth in Section 9-207 of the UCC) or the receipt by the Administrative Agent of any payment relating to any Collateral, nor shall any of the Administrative Agent, any other Secured Party or any of their respective directors, officers, employees, affiliates or agents be obligated in any manner to (i) perform any of the obligations of Parent under or pursuant to the Constituent Documents or any other agreement to which Parent is a party; (ii) make any payment or inquire as to the nature or sufficiency of any payment or performance with respect to any Collateral; (iii) present or file any claim or collect the payment of any amounts or take any action to enforce any performance with respect to the Collateral; or (iv) take any other action whatsoever with respect to the Collateral other than as expressly provided for herein.

Section 7.03 Independent Obligations. Parent's obligations under this Agreement are independent of those of the Borrower. The Administrative Agent may bring a separate action against Parent without first proceeding against the Borrower or any other Person or any other security held by the Administrative Agent and without pursuing any other remedy.

Section 7.04 Registration of Collateral. Any registrable Collateral may be registered in the name of the Administrative Agent or its nominee at any time at the option of the Required Lenders following the occurrence and during the continuance of an Event of Default and without any further consent of Parent.

Section 7.05 Consent to Pledge. Notwithstanding any restrictions, rights or other requirements related to the sale, disposition, transfer or assignment of ownership interests in the Borrower under its Constituent Documents, Parent and the Borrower hereby agree that upon any such transfer or conveyance of the Pledged Securities, the Administrative Agent, its designee or such applicable other Person shall become the holder of an Equity Interest of the Borrower with all of the rights and powers associated therewith. Parent and the Borrower further agree that all of the terms and conditions of the Constituent Documents of the Borrower and any other similar documents and agreements of the Borrower that contradict or conflict with this Agreement (including, without limitation, this Section 7.05), shall be deemed waived, amended or superseded to the extent necessary to permit and reflect the terms of this Agreement.

Section 7.06 Waivers. To the maximum extent permitted by law, Parent hereby waives (i) any defense arising by reason of, and any and all right to assert against the Secured Parties any claim or defense based upon, an election of remedies by the Secured Parties which in any manner impairs, affects, reduces, releases, destroys or extinguishes Parent's subrogation rights, rights to proceed against Borrower or any other guarantor for reimbursement or contribution, or any other rights of Parent to proceed against Borrower, against any other guarantor, or against any other Person or security; (ii) diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Borrower or this Agreement with respect to the Parent Guaranteed Obligations; (iii) all rights of reimbursement or subrogation, all rights to enforce any remedy that the Administrative Agent or the Secured Parties may have against any Person, and all rights to participate in any security held by the Administrative Agent, in each case, until this Agreement is terminated pursuant to Section 8.13; (iv) all rights to require the Administrative Agent to give any notices of any kind, including, without limitation, notices of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Secured Parties upon this Agreement, notices of acceptance, nonpayment, nonperformance, protest, dishonor, default, delinquency or acceleration, or to make any presentments, demands or protests, except as set forth herein or expressly provided in the Credit Agreement or any of the Facility Documents; (v) all rights to assert the bankruptcy or insolvency of any Person as a defense hereunder or as the basis for rescission hereof; (vi) all rights under any law purporting to reduce Parent's obligations hereunder if the Parent Guaranteed Obligations are reduced other than as a result of payment in cash of such Parent Guaranteed Obligations, including, without limitation, any reduction based upon any Secured Party's error or omission in the administration of the Parent Guaranteed Obligations; (vii) all defenses based on the incapacity, disability or lack of authority of the Borrower or any other Person, the repudiation of the Facility Documents by the Borrower or any Person, the failure by the Administrative Agent or the Secured Parties to enforce any claim against any Person, or the unenforceability in whole or in part of any Facility Documents; (viii) all suretyship and guarantor's defenses generally including, without limitation, defenses based upon collateral impairment or any statute or rule of law providing that the obligation of a surety or guarantor must not exceed or be more burdensome than that of the principal; (ix) all rights to insist upon, plead or in any manner whatever claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, marshaling of assets, redemption or similar law, or exemption, whether now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance by Parent of its obligations under, or the enforcement by the Administrative Agent of, this Agreement; (x) any requirement on the part of the Administrative Agent or the holder of any obligations under the Facility Documents to mitigate the damages resulting from any default; and (xi) except as otherwise specifically set forth herein or as required by Applicable Law, all rights of notice and hearing of any kind prior to the exercise of rights by the Administrative Agent upon the occurrence and during the continuation of an Event of Default to repossess with judicial process or to replevy, attach or levy upon the Collateral. To the extent permitted by law, Parent waives the posting of any bond otherwise required of the Administrative Agent in connection with any judicial process or proceeding to obtain possession of, replevy, attach, or levy upon the Collateral, to enforce any judgment or other security for the Parent Guaranteed Obligations, to enforce any judgment or other court order entered in favor of the Administrative Agent, or to enforce by specific performance, temporary restraining order, preliminary or permanent injunction, this Agreement or any other agreement or document between Parent, the Administrative Agent and the other Secured Parties. Parent further agrees that upon the occurrence and during the continuation of an Event of Default, the Administrative Agent may elect to nonjudicially or judicially foreclose against any personal property security it holds for the Parent Guaranteed Obligations or any part thereof, or to exercise any other remedy against any Person, any security or any guarantor, even if the effect of that action is to deprive Parent of the right to collect reimbursement from any Person for any sums paid by Parent to the Administrative Agent or any other Secured Party.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.01 Notice of Disposition of Collateral; Condition of Collateral. Parent hereby waives notice of the time and place of any public sale or the time after which any private sale or other disposition of all or any part of the Collateral may be made. To the extent such notice may not be waived under Applicable Law, any notice made shall be deemed reasonable if sent to the Borrower, addressed as set forth in Article IX, at least ten (10) days prior to (a) the date of any such public sale or (b) the time after which any such private sale or other disposition may be made. To the maximum extent permitted by Applicable Law, Parent waives all claims, damages, and demands against the Administrative Agent or any other Secured Parties arising out of the repossession, retention or sale of the Collateral, except such as arise solely out of the gross negligence or willful misconduct of the Administrative Agent or such other Secured Party as finally determined by a court of competent jurisdiction. To the extent it may lawfully do so, Parent absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Administrative Agent or any other Secured Party, any valuation, stay, appraisal, extension, moratorium, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Agreement, or otherwise. Except as otherwise specifically provided herein, Parent hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by Applicable Law) of any kind in connection with this Agreement or any Collateral.

Section 8.02 Limitation on Administrative Agent's and other Lenders' Duty with Respect to the Collateral. The Administrative Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Administrative Agent and each other Lender shall use reasonable care with respect to any Collateral in its possession or under its control. Neither the Administrative Agent nor any other Secured Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Administrative Agent or such other Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that Applicable Law imposes duties on the Administrative Agent to exercise remedies in a commercially reasonable manner, Parent acknowledges and agrees that it is commercially reasonable for the Administrative Agent to (a) not incur expenses deemed significant by the Administrative Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (b) not obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) not exercise collection remedies against account debtors or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral, (d) exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) contact other Persons, whether or not in the same business as Parent, for expressions of interest in acquiring all or any portion of such Collateral, (g) hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (i) dispose of assets in wholesale rather than retail markets, (j) disclaim disposition warranties, such as title, possession or quiet enjoyment, (k) purchase insurance or credit enhancements to insure the Administrative Agent against risks of loss, collection or disposition of Collateral or to provide to the Administrative Agent a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by the Administrative Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Administrative Agent in the collection or disposition of any of the Collateral. Parent acknowledges that the purpose of this Section 8.02 is to provide non-exhaustive indications of what actions or omissions by the Administrative Agent would be commercially reasonable in the Administrative Agent's exercise of remedies against the Collateral and that other actions or omissions by the Administrative Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 8.02. Without limitation upon the foregoing, nothing contained in this Section 8.02 shall be construed to grant any rights to Parent or to impose any duties on the Administrative Agent that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 8.02.

Section 8.03 Attorney-in-Fact. (a) Parent hereby appoints the Administrative Agent (such appointment being coupled with an interest), on behalf of the Secured Parties, or any Person, officer or agent whom the Administrative Agent may designate, as its true and lawful attorney-in-fact and proxy, with full irrevocable power and authority in the place and stead of Parent and hereby authorizes the Administrative Agent to represent and vote any of the Equity Interests issued by the Borrower in its own name, at Parent's cost and expense, to the extent reasonable, from time to time to take any action and to execute any instrument which may be reasonably necessary to enforce its rights under this Agreement, including, without limitation, authority to receive, endorse and collect all instruments made payable to Parent representing any distribution, interest payment or other payment in respect of the Pledged Collateral or any part thereof to be paid over to the Administrative Agent and to give full discharge for the same. Notwithstanding anything in this Section 8.03 to the contrary, the Administrative Agent shall not exercise any of the rights as attorney-in-fact or proxy provided for in this Section 8.03(a) unless and until an Event of Default has occurred and is continuing.

(b) Parent hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof, in each case pursuant to the powers granted, and the restrictions on the exercise of such power provided, hereunder. Parent hereby acknowledges and agrees that the Administrative Agent shall have no fiduciary duties to Parent in acting pursuant to this power-of-attorney and Parent hereby waives any claims or rights of a beneficiary of a fiduciary relationship hereunder.

(c) Parent shall execute and deliver to the Administrative Agent an irrevocable proxy in the form attached hereto as Exhibit B and an irrevocable indorsement in blank in the form attached hereto as Exhibit C with respect to the Equity Interests of the Borrower owned by Parent.

Section 8.04 Administrative Agent Performance of Parent's Obligations. Without having any obligation to do so, after the occurrence and during the continuance of (a) an Unmatured Event of Default, if the Administrative Agent reasonably determines it to be necessary or advisable to preserve or protect the Collateral or (b) an Event of Default, the Administrative Agent may perform or pay any obligation which Parent has agreed to perform or pay in this Agreement and Parent shall reimburse the Administrative Agent for any reasonable amounts paid by the Administrative Agent pursuant to this Section 8.04. Parent's obligation to reimburse the Administrative Agent pursuant to the preceding sentence shall be a Parent Guaranteed Obligation payable on demand.

Section 8.05 Authorization for Administrative Agent to Take Certain Action. Parent irrevocably authorizes the Administrative Agent at any time and from time to time in the sole discretion of the Administrative Agent and appoints the Administrative Agent as its attorney in fact (a) to indorse and collect any cash proceeds of the Collateral, and (b) to discharge past due taxes, assessments, charges, fees or Liens on the Collateral (except for such Liens as are specifically permitted hereunder or under any other Facility Document), and Parent agrees to reimburse the Administrative Agent on demand for any reasonable payment made or any reasonable expense incurred by the Administrative Agent in connection therewith, *provided,* that this authorization shall not relieve Parent of any of its obligations under this Agreement, the Credit Agreement or under any of the other Facility Documents. The Administrative Agent agrees not to exercise the power of attorney granted under clause (a) of this Section 8.05 except after the occurrence and during the continuance of an Event of Default.

Section 8.06 Specific Performance of Certain Covenants. Parent acknowledges and agrees that a breach of any of the covenants contained in Sections 5.08, 5.09 or 6.02 hereof will cause irreparable injury to the Administrative Agent and the other Secured Parties, that the Administrative Agent and other Secured Parties have no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of the Administrative Agent or the other Secured Parties to seek and obtain specific performance of other obligations of Parent contained in this Agreement, that the covenants of Parent contained in the Sections referred to in this Section 8.06 shall be specifically enforceable against Parent.

Section 8.07 Subrogation, Etc. Notwithstanding any payment or payments made by Parent or the exercise by the Administrative Agent of any of the remedies provided under this Agreement or any other Facility Document, until the Parent Guaranteed Obligations have been paid in full, Parent shall have no claim (as defined in 11 U.S.C. § 101(5)) of subrogation to any of the rights of the Administrative Agent against any Person, the Collateral (as defined in the Credit Agreement) or any guaranty held by the Administrative Agent for the satisfaction of any of the Obligations or the Parent Guaranteed Obligations, nor shall Parent have any claims (as defined in 11 U.S.C. § 101(5)) for reimbursement, indemnity, exoneration or contribution from any Person in respect of payments made by Parent hereunder. Notwithstanding the foregoing, if any amount shall be paid to Parent on account of such subrogation, reimbursement, indemnity, exoneration or contribution rights at any time before the Obligations or the Parent Guaranteed Obligations have been paid in full, such amount shall be held by Parent in trust for the Administrative Agent segregated from other funds of Parent, and shall be turned over to the Administrative Agent in the exact form received by Parent (duly endorsed by Parent to the Administrative Agent if required) to be applied against the Parent Guaranteed Obligations in such amounts and in such order as the Administrative Agent may elect.

Section 8.08 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Parent for liquidation or reorganization, should Parent become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of Parent's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Parent Guaranteed Obligations, or any part thereof, is, pursuant to Applicable Law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Parent Guaranteed Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Parent Guaranteed Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

Section 8.09 Benefit of Agreement. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of Parent, the Administrative Agent and the other Secured Parties and their respective successors, endorsees, transferees and assigns, except that Parent shall not have the right to assign its rights or delegate its obligations under this Agreement or any interest herein, without the prior written consent of the Administrative Agent. No sales of participations, assignments, transfers, or other dispositions of any agreement governing the Parent Guaranteed Obligations or any portion thereof or interest therein shall in any manner impair the Lien and other rights granted to the Administrative Agent, for the benefit of the Administrative Agent and the other Secured Parties, hereunder.

Section 8.10 Survival. Without prejudice to the survival of any other agreement of Parent under this Agreement or any other Facility Document, the agreements and obligations of Parent contained in Section 8.08, Section 8.11, Section 8.15 and Section 8.19 shall survive the termination of this Agreement and the other Facility Documents and payment in full of the Obligations and the Parent Guaranteed Obligations. The representations and warranties of Parent contained in this Agreement shall survive the execution and delivery of this Agreement.

Section 8.11 Taxes. Any taxes (including income taxes) payable or ruled payable by a federal or state authority in respect of this Agreement shall be paid by Parent, together with interest and penalties, if any.

Section 8.12 Headings. The title of and section headings in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Agreement.

Section 8.13 Termination and Release. This Agreement and the security interests granted herein shall continue in full force and effect until payment in full of the Obligations and the Parent Guaranteed Obligations in cash (subject to reinstatement pursuant to Section 8.08 and the terms of Section 8.10). In connection with any termination or release pursuant to this Section 8.13, upon Parent's written request, the Administrative Agent shall promptly execute and deliver to Parent, at Parent's sole expense, all documents that Parent shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 8.13 shall be without recourse to or warranty by the Administrative Agent.

Section 8.14 Entire Agreement. This Agreement and the other Facility Documents delivered on the date hereof embody the entire agreement and understanding between Parent and the Administrative Agent relating to the subject matter hereof and the Collateral and supersede all prior agreements and understandings, oral or written, among Parent and the Administrative Agent relating to the subject matter hereof and the Collateral.

Section 8.15 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) *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 LAW OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (EXCEPT FOR SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) *Consent to Jurisdiction*. 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 8.15(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 9.01 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).

(c) *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 8.16 Amendments. The Administrative Agent and Parent may amend or otherwise modify this Agreement only via a writing signed by the Administrative Agent and Parent.

Section 8.17 Severability. 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 8.18 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, without limitation, 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 8.19 Indemnification; Payment of Expenses. (a) Parent hereby agrees to indemnify and hold harmless the Administrative Agent, each other Secured Party and each Related Party (each such Person being called an *"Indemnitee"*) from any losses, damages, liabilities, claims, 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 Indemnitee, in each case arising out of, or by reason of the execution, delivery, enforcement, performance, administration of or otherwise arising out of or incurred in connection with or resulting from this Agreement or any transaction contemplated hereby (including, without limitation, enforcement of this Agreement) or any failure of any obligations hereunder to be the legal, valid, and binding obligations of Parent enforceable against Parent in accordance with their terms, whether brought by a third party or by Parent, any other Related Party or any other Person, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith, fraud or willful misconduct of such Indemnitee or (ii) result from the breach of such Indemnitee's obligations under this Agreement or any other Facility Document. This clause (a) shall not apply with respect to Excluded Taxes.

(b) Parent shall reimburse the Administrative Agent for any and all reasonable and documented costs and expenses (including reasonable attorneys' fees and expenses and auditors' and accountants' fees) paid or incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, collection, amendment, waiver and enforcement of this Agreement and in the audit, analysis, administration, collection, preservation or sale of the Collateral (including the expenses and charges associated with any periodic or special audit of the Collateral). Any and all costs and expenses incurred by Parent in the performance of actions required pursuant to the terms hereof shall be borne solely by Parent.

(c) To the fullest extent permitted by Applicable Law, Parent hereby agrees not to assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Facility Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Advance or the use of proceeds thereof.

(d) The rights, powers, benefits, privileges, immunities and indemnities given to the Administrative Agent and set forth in the Credit Agreement are expressly incorporated herein by this reference thereto.

(e) All amounts due under this Section shall be payable not later than three (3) Business Days after demand therefor.

ARTICLE IX

NOTICES

Section 9.01 Sending Notices. Any notice required or permitted to be given under this Agreement shall be sent (and deemed received) in the manner and to the addresses set forth in Section 12.02 of the Credit Agreement. Any notice delivered to the Borrower shall be deemed to have been delivered to Parent.

Section 9.02 Change in Address for Notices. Parent, the Administrative Agent and the Secured Parties may change the address for service of notice upon it by a notice in writing to the other parties.

ARTICLE X

ADMINISTRATIVE AGENT

Goldman Sachs Bank USA has been appointed Administrative Agent for the Secured Parties hereunder pursuant to Article XI of the Credit Agreement. It is expressly understood and agreed by the parties to this Agreement that any authority conferred upon the Administrative Agent hereunder is subject to the terms of the delegation of authority made by the Secured Parties to the Administrative Agent pursuant to the Credit Agreement, and that the Administrative Agent has agreed to act (and any successor Administrative Agent shall act) as such hereunder only on the express conditions contained in such Article XI. Any successor Administrative Agent appointed pursuant to Article XI of the Credit Agreement shall be entitled to all the rights, interests and benefits of the Administrative Agent hereunder.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

PARENT:

SEZZLE FUNDING SPE II PARENT, LLC

By: /s/ Karen Hartje
Name: Karen Hartje
Title: Chief Financial Officer

ADMINISTRATIVE AGENT:

GOLDMAN SACHS BANK USA

By: /s/ Thomas Manning
Name: Thomas Manning
Title: Authorized Signatory

Acknowledged and Agreed:

BORROWER:

SEZZLE FUNDING SPE II, LLC

By: /s/ Karen Hartje
Name: Karen Hartje
Title: Chief Financial Officer

EXHIBIT A

LIST OF PLEDGED INSTRUMENTS, SECURITIES AND OTHER INVESTMENT PROPERTY AND DEPOSIT AND OTHER ACCOUNTS

A. **STOCK:**

ISSUER	CERTIFICATE NUMBER	NUMBER OF SHARES
None.		

B. **BONDS:**

ISSUER	NUMBER	FACE AMOUNT	COUPON RATE	MATURITY
None.				

C. **GOVERNMENT SECURITIES:**

ISSUER	NUMBER	TYPE	FACE AMOUNT	COUPON RATE	MATURITY
None.					

D. **OTHER SECURITIES OR OTHER INVESTMENT PROPERTY (CERTIFICATED AND UNCERTIFICATED):**

ISSUER	DESCRIPTION OF COLLATERAL	PERCENTAGE OWNERSHIP INTEREST
Sezzle Funding SPE II, LLC	Membership Interests	100%

E. **DEPOSIT ACCOUNTS**

None.

F. **SECURITIES ACCOUNTS**

None.

EXHIBIT B

FORM OF IRREVOCABLE PROXY

IRREVOCABLE PROXY

The undersigned, on behalf of itself and its successors and permitted assigns, hereby appoints GOLDMAN SACHS BANK USA, as administrative agent agent (the "*Administrative Agent*"), as proxy with full power of substitution, and hereby authorizes the Administrative Agent to represent and vote all of the ownership interest(s) of Sezzle Funding SPE II, LLC, a Delaware limited liability company, owned by the undersigned (or its successors or permitted assigns) on the date of exercise hereof during the continuance of an Event of Default under (and as defined (including by cross-reference) in) the Pledge and Guaranty Agreement, dated as of _____ ___, 2021, between Sezzle Funding SPE II Parent, LLC, a Delaware limited liability company, and the Administrative Agent, or under the other Facility Documents referred to therein, at any meeting or at any other time chosen by the Administrative Agent in its sole discretion.

Dated: _____

SEZZLE FUNDING SPE II PARENT, LLC,
a Delaware limited liability company

By: _____
Name: Karen Hartje
Title: Chief Financial Officer

EXHIBIT C

FORM OF IRREVOCABLE BLANK POWERS FOR MEMBERSHIP INTERESTS

IRREVOCABLE BLANK POWERS FOR MEMBERSHIP INTERESTS

FOR VALUE RECEIVED, Sezzle Funding SPE II Parent, LLC, a Delaware limited liability company, on behalf of itself and its successors and permitted assigns, hereby sells, assigns and transfers unto _____ all of its ownership interest(s) of Sezzle Funding SPE II, LLC, a Delaware limited liability company, represented by the following certificate(s): Membership Certificate No. 1, and irrevocably appoints _____ as attorney to transfer the ownership interests with full power of substitution in the premises. This power is coupled with an interest and is irrevocable.

Dated: _____

SEZZLE FUNDING SPE II PARENT, LLC,
a Delaware limited liability company

By: _____
Name: Karen Hartje
Title: Chief Financial Officer

Sezzle Code of Conduct

And

Sezzle Partner Code of Conduct

1. INTRODUCTION

1.1 Background and application

Sezzle Inc. is committed to acting ethically, responsibly and in compliance with all applicable laws and regulations.

This Code of Conduct applies to all directors, advisors, officers, employees, consultants and contractors of Sezzle (Personnel). All Personnel must comply with this Code of Conduct and any other policies as they apply from time to time.

This Code of Conduct applies (without limitation) to all:

(a) Business activities conducted by Personnel in the exercise of their role or on behalf of Sezzle; and

(b) Personnel dealings with shareholders, customers, clients, suppliers, competitors, key stakeholders and other Personnel.

This Code of Conduct does not form part of any Personnel's contract of employment or contractual agreement with Sezzle.

1.2 Objectives

The Board of Directors of Sezzle (Board) has established this Code of Conduct to ensure:

(a) Sezzle maintains its integrity and high ethical standards; and

(b) All Personnel are aware of their ethical responsibilities to Sezzle.

This Code of Conduct is a set of principles that reflect Sezzle's core values and approach to business conduct. It does not attempt to cover every legal or ethical dilemma Sezzle or individual Personnel may face.

2. REQUIRED ETHICAL CONDUCT

2.1 Personal and corporate integrity

Sezzle is committed to socially responsible, professional, and ethical business practices. All Personnel must act ethically and with high standards of personal integrity. All Personnel must:

(a) Act honestly, fairly, reasonably, respectfully, in good faith and in the best interests of Sezzle;

(b) Exercise due care, skill and diligence in the exercise of their role and when representing Sezzle;

(c) Not engage in any conduct that may negatively affect Sezzle's reputation

(d) Accurately record and report all business information and comply with applicable laws regarding their completion and accuracy; and/or

(e) Create, retain and dispose of business records in compliance with all applicable legal and regulatory requirements and Sezzle's Record Retention Policy.

Any known or suspected violations of law, regulation or policy can be reported through Sezzle's Ethics and Compliance Anonymous Hotline.

2.2 Compliance with laws and regulations

All Personnel must manage their business activities in full compliance with the applicable laws and regulations. All Personnel must:

(a) Comply with all laws and regulations that apply to Sezzle and its business operations (in all jurisdictions Sezzle operates in); and

(b) Not knowingly participate in any illegal or unethical activity.

All Personnel must report to Sezzle any actual or potential breach of an applicable law or regulation. All Personnel (other than directors) must promptly report such matters to their immediate supervisor or manager, Corporate Secretary or chair of the Audit and Risk Committee, as is reasonably appropriate. Directors must promptly report such matters to the Board.

Specifically, all Personnel must:

(a) Comply with all applicable trade controls, as well as all applicable export, re-export, and import laws and regulations.

(b) Comply with all applicable antitrust and fair competition laws and regulations and not participate in any activity that could be considered a violation of antitrust laws.

(c) Not support or participate in any international boycotts that are not sanctioned by the United States government or applicable laws.

(d) Comply with all Anti-Money Laundering laws to detect, deter, and report suspicious activity including predicate offenses to money laundering, terrorist financing, securities fraud and market manipulation.

(e) Comply with all applicable anti-corruption laws and anti-money laundering laws in the United States, including the United States Foriegn Corrupt Practices Act ("FCPA") and other territories where we conduct business. Personnel must not, directly, or indirectly, offer, promise or pay anything of value (including travel, gifts, hospitality expenses, and charitable donations) to any official or employee of any government, government agency, political party, public international organization, or any candidate for political office to improperly influence any act or decision of the official, employee, or candidate for the purpose of promoting the business interest of Sezzle in any respect, or otherwise improperly promote the business interests of Sezzle in any respect.

(f) Ensure that products supplied to Sezzle do not contain conflict minerals that originate from conflict regions that directly or indirectly finance or benefit armed groups.

(g) Create products and services that are accessible to all people. These products and services must be accessible to people with disabilities. All Personnel must comply with all laws, requirements and standards for creating accessible products and services.

2.3 Conflicts of interest

All Personnel must avoid entering into any arrangement or participating in any activity that would conflict with Sezzle's best interests or would be likely to negatively affect Sezzle's reputation. All Personnel must avoid conflicts of interest or the appearance of conflicts of interest in any business transaction.

Personnel must disclose to Sezzle any actual, perceived or possible conflict of interest between the Personnel's personal interests and Sezzle's interests, as and when Personnel become aware of them. Personnel (other than directors) must promptly disclose such matters to their immediate supervisor or manager, Chief Compliance Officer, Corporate Secretary or chair of the Audit and Risk Committee, as is reasonably appropriate. Directors must promptly disclose such matters to the Board.

2.4 Misuse of property or position

All Personnel are expected to protect Sezzle's assets, including its intellectual property. All Personnel must:

(a) Only use Sezzle's property, assets or information (including intellectual property) for lawful and legitimate business purposes authorised by the Board;

(b) Not take advantage of the property, assets or information of Sezzle, partners, merchants, users or customers for personal gain or to cause detriment to Sezzle or its customers;

(c) Not otherwise misuse Sezzle's property or information;

(d) Must not reproduce copyrighted software, documentation, or other materials unless properly authorized to do so;

(e) Protect the intellectual property rights of all parties by only using information technology and software that has been legitimately acquired and licensed, and follow the terms of use of such licenses;

(f) Not take advantage of Sezzle, their position, or the opportunities arising therefrom, for personal gain.

2.5 Confidentiality and privacy

By virtue of their position, Personnel may have access to:

(a) Information or documents that relate to the affairs or business of Sezzle or its customers that are not generally available to the public, including Sezzle's intellectual property (**Confidential Information**); and/or (b) information of a personal nature held by Sezzle regarding its customers, clients, suppliers or other Personnel (**Personal Information**).

Personnel must not disclose any Confidential Information to any other person who does not have a legitimate business reason for receiving that information, except where such disclosure is required by law or authorised by the Board or CEO.

All Personnel must comply with Sezzle's Privacy Policy as it applies from time to time and respect and protect the privacy of Personal Information.

Personnel must return all Sezzle property (including Confidential Information and Personal Information):

(c) Upon termination of their employment or contractual arrangement;

(d) In the case of a director, upon their resignation or removal from the Board; or (e) on request by the Board or CEO.

If requested by the Board or CEO, Personnel must destroy or delete any Confidential Information or Personal Information.

2.6 Diversity, anti-discrimination, and accommodation

Sezzle is an Equal Opportunity Employer and commits to treating all personnel equally. All Personnel must not engage in any form of unlawful discrimination, bullying, harassment, abuse, vilification and victimisation against other Personnel, shareholders, customers, clients, suppliers and competitors of Sezzle. Personnel must not engage in unlawful discriminatory treatment in any employment practice, including recruiting, hiring, compensation, benefits, transfer, termination, training, or social or recreational programs. Unlawful discriminatory treatment, unconsciously or consciously, will not be tolerated. This discriminatory treatment could include irrelevant characteristics of Personnel such as race, ethnicity, national origin, age, gender, sexual orientation, gender identity, social origin, physical or mental disability, religion, family status, union membership, pregnancy, gender expression, or any other criteria that is unlawful under the applicable laws. Personnel must ensure that no one is harassed because of any of these characteristics. Personnel must otherwise comply with Sezzle's Diversity and Inclusion Policy as it applies. All Personnel are encouraged to create and foster an inclusive workplace where diversity and inclusion is celebrated and present within Personnel.

Sezzle commits to provide workplace accommodations that allow us to develop and nurture our diversity by working with and providing reasonable workplace accommodations to persons of varied abilities and disabilities, and nursing mothers.

2.7 Avoiding corruption and bribery

All Personnel must avoid situations or exchanges which could reasonably be interpreted as a bribe or improper inducement. All Personnel must:

(a) Comply with all applicable laws and regulations against bribery, corruption and related conduct;

(b) Not accept any benefit (monetary or otherwise) that could reasonably be interpreted as a bribe, or other improper inducement;

(c) Not give, offer, or promise to any person any benefit (monetary or otherwise) that could reasonably be interpreted as a bribe, or other improper inducement on behalf of Sezzle or for the purpose of furthering Sezzle's interests; and

(d) Comply with all Sezzle policies related to anti-corruption and bribery as they apply from time to time, including but not limited to the Anti-corruption and anti-money laundering Policy.

2.8 Labor and Human Rights

Sezzle embraces the United Nations' Universal Declaration of Human Rights by remaining committed to protecting the human rights of its employees and to treating all people with dignity and respect. All Personnel are expected to do the same and must be in compliance with all applicable laws and regulations. All Personnel are required to:

(a) Avoid any form of child labor. Personnel are expected to comply with all local and national minimum age laws or regulations and not use child labor.

(b) Use only voluntary labor, or freely chosen employment. Sezzle will not tolerate slavery, bonded labor, prison labor, servitude and forced or compulsory labor. All Personnel must not use human trafficking of involuntary labor through threat, force, fraudulent claims, or other coercion.

(c) Comply with all the applicable national laws and regulations regarding working hours, wages, and benefits. All Personnel are to ensure that any overtime hours are voluntary and paid in accordance with local and national laws and regulations to ensure an adequate work-life balance. All compensation should comply with applicable wage laws to ensure that an adequate standard of living is attainable. All Personnel must be provided with written information about their employment conditions that is clear and in a language that is understood by the reader. Deductions from wages as a form of discipline will not be tolerated. Personnel will be provided with fair and competitive compensation and benefits and will be paid in a timely manner.

(d) Must respect the rights of Personnel to freely associate, join labor unions, seek representation, join work councils, and engage in collective bargaining, in accordance with all local laws and regulations. Personnel will not be put at a disadvantage if they chose to act as workers' representatives.

(e) Provide an environment that is free from harsh and inhumane treatment, without any sexual harrassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse, or even the threat of any such treatment. Personnel are to be given equal opportunities. Personnel are to be treated and treat others with respect and dignity, and not unfairly terminate any personnel unless there is clear and specific evidence that would allow such a termination under their employment contract, or is permitted under the law.

2.9 Environmental Protection

All Personnel are expected to be socially responsible and work towards protecting the environment. All Personnel must:

(a) Comply with all applicable environmental laws and regulations regarding air emissions, energy management, hazardous materials, waste and wastewater, discharges, including the manufacture, transportation, storage, disposal, and release to the environment of such details.

(b) Attempt to reduce or eliminate waste of all types. Attempt to reduce, reuse, and recycle whenever possible in the facility.

(c) Adhere to applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and proper disposal of hazardous substances.

2.10 Health and Safety

All Personnel must commit to using management practices that are healthy and safe, and must without limitation:

(a) Provide a safe and healthy work environment that is in full compliance with any and all health and safety laws, regulations, and practices. This includes all laws, regulations, and practices that are applicable to safety, emergency preparedness, occupational injury, illness, industrial hygiene, physical demanding work, machine safeguarding, sanitation, food, and housing.

(b) Promptly report and take immediate action to correct all accidents, injuries, unsafe or unhealthy conditions, and potential violations of laws or regulations concerning health and safety.

(c) Prohibit the possession, use, distribution, or sale of illegal drugs while on Sezzle-owned or Sezzle-leased property. All Personnel are expected to be free from the influence of alcohol, drugs, and improperly used prescription medication when conducting Sezzle's business, whether on or off Sezzle's premises.

3. COMPLIANCE WITH THE CODE OF CONDUCT

3.1 Compliance

The Board is responsible for monitoring Personnel compliance with this Code of Conduct.

Sezzle requires all Personnel who become aware of an actual or suspected breach of this Code of Conduct or other applicable Sezzle policies to disclose this to Sezzle. Personnel (other than directors) must promptly disclose such matters to their immediate supervisor or manager, Corporate Secretary or chair of the Audit and Risk Committee, as is reasonably appropriate. Directors must promptly disclose such matters to the Board. Sezzle will ensure that Personnel are not disadvantaged for complying with this requirement.

Sezzle will investigate all alleged or suspected breaches of this Code of Conduct. If Personnel are found to have failed to comply with this Code of conduct, Sezzle may take appropriate disciplinary action, including termination of the Personnel's employment or engagement with Sezzle.

3.2 Guidance

If any Personnel have questions about the operation of this Code of Conduct they should contact their immediate supervisor or manager, Chief Compliance Officer, Corporate Secretary or chair of the Audit and Risk Committee, as is reasonably appropriate. Directors should refer any concerns or issues regarding the operation of this Code of Conduct to the Board.

4. ADOPTION AND REVIEW OF CODE OF CONDUCT

4.1 Adoption

The Board adopted this Code of Conduct on 24 June 2019. It takes effect from that date and replaces any previous Sezzle policy in this regard.

4.2 Review

This Code of Conduct can only be amended with the approval of the Board. The Board will review this Code of Conduct annually and will communicate any amendments to Personnel as appropriate. Sezzle will update the Audit and Risk Committee no less than annually as to issues surrounding topics addressed herein including perceived or known ethical, environmental and social impacts.

Enforcement

The Board of Directors is responsible for policy interpretation, administration and enforcement of this policy.

Rev	Date	Description	Approver
A	24 June 2019	Formal release	Board of Directors
B	30 June 2020	Updates to Objectives, delegation of Measurable Objectives, addition of version control and current logo.	Board of Directors
C	19 Nov 2020	Updated Section 2 to bring in compliance with US standards and industry best practices. Added Partner Code of Conduct. Added Audit Committee reporting.	LT Team, Board Notice

PARTNER CODE OF CONDUCT

Sezzle's mission is to financially empower young people. To achieve this mission, Sezzle is committed to socially responsible, professional, and ethical business practices. This Partner Code of Conduct provides a foundation for relationships built on lawful and fair business practices.

COMPLIANCE WITH THE PARTNER CODE OF CONDUCT

This Code of Conduct outlines what Sezzle expects from all merchants, suppliers, vendors, representatives, agents, resellers, and contractors (collectively referred to hereinafter as "Partners") in all activities related to the business relationship with Sezzle. Partners must adhere to this Partner Code of Conduct while conducting business with or on behalf of Sezzle. If a situation develops that causes the Partners to operate in violation of this Partner Code of Conduct, the Partners are expected to promptly inform Sezzle and report this possible violation. The Partners are expected to self-monitor and demonstrate their compliance with this Code of Conduct, but Sezzle may audit or inspect the Partners' facilities to confirm their compliance. Sezzle may terminate relationships with any Partner or personnel who violates this Code of Conduct. Compliance with this Code of Conduct is required in addition to any other obligations in any agreement the Partner may have with Sezzle.

LEGAL AND REGULATORY COMPLIANCE PRACTICES

All Sezzle Partners must manage their business activities so that they are in full compliance with the applicable laws and regulations while involved in the business relationship with and/or on behalf of Sezzle, and must, without limitation:

- **Trade**: Comply with all applicable trade controls, as well as all applicable export, re-export, and import laws and regulations.
- **Antitrust**: Comply with all applicable antitrust and fair competition laws and regulations and not participate in any activity that could be considered a violation of antitrust laws.
- **Boycotts**: Not support or participate in any international boycotts that are not sanctioned by the United States government or applicable laws.
- **Anti-corruption**: Not participate in bribes or kickbacks or any kind, whether in dealings with public officials or individuals in the private sector. Partners must comply with all applicable anti-corruption laws and anti-money laundering laws in the United States, including the United States Foriegn Corrupt Practices Act ("FCPA"), as well as laws governing lobbying, gifts, and payments to public officials, political campaign contribution laws, and other related regulations. Partners must also comply with any and all applicable anti-corruption and anti-money laundering laws of the countries in which Sezzle operates. Partners must not, directly, or indirectly, offer, promise or pay anything of value (including travel, gifts, hospitality expenses, and charitable donations) to any official or employee of any government, government agency, political party, public international organization, or any candidate for political office to improperly influence any act or decision of the official, employee, or candidate for the purpose of promoting the business interest of Sezzle in any respect, or otherwise improperly promote the business interests of Sezzle in any respect.
- **Accessibility**: Creating products and services that are accessible to all people is central to Sezzle's mission. These products and services must be accessible to people with disabilities. All partners must comply with all Sezzle requirements and standards for creating accessible products and services.

LABOR AND HUMAN RIGHTS

Sezzle is committed to protecting the human rights of its employees and to treating people with dignity and respect. Sezzle Partners are expected to do the same and must be in compliance with all applicable laws and regulation, and must, without limitation:

- **Child Labor Avoidance:** Avoid all forms of child labor. Sezzle will not tolerate child labor in any form. Sezzle partners should comply with all local and national minimum age laws or regulations and not use child labor.

- **Freely Chosen Employment:** Use only voluntary labor. Sezzle will not tolerate slavery, bonded labor, prison labor, servitude and forced or compulsory labor. Sezzle Partners must not use human trafficking of involuntary labor through threat, force, fraudulent claims, or other coercion.

- **Working Hours, Wages, and Benefits:** Comply with the applicable national laws and regulations and not exceed the maximum number of working hours. Sezzle Partners must ensure that overtime hours are voluntary and paid in accordance with local and national laws and regulations. Compensation paid to Sezzle Partners' employees will also comply with the applicable national wage laws and ensure that an adequate standard of living can be maintained. All workers of the Partners must be provided with written information about their employment conditions that is clear and in a language understood by the worker. Deductions from wages as a form of discipline will not be tolerated. Partners are expected to provide their employees with fair and competitive compensation and benefits and will pay their employees in a timely manner. Keep records of employees' wages and benefits, via paystub or other documentation.

- **Freedom of Association:** Must respect the rights of their employees to associate freely, join labor unions, seek representation, join work councils and engage in collective bargaining, in accordance with local laws and regulations. Sezzle Partners will not disadvantage those employees who choose to act as workers' representatives.

- **Fair Treatment:** Provide employees with an equal opportunity workplace that is free of harsh and inhumane treatment, without any sexual harrassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse of employees, or the even a threat of any scuh treatment. Treat employees with respect and dignity, and not unfairly terminate any employee unless there is clear and specific evidence that would allow such a termination under their employment contract, or that would be permitted under the law.

- **Diversity and Inclusion:** Treat all employees equally. Sezzle Partners must not engage in unlawful discriminatory treatment in any employment practice, including recruiting, hiring, compensation, benefits, transfer, termination, training, or social or recreational programs. Unlawful discriminatory treatment, unconsciously or consciously, will not be tolerated. This discriminatory treatment could include irrelevant characteristics of employees such as race, ethnicity, national origin, age, gender, sexual orientation, gender identity, social origin, disability, religion, family status, union membership, pregnancy, gender expression, or any other criterion that is unlawful under the applicable laws. Partners must ensure that their employees are not harassed because of any of these characteristics. Sezzle Partners are encouraged to create an inclusive workplace where diversity and inclusion is celebrated and present in its employees.

BUSINESS PRACTICES AND ETHICS

Sezzle Partners must conduct their business interactions in an ethical manner and act with integrity and must, without limitation:

- **Business Records**: All Partners shall accurately record and report all business information and comply with applicable laws regarding their completion and accuracy. Partners shall create, retain and dispose of business records in compliance with all applicable legal and regulatory requirements. Further, Partners must cooperate with Sezzle's business record retention needs if the partner is advised, or otherwise should recognize that a business record may be relevant to an audit, investigation or pending or threatened legal or regulatory proceeding.

- **Gifts**: Avoid gifts to Sezzle employees, because even a well intentioned gift could create a conflict of interest. Sezzle Partners must never offer or provide personal incentives, rewards, or bribes to any Sezzle employee, contractor, or partner in effort to influence a business decision or gain an unfair advantage. Any item of value provided by a partner is considered a gift even if it is provided in conjunction with ordinary business activities. Partners are expected to make available upon request records detailing all gifts and entertainment provided to Sezzle employees or contractors.

- **Conflict Minerals:** Ensure that products supplied to Sezzle do not contain metals that are derived from minerals or their derivatives originated from conflict regions that directly or indirectly finance or benefit armed groups.

- **Conflicts of Interest**: Must avoid actual conflicts of interest or the appearances of conflicts of interest in any business transactions or relationships involving Sezzle. Partners must not deal directly with any Sezzle employee whose spouse, domestic partner, or other family member or relative holds a significant financial interest in the Partner. Partners must also not deal directly with a Partner personnel's spouse, domestic partner, or other family member or relative employed by Sezzle.

HEALTH AND SAFETY

Sezzle Partners must share Sezzle's commitment to using management practices that are healthy and safe, and must without limitation:

- Provide a safe and healthy work environment that is in full compliance with any and all health and safety laws, regulations, and practices. This includes all laws, regulations, and practices that are applicable to safety, emergency preparedness, occupational injury, illness, industrial hygiene, physical demanding work, machine safeguarding, sanitation, food, and housing.

- Promptly report and take immediate action to correct all accidents, injuries, unsafe or unhealthy conditions, and potential violations of laws or regulations concerning health and safety.

- Prohibit the possession, use, distribution, or sale of illegal drugs while on Sezzle-owned or Sezzle-leased property. All Partners are expected to be free from the influence of alcohol, drugs, and improperly used prescription medication when conducting Sezzle's business, whether on or off Sezzle's premises.

ENVIRONMENTAL PROTECTION

Sezzle Partners are expected to be socially responsible and work towards protecting the environment. All Sezzle Partners must, without limitation:

- Comply with all applicable environmental laws and regulations regarding air emissions, hazardous materials, waste and wastewater, discharges, including the manufacture, transportation, storage, disposal, and release to the environment of such materials.

- Attempt to reduce or eliminate waste of all types. Attempt to reduce, reuse, and recycle whenever possible in their facilities.

- Obtain, maintain, and keep current and and all required environmental permits and registrations and follow the requirements of such permits and regulations.

- Adhere to all applicable laws, regulations, and customer requirements regarding prohibition or restriction of specific substances, including labeling for recycling and disposal.

PROTECTION OF INFORMATION

Sezzle relies on intellectual property, such as information, process and technology. Partners are expected to protect Sezzle's assets. All Sezzle Partners must, without limitation:

- Maintain the confidentiality of the confidential information and other proprietary information that may be obtained during the course of the business relationship.

- Must not reproduce copyrighted software, documentation, or other materials unless properly authorized to do so.

- Protect the intellectual property rights of all parties by only using information technology and software that has been legitimately acquired and licensed. Follow the terms of use of such licenses.

- Comply with industry standards regarding confidentiality, security and privacy. Comply with the intellectual property ownership rights including but not limited to copyrights, patents, trademarks and trade secrets and manage the transfer of technology in a manner that protects intellectual property rights.

Exhibit 21.1

Our corporate structure, including our principal operating subsidiaries, is as follows:

Name of subsidiary	Jurisdiction of incorporation or organization
Sezzle Canada Corp.	Nova Scotia
Sezzle Funding SPE, LLC	Delaware
Sezzle Funding SPE II, LLC	Delaware
Sezzle Funding SPE II Parent, LLC	Delaware
Sezzle Holdings I, Inc.	Delaware
Sezzle Holdings II, Inc.	Delaware
Sezzle Holdings III B.V.	Netherlands
Sezzle Payments Private Limited	India
Sezzle FinTech Private Limited	India
Sezzle Germany GmbH	Germany
Sezzle Lithuania UAB	Lithuania

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation in Sezzle, Inc. Form 10 of our report dated March 31, 2021, relating to the consolidated financial statements of Sezzle Inc. and Subsidiaries as of and for the year ended December 31, 2020.

/s/ Baker Tilly US, LLP

Minneapolis, Minnesota
April 12, 2021