SMACKDAB INC. OFFICIAL POLICY

PAY PROCESSING AGREEMENT

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SMACKDAB PAY PROCESSING AGREEMENT

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1. INTRODUCTION AND ACCEPTANCE

This Payment Processing Agreement (the "Payment Agreement") is entered into by and between Smackdab Inc., a Florida corporation with its principal place of business at 372 Live Oak Ln, Marco Island FL 34145 ("Smackdab," "Platform," "we," "us," or "our"), and you, a Smackdab customer or representative of a Smackdab customer ("you," "your," or "Merchant").

This Payment Agreement, together with our Terms of Service available at https://smackdab.ai/legal/terms-of-service (the "Agreement"), applies to your use of Smackdab Pay (the "Processing Services"). By applying for, accessing, or using the Processing Services, you agree to be bound by this Payment Agreement.

Document Location:https://smackdab.ai/legal/pay-processing-agreement

IF YOU DO NOT AGREE TO THESE TERMS, DO NOT USE THE PROCESSING SERVICES.

2. DEFINITIONS

For purposes of this Payment Agreement, the following capitalized terms shall have the meanings set forth below. Other capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

2.1. "ACH" means the Automated Clearing House network, an electronic network for financial transactions in the United States.

2.2. "Applicable Law" means all laws, statutes, regulations, ordinances, rules, and regulatory guidance applicable to the subject matter of this Payment Agreement, including without limitation:

(a) Network Rules; (b) the Electronic Fund Transfer Act and Regulation E; (c) laws relating to anti-money laundering, anti-terrorism, economic sanctions, and anti-bribery; (d) laws relating to data security and privacy; and (e) consumer protection laws.

2.3. "Buyer" means an end customer who makes a payment to Merchant through the Processing Services for goods or services.

2.4. "Card Networks" means Visa, Mastercard, American Express, Discover, and any other card network supported by the Processing Services.

2.5. "Chargeback" means a transaction that is disputed by a Buyer or the Buyer's card issuer, or reversed by a Card Network, Payment Method Provider, or a financial institution.

2.6. "Fees" means the fees charged by Smackdab for the Processing Services as described in Section 6 and in the applicable Order Form or fee schedule.

2.7. "Forward" means Forward Inc., a Delaware corporation with its principal place of business in Austin, Texas, which serves as the Payment Facilitator for the Processing Services.

2.8. "Payment Facilitator" or "PFAC" means an entity that is registered with the Card Networks to facilitate payment card transactions on behalf of sub-merchants (like Merchant) through a master merchant account.

2.9. "Payment Method" means a method that Buyers may use to make payments to Merchant through the Processing Services, including but not limited to credit cards, debit cards, ACH transfers, and other electronic payment methods that may be supported from time to time.

2.10. "Payment Method Provider" means a provider of a Payment Method, such as a card issuer, Card Network, or financial institution.

2.11. "PCI DSS" means the Payment Card Industry Data Security Standards, as amended from time to time.

2.12. "Prohibited Business List" means the list of business types, activities, and practices that are prohibited from using the Processing Services, as may be updated from time to time.

2.13. "Reserve" means funds held as security for potential Chargebacks, refunds, or other obligations of Merchant under this Payment Agreement.

2.14. "Sub-merchant" means a merchant that uses a Payment Facilitator to process payment transactions.

2.15. "KYC" means Know Your Customer, a process of verifying the identity of customers and assessing potential risks of illegal intentions in business relationships.

2.16. "AML" means Anti-Money Laundering, which refers to laws, regulations, and procedures intended to prevent criminals from disguising illegally obtained funds as legitimate income.

2.17. "OFAC" means the Office of Foreign Assets Control of the U.S. Department of the Treasury, which administers and enforces economic and trade sanctions.

2.18. "Restricted Person" means any person or entity that is: (a) listed on any Sanctions List; (b) located in, organized under the laws of, or resident in a Sanctioned Country; or (c) otherwise subject to Sanctions.

2.19. "Sanctions" means economic or financial sanctions or trade embargoes imposed, administered, or enforced from time to time by the U.S. government (including OFAC), the United Nations Security Council, the European Union, or other relevant sanctions authority.

2.20. "Sanctions List" means any list of specially designated nationals or blocked persons maintained by OFAC or similar lists maintained by other relevant sanctions authorities.

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3. RELATIONSHIP AND SERVICE OVERVIEW

3.1. Smackdab Pay Service. Smackdab offers the Processing Services, branded as "Smackdab Pay," to enable Merchants using the Smackdab platform to accept and process payments from their Buyers for goods or services using various Payment Methods we may support from time to time.

3.2. Role of Smackdab and Forward.

(a) Smackdab's Role. Smackdab provides the technology platform interface and facilitates access to the Processing Services. SMACKDAB IS NOT A BANK, PAYMENT INSTITUTION, MONEY SERVICE BUSINESS, OR PAYMENT PROCESSOR. Smackdab acts as a technology provider and as an authorized agent of Forward to enable you to access Forward's payment processing capabilities through the Smackdab platform.

(b) Forward's Role. Actual payment processing, clearing, settlement, and related services are performed by Forward, which serves as the Payment Facilitator for the Processing Services. Forward operates under a master merchant account with its acquiring bank(s) and enables Smackdab to offer payment processing services to you. As a Payment Facilitator, Forward is responsible for underwriting, risk management, funds settlement, and regulatory compliance related to payment processing.

3.3. Forward as Payment Facilitator. Under this model, you operate as a Sub-merchant of Forward rather than establishing your own direct relationships with acquiring banks and Card Networks. This arrangement simplifies the merchant onboarding process and enables you to begin accepting payments more quickly than through traditional merchant account setups.

3.4. Forward Terms. By using the Processing Services, you agree to be bound by Forward's terms and conditions, which are incorporated herein by reference. You acknowledge that Forward may update these terms from time to time, and your continued use of the Processing Services constitutes acceptance of any such updates.

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4. MERCHANT ONBOARDING

4.1. Application Process. To use the Processing Services, you must complete Smackdab's merchant application process, which includes providing accurate and complete information about your business, its principals, beneficial owners, and other information requested by Smackdab or Forward.

4.2. Underwriting and Approval.

(a) Underwriting. Your application will be subject to review and approval by Forward. This process includes verification of your business details, principals, banking information, and other due diligence measures required for regulatory compliance and risk management. This underwriting process may include, but is not limited to:

(i) Verification of business registration and good standing;

(ii) Review of business financial statements;

(iii) Credit checks on the business and/or principals;

(iv) Verification of business address and operating location(s);

(v) Background checks on business principals and beneficial owners;

(vi) Assessment of business type and associated risk level;

(vii) Review of your website, products/services, and terms of service;

(viii) Sanctions screening and verification that you are not a Restricted Person.

(b) Additional Information. You agree to promptly provide any additional information or documentation requested by Smackdab or Forward as part of the underwriting process. Failure to provide requested information may result in delay or denial of your application.

(c) Approval Decision. Approval decisions are made at Forward's sole discretion based on its underwriting criteria, risk assessment, and compliance requirements. Smackdab makes no guarantees regarding approval of any application.

4.3. Accuracy of Information. You represent and warrant that all information provided during the application process and throughout your use of the Processing Services is true, accurate, and complete. You agree to promptly update this information if it changes. Provision of false, incomplete, or misleading information constitutes a material breach of this Payment Agreement.

4.4. Account Activation. Upon approval of your application, Smackdab will activate your access to the Processing Services. You may not begin processing transactions until you receive confirmation that your account has been activated.

4.5. Ongoing Monitoring. Your use of the Processing Services is subject to ongoing monitoring by Smackdab and Forward for compliance with this Payment Agreement, the Prohibited Business List, and Applicable Law. Smackdab and Forward reserve the right to request additional information from you at any time to verify your continued compliance.

4.6. Changes to Business Information. You must notify Smackdab immediately of any changes to your business that may affect your eligibility to use the Processing Services or the risk associated with your account, including but not limited to:

(a) Change in business legal structure or ownership;

(b) Change in business name, address, or contact information;

(c) Change in business model or the products/services offered;

(d) Change in the jurisdictions where you do business;

(e) Any regulatory action, litigation, or legal proceeding involving your business;

(f) Any significant change in transaction volume or average transaction amount;

(g) Any information that would make any prior statements, representations, or warranties inaccurate.

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5. PAYMENT PROCESSING SERVICES

5.1. Supported Payment Methods. The Processing Services support various Payment Methods, which may change from time to time. Certain Payment Methods may have specific eligibility requirements or be subject to additional terms.

5.2. Payment Processing.

(a) Authorization. When a Buyer initiates a payment to you, the Processing Services will submit an authorization request to the relevant Payment Method Provider. A successful authorization does not guarantee that the transaction will not be subject to a Chargeback or reversal. You acknowledge that authorizations may be declined for various reasons, including but not limited to insufficient funds, fraud suspicion, or issuer restrictions.

(b) Capture. Following a successful authorization, the transaction will be captured for settlement unless you have enabled manual capture functionality and take action to cancel the transaction before capture. For manual capture implementations, you must capture authorizations within 7 days (or such shorter period as may be required by the Card Networks or Payment Method Providers), and the amount captured cannot exceed the amount authorized.

(c) Settlement. Forward will initiate settlement of funds to your designated bank account according to the settlement schedule described in Section 5.3.

5.3. Settlement of Funds.

(a) Settlement Schedule. Subject to the terms of this Payment Agreement, Forward will initiate settlement of funds to your designated bank account according to the settlement schedule specified in your account settings, typically within 2-3 business days after the transaction date. Settlement timing may vary based on your industry, transaction volume, risk profile, and other factors determined by Forward.

(b) Settlement Delays. Forward may delay settlement of funds if:

(i) Forward reasonably believes that a transaction may be fraudulent or involves illegal activity;

(ii) Forward reasonably believes that you have breached this Payment Agreement or Forward's terms;

(iii) You have a negative balance or owe fees to Smackdab or Forward;

(iv) Forward is instructed to do so by a Card Network, Payment Method Provider, or regulatory authority; or

(v) Forward needs to establish or increase a Reserve.

(c) Settlement Currency. All settlements will be in U.S. Dollars unless otherwise specified in writing.

(d) Settlement Reporting. Smackdab will make available to you reports of transactions processed and settled through your account. You are responsible for reconciling these reports with your own records and promptly notifying Smackdab of any discrepancies.

5.4. Chargebacks and Disputes.

(a) Chargeback Process. If a Buyer disputes a transaction processed through the Processing Services, the relevant Payment Method Provider may initiate a Chargeback. Smackdab will notify you of any Chargebacks and provide instructions for responding.

(b) Chargeback Fees. You will be assessed a fee for each Chargeback as specified in your fee schedule. This fee is in addition to the amount of the Chargeback itself and will be charged regardless of whether you successfully dispute the Chargeback.

(c) Dispute Resolution. You are solely responsible for managing and responding to Chargebacks, including providing evidence to contest a Chargeback if appropriate. Smackdab may provide tools and assistance to help you manage disputes, but we do not guarantee any particular outcome. You must respond to Chargeback notices within the timeframes specified in the notice, which may be as short as 5 business days.

(d) Excessive Chargebacks. If you experience excessive Chargebacks (as determined by Smackdab, Forward, or the Card Networks), you may be subject to additional fees, requirement of a Reserve, placement in a chargeback monitoring program, suspension, or termination of your access to the Processing Services. "Excessive Chargebacks" is generally defined as a chargeback rate exceeding 1% of your transaction volume in any given month, although Card Networks may impose stricter thresholds.

(e) Representment Limits. Merchants may represent a Chargeback only once unless explicitly permitted by the applicable Card Network rules. Any attempt to reprocess a previously charged back transaction may result in additional Chargebacks and/or penalties.

5.5. Refunds.

(a) Refund Processing. You may issue refunds to Buyers through the Smackdab platform. Refunds will be deducted from your pending settlements or from your designated bank account if there are insufficient pending settlements.

(b) Refund Limitations. Refunds can only be issued for original transactions processed through the Processing Services and cannot exceed the amount of the original transaction. Refunds must be issued to the original Payment Method used for the transaction.

(c) Refund Fees. Processing fees for the original transaction are not refunded when you process a refund, and additional refund processing fees may apply as specified in your fee schedule.

(d) Refund Time Limitations. You may initiate refunds up to 180 days from the date of the original transaction, unless a different period is specified in your Order Form. After this period, you may need to

arrange alternative means of refunding your Buyers.

(e) Buyer Communication. You are responsible for communicating your refund policy to Buyers in a clear and conspicuous manner before completing a transaction.

5.6. Payment Pages and Hosted Forms.

(a) Implementation. The Processing Services include hosted payment forms and pages that you can integrate into your website or application to collect payment information from Buyers without handling sensitive payment data yourself.

(b) Customization. You may customize certain aspects of the hosted payment forms and pages as described in the implementation documentation. All customizations must comply with Card Network rules and Applicable Law.

(c) PCI Compliance. Use of Smackdab's hosted payment forms significantly reduces your PCI DSS compliance burden, as sensitive payment data is collected, transmitted, and stored on PCI-compliant infrastructure maintained by Smackdab and Forward rather than your own systems.

(d) User Experience Requirements. Any payment page or form implementation must:

(i) Clearly identify you as the merchant of record;

(ii) Accurately represent the products or services being sold;

(iii) Display pricing, shipping costs, and tax information clearly and accurately;

(iv) Provide clear links to your terms of service, privacy policy, and refund policy;

(v) Not misrepresent the relationship between you, Smackdab, and Forward.

5.7. API Access.

(a) API License. Smackdab grants you a limited, non-exclusive, non-transferable, revocable license to access and use the Smackdab API solely for the purpose of integrating the Processing Services into your applications or systems.

(b) API Documentation. Smackdab's API documentation describes the proper methods for accessing and using the API.

(c) API Limitations. Smackdab may impose limits on API usage, such as rate limits or call volume restrictions, as described in the API documentation. Violation of these limits may result in temporary or permanent restriction of your API access.

(d) Security Requirements. When using the API, you must:

(i) Securely store and manage all API keys and access credentials;

(ii) Implement appropriate authentication and authorization controls for your applications;

(iii) Maintain adequate logging and monitoring of API usage for security auditing purposes;

(iv) Promptly report any security incidents or suspected unauthorized API access to Smackdab.

5.8. Testing Environment. Smackdab provides a sandbox testing environment to allow you to test your integration with the Processing Services before processing live transactions. The testing environment may have limited functionality compared to the production environment.

5.9. Reserves.

(a) Establishment of Reserve. Forward may, in its sole discretion, establish a Reserve on your account to secure the performance of your payment obligations under this Payment Agreement. Reserves may be established at the time of application or at any time during your use of the Processing Services.

(b) Amount of Reserve. The amount of the Reserve will be determined by Forward based on its assessment of the risk associated with your account, and may be increased or decreased from time to time.

(c) Funding of Reserve. The Reserve may be funded by:

(i) Forward withholding settlement funds until the Reserve amount is reached;

(ii) Forward requiring you to make a deposit to the Reserve;

(iii) Forward applying funds from transactions processed through your account; or

(iv) Any combination of the above methods.

(d) Use of Reserve. Forward may use funds in the Reserve to satisfy any of your obligations under this Payment Agreement, including but not limited to:

(i) Amounts owed for Chargebacks, refunds, and adjustments;

(ii) Fees and other amounts owed to Smackdab or Forward;

(iii) Fines or penalties assessed by Card Networks or regulatory authorities;

(iv) Any other amounts owed by you to Smackdab, Forward, or their service providers.

(e) Release of Reserve. Any remaining Reserve will be released to you after the later of:

(i) Termination of this Payment Agreement;

(ii) 180 days after the last transaction processed through your account; or

(iii) The resolution of all pending Chargebacks, claims, or disputes related to your account.

5.10. High-Risk Transactions.

(a) Definition. Certain types of transactions and business models are considered higher risk due to increased likelihood of Chargebacks, regulatory scrutiny, or other factors. These include but are not limited to:

(i) Subscription or recurring billing models;

(ii) Future delivery of goods or services (where payment is taken more than 30 days before delivery);

(iii) High average transaction values (generally over $500);

(iv) Transactions in industries with historically high chargeback rates;

(v) Card-not-present transactions for high-value physical goods.

(b) Additional Requirements. If you process High-Risk Transactions, Smackdab and Forward may require:

(i) Additional documentation about your business and operations;

(ii) Implementation of additional fraud prevention measures;

(iii) Higher Reserves;

(iv) Modified settlement schedules;

(v) Additional reporting and monitoring requirements.

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6. FEES AND PAYMENT

6.1. Fee Schedule. You agree to pay the fees ("Fees") specified in your Order Form or fee schedule for your use of the Processing Services. Fees may include:

(a) Transaction Fees: Fees assessed on each transaction, which may include a percentage of the transaction amount and/or a fixed fee per transaction;

(b) Monthly Fees: Recurring monthly fees for access to certain features or services;

(c) Setup Fees: One-time fees for account setup or integration services;

(d) Chargeback Fees: Fees assessed for each Chargeback;

(e) Refund Fees: Fees assessed for processing refunds;

(f) Other Fees: Any other fees specified in your Order Form or fee schedule.

6.2. Payment of Fees.

(a) Deduction from Settlements. Fees will typically be deducted from your settlements. If your settlement amounts are insufficient to cover the Fees, you authorize Smackdab and Forward to debit your designated bank account for the outstanding amount.

(b) Invoicing. If applicable, Smackdab may invoice you for certain Fees according to the invoicing terms specified in your Order Form or fee schedule.

(c) Payment Authorization. By providing a payment method to Smackdab, you authorize Smackdab to charge that payment method for all Fees incurred. This authorization will remain in effect until you cancel it in writing.

6.3. Fee Changes. Smackdab may change the Fees at any time by providing at least thirty (30) days' advance notice. Your continued use of the Processing Services after the effective date of a fee change

constitutes your acceptance of the new Fees.

6.4. Taxes. All Fees are exclusive of applicable federal, state, local, and foreign taxes (such as sales, use, and value-added taxes), which are your responsibility. Smackdab will include applicable taxes on your invoice when required by law.

6.5. Disputes. You must notify Smackdab of any fee disputes within thirty (30) days of the date the fee was assessed. Failure to dispute a fee within this timeframe constitutes your acceptance of the fee.

6.6. Failed Charges. If any charge to your payment method or attempt to debit your bank account is declined or returned:

(a) You will be assessed a failed payment fee of $25.00 for each occurrence;

(b) You must provide a valid payment method or sufficient funds in your bank account within 5 business days;

(c) Smackdab may suspend your access to the Processing Services until all outstanding Fees are paid in full.

6.7. Minimum Processing Volume. Your Order Form may specify a minimum monthly processing volume. If your actual processing volume falls below this minimum in any month, Smackdab may assess a shortfall fee as specified in your Order Form.

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7. MERCHANT OBLIGATIONS AND RESPONSIBILITIES

7.1. Compliance with Laws. You agree to comply with all Applicable Laws in connection with your use of the Processing Services and your business activities, including but not limited to:

(a) Data protection and privacy laws;

(b) Consumer protection laws;

(c) Anti-money laundering laws;

(d) Anti-terrorism financing laws;

(e) Tax laws; and

(f) Industry-specific regulations applicable to your business.

7.2. Compliance with Network Rules. You agree to comply with all applicable Network Rules, including the rules, regulations, and guidelines issued by Visa, Mastercard, American Express, Discover, and other Payment Method Providers.

7.3. Prohibited Activities. You shall not use the Processing Services for any activities listed on the Prohibited Business List, which may be updated from time to time. Additionally, you shall not use the Processing Services to:

(a) Process transactions for any business other than your own legitimate business as disclosed in your application;

(b) Process transactions for goods or services that violate Applicable Law or the Network Rules;

(c) Process transactions that you know or should know are fraudulent, unauthorized, or likely to result in a Chargeback;

(d) Process transactions for goods or services that infringe upon the intellectual property rights of others;

(e) Process transactions for any purpose prohibited by this Payment Agreement, the Agreement, or Forward's terms;

(f) Engage in transaction laundering or factoring, which involves processing transactions on behalf of a third party;

(g) Submit transactions with inaccurate or incomplete transaction data;

(h) Attempt to circumvent fraud monitoring or security measures implemented by Smackdab, Forward, or Payment Method Providers;

(i) Process transactions for goods or services not disclosed during the application process;

(j) Process credit transactions or issue refunds without a corresponding prior purchase transaction;

(k) Use the Processing Services in a manner that results in excessive Chargebacks or customer complaints.

7.4. Transaction Documentation. You agree to maintain complete and accurate records of all transactions processed through the Processing Services, including:

(a) Evidence of the Buyer's consent to the transaction;

(b) Evidence of the delivery of goods or services;

(c) Receipts, invoices, and other transaction documentation;

(d) Customer service communications related to transactions.

You agree to retain such records for at least three (3) years from the date of the transaction or such longer period as may be required by Applicable Law.

7.5. Customer Service. You are solely responsible for providing customer service to your Buyers, including handling inquiries, complaints, and disputes related to transactions processed through the Processing Services.

7.6. Refund Policy. You must maintain and clearly communicate to Buyers a fair and reasonable refund policy. Your refund policy must comply with Applicable Law and Network Rules.

7.7. Business Changes. You agree to promptly notify Smackdab of any material changes to your business, including:

(a) Changes in the nature of your business or the goods or services you offer;

(b) Changes in ownership or control of your business;

(c) Changes in your business name, address, or contact information;

(d) Adverse changes in your financial condition;

(e) Any regulatory action or legal proceeding that could impact your ability to fulfill your obligations under this Payment Agreement.

7.8. Inspection and Audits. You agree to permit Smackdab, Forward, and their respective representatives to inspect your business operations and records related to your use of the Processing Services upon reasonable notice. This right of inspection includes the right to audit your compliance with this Payment Agreement, including your data security practices.

7.9. Fraud Prevention.

(a) Implementation of Controls. You agree to implement reasonable fraud prevention measures appropriate for your business, which may include:

(i) Address Verification Service (AVS) for applicable card transactions;

(ii) Card Verification Value (CVV/CVV2) verification;

(iii) 3D Secure authentication where available;

(iv) Monitoring for suspicious transaction patterns;

(v) Verification procedures for high-value or high-risk transactions.

(b) Suspicious Activity. You agree to monitor for and report suspicious transactions or activity that may indicate fraud or money laundering, including:

(i) Multiple transactions from the same payment method in abnormally short periods;

(ii) Multiple payment methods used from a single IP address;

(iii) Transactions from high-risk countries or regions;

(iv) Unusual transaction amounts or frequencies inconsistent with normal business patterns.

(c) Cooperation with Investigations. You agree to cooperate with Smackdab, Forward, Payment Method Providers, and law enforcement in the investigation of suspicious or fraudulent transactions.

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8. PCI COMPLIANCE AND SECURITY

8.1. PCI DSS Compliance. You agree to comply with the PCI DSS requirements applicable to your business. The specific requirements depend on how you integrate with the Processing Services and the volume of transactions you process.

8.2. Data Security. You agree to implement and maintain appropriate administrative, technical, and physical safeguards to protect Buyer data, including payment information, in accordance with industry standards and

Applicable Law.

8.3. Sensitive Data. You agree not to store sensitive payment data (such as full credit card numbers, CVV codes, or PIN numbers) unless you have implemented systems that comply with PCI DSS requirements for storing such data. Smackdab strongly recommends using the hosted payment forms and tokenization services provided by the Processing Services to avoid handling sensitive payment data directly.

8.4. Security Breach Notification. You agree to promptly notify Smackdab of any actual or suspected security breach that affects or may affect the security of Buyer data, including payment information. You agree to cooperate with Smackdab, Forward, and any relevant authorities in investigating and remediating any such breach.

8.5. Smackdab's Security Measures. Smackdab implements reasonable security measures to protect the Processing Services and Buyer data processed through the Services. These measures are designed to comply with applicable industry standards, including PCI DSS requirements. However, you acknowledge that no security measures are perfect or impenetrable, and Smackdab cannot guarantee absolute security.

8.6. Compliance Verification.

(a) Self-Assessment Questionnaires. Depending on your transaction volume and integration method, you may be required to complete a PCI DSS Self-Assessment Questionnaire (SAQ) annually and provide evidence of compliance to Smackdab upon request.

(b) Vulnerability Scanning. You may be required to conduct quarterly vulnerability scans of your systems that interact with cardholder data and provide results to Smackdab upon request.

(c) Non-Compliance Fees. If you fail to maintain PCI DSS compliance, you may be assessed non-compliance fees by Smackdab, Forward, or the Card Networks.

8.7. Security Best Practices. In addition to PCI DSS requirements, you agree to follow security best practices, including:

(a) Maintaining up-to-date security patches on all systems and applications;

(b) Using strong passwords and multi-factor authentication where available;

(c) Limiting access to payment data to only those employees with a legitimate business need;

(d) Training staff on secure handling of payment information and identifying social engineering attempts;

(e) Encrypting sensitive data in transit and at rest;

(f) Implementing network security controls such as firewalls and intrusion detection systems;

(g) Securely disposing of payment information when no longer needed.

(c) Gambling and gaming (unless legally licensed);

(d) High-risk financial services;

(e) Virtual currencies and cryptocurrencies;

(f) Specific regulated industries without proper licensing;

(g) Sale of tobacco, e-cigarettes, or vaping products;

(h) Sale of weapons, ammunition, or firearms accessories;

(i) Sale of illegal drugs or drug paraphernalia;

(j) Sale of counterfeit or unauthorized goods;

(k) Get-rich-quick schemes, pyramid schemes, or multi-level marketing programs;

(l) Credit repair services;

(m) Debt consolidation services;

(n) Products/services that infringe on intellectual property rights;

(o) Products/services making unsubstantiated health claims.

9.2. Additional Prohibited Activities. In addition to the prohibitions in the Prohibited Business List, you shall not use the Processing Services to:

(a) Submit transactions for goods or services outside the business category approved in your application;

(b) Process transactions that violate Applicable Law or Network Rules;

(c) Process transactions for another business (transaction laundering);

(d) Engage in deceptive marketing practices;

(e) Process transactions for goods or services that have not been delivered or provided to the Buyer;

(f) Process transactions without the Buyer's consent;

(g) Attempt to manipulate or bypass any limitations or restrictions on your use of the Processing Services;

(h) Engage in any activity that would cause Smackdab or Forward to violate Sanctions or do business with a Restricted Person;

(i) Use the Processing Services to receive payments from countries subject to comprehensive Sanctions;

(j) Use the Processing Services to facilitate tax evasion or illegal tax shelters;

(k) Access the Processing Services from a jurisdiction other than the jurisdiction disclosed in your application;

**(l) Use a virtual private network (VPN) or other means to mask your actual location.

9.3. Enforcement. Smackdab and Forward reserve the right to monitor your use of the Processing Services for compliance with this Section 9. If Smackdab or Forward reasonably believes that you have violated this Section 9, they may take any of the following actions:

(a) Suspend or terminate your access to the Processing Services;

(b) Hold funds in a Reserve;

(c) Reject or reverse transactions;

(d) Report your activities to law enforcement or regulatory authorities;

(e) Take any other action permitted by this Payment Agreement or Applicable Law.

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10. TERM AND TERMINATION

10.1. Term. This Payment Agreement begins on the date you first access or use the Processing Services and continues until terminated as provided herein.

10.2. Termination by You. You may terminate this Payment Agreement at any time by providing written notice to Smackdab and ceasing all use of the Processing Services. Termination will be effective upon confirmation from Smackdab, which shall not be unreasonably withheld or delayed.

10.3. Termination by Smackdab. Smackdab may terminate this Payment Agreement at any time by providing at least thirty (30) days' advance written notice to you. Additionally, Smackdab may terminate this Payment Agreement immediately upon notice to you if:

(a) You breach any provision of this Payment Agreement or the Agreement;

(b) You violate any Applicable Law or Network Rules;

(c) You engage in any activity on the Prohibited Business List;

(d) You experience an adverse change in financial condition;

(e) Forward terminates its relationship with Smackdab or instructs Smackdab to terminate your access to the Processing Services;

(f) A Card Network, Payment Method Provider, or regulatory authority requires Smackdab to terminate your access to the Processing Services;

(g) Smackdab reasonably believes that continued provision of the Processing Services to you poses a risk to Smackdab, Forward, or their other customers;

(h) You become a Restricted Person or become subject to Sanctions;

(i) You have not processed any transactions for a period of ninety (90) consecutive days;

(j) You engage in excessive Chargebacks or fraudulent activity, as determined by Smackdab, Forward, or the Card Networks.

10.4. Effect of Termination.

(a) Upon termination of this Payment Agreement:

(i) You shall immediately cease all use of the Processing Services;

(ii) Smackdab shall disable your access to the Processing Services;

(iii) All licenses granted under this Payment Agreement shall terminate;

(iv) All fees and other amounts owed by you to Smackdab shall become immediately due and payable.

(b) Termination of this Payment Agreement shall not affect:

(i) Any rights, obligations, or liabilities accrued prior to the date of termination;

(ii) The obligation to pay any fees or other amounts owed to Smackdab;

(iii) Any provision of this Payment Agreement that expressly or by implication is intended to continue after termination.

10.5. Funds After Termination.

(a) Smackdab and Forward may continue to hold your funds for a reasonable period after termination to protect against the risk of Chargebacks, refunds, fees, fines, or other liabilities. This period will typically be at least 180 days from the date of termination or the last transaction processed, whichever is later.

(b) If you have a negative balance at the time of termination, you agree to pay the negative balance upon demand.

(c) Smackdab and Forward may set off any amounts owed to them against funds held in your account, including any Reserve.

(d) Any remaining funds will be transferred to your designated bank account after all obligations have been satisfied and the holding period has expired.

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11. REPRESENTATIONS AND WARRANTIES

11.1. Mutual Representations and Warranties. Each party represents and warrants to the other that:

(a) It is duly organized, validly existing, and in good standing under the laws of its jurisdiction of formation;

(b) It has all requisite power and authority to enter into and perform its obligations under this Payment Agreement;

(c) This Payment Agreement constitutes a legal, valid, and binding obligation, enforceable against it in accordance with its terms;

(d) Its performance under this Payment Agreement will not violate any Applicable Law or any other agreement to which it is a party.

11.2. Your Representations and Warranties. You represent and warrant to Smackdab that:

(a) You are eligible to register and use the Processing Services and have the authority to execute and perform the obligations under this Payment Agreement;

(b) All information you provide to Smackdab is true, accurate, and complete;

(c) You are the authorized owner or operator of the business disclosed in your application;

(d) Your use of the Processing Services complies with Applicable Law, Network Rules, and this Payment Agreement;

(e) The transactions you process through the Processing Services represent bona fide sales of goods or services to Buyers;

(f) You have obtained all necessary rights, consents, and authorizations to provide Buyer data to Smackdab and Forward for processing;

(g) You have implemented appropriate security measures to protect Buyer data in accordance with industry standards and Applicable Law;

(h) You have appropriate privacy policies and procedures in place and have made all required disclosures to Buyers regarding your collection, use, and sharing of their information;

(i) You are not a Restricted Person and are not subject to Sanctions;

(j) You are not engaged in any Prohibited Activities as defined in Section 9;

(k) You have all required licenses, permits, and authorizations to conduct your business and to use the Processing Services as contemplated by this Payment Agreement;

(l) Your business and the goods or services for which you use the Processing Services do not infringe on the intellectual property rights of any third party;

(m) You will fulfill all obligations to your Buyers, including delivery of goods or services as represented;

(n) You will comply with your published policies regarding privacy, refunds, shipping, and customer service.

11.3. Disclaimer of Warranties.

EXCEPT AS EXPRESSLY PROVIDED IN THIS PAYMENT AGREEMENT, THE PROCESSING SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE." SMACKDAB EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT. SMACKDAB DOES NOT WARRANT THAT THE PROCESSING SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR SECURE, OR THAT ANY DEFECTS WILL BE CORRECTED. SMACKDAB DOES NOT WARRANT OR MAKE ANY REPRESENTATIONS REGARDING THE USE OR THE RESULTS OF THE USE OF THE PROCESSING SERVICES IN TERMS OF CORRECTNESS, ACCURACY, RELIABILITY, OR OTHERWISE.

12. LIMITATION OF LIABILITY

12.1. Exclusion of Certain Damages.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL SMACKDAB, ITS AFFILIATES, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOST PROFITS, LOST REVENUE, LOST SAVINGS, LOSS OF USE, LOSS OF DATA, OR OTHER INTANGIBLE LOSSES, ARISING OUT OF OR RELATING TO THIS PAYMENT AGREEMENT OR YOUR USE OF OR INABILITY TO USE THE PROCESSING SERVICES, EVEN IF SMACKDAB HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12.2. Limitation of Liability.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE TOTAL LIABILITY OF SMACKDAB, ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, AND REPRESENTATIVES ARISING OUT OF OR RELATING TO THIS PAYMENT AGREEMENT OR YOUR USE OF OR INABILITY TO USE THE PROCESSING SERVICES SHALL BE LIMITED TO THE GREATER OF (A) THE TOTAL AMOUNT OF FEES PAID BY YOU TO SMACKDAB UNDER THIS PAYMENT AGREEMENT DURING THE THREE (3) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM, OR (B) $500.

12.3. Exceptions. The limitations of liability in this Section 12 shall not apply to:

(a) Liability arising from Smackdab's gross negligence or willful misconduct;

(b) Smackdab's obligations under Section 13 (Indemnification);

(c) Liability for death or personal injury caused by Smackdab's negligence;

(d) Any other liability that cannot be excluded or limited by Applicable Law.

12.4. Essential Purpose. The parties acknowledge that the limitations of liability set forth in this Section 12 are essential elements of the basis of the bargain between Smackdab and you and that in the absence of such limitations, the terms and conditions of this Payment Agreement would be substantially different.

12.5. Time Limitation. ANY CAUSE OF ACTION OR CLAIM YOU MAY HAVE ARISING OUT OF OR RELATING TO THIS PAYMENT AGREEMENT OR THE PROCESSING SERVICES MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ACCRUES, OTHERWISE, SUCH CAUSE OF ACTION OR CLAIM IS PERMANENTLY BARRED.

13. INDEMNIFICATION

13.1. Your Indemnification Obligations. You agree to defend, indemnify, and hold harmless Smackdab, Forward, and their respective officers, directors, employees, agents, and representatives (collectively, the

"Indemnified Parties") from and against any claims, actions, demands, liabilities, judgments, settlements, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to:

(a) Your breach of this Payment Agreement or any other agreement between you and Smackdab or Forward;

(b) Your violation of Applicable Law or Network Rules;

(c) Your use of the Processing Services;

(d) Transactions processed through your account, including Chargebacks, refunds, and disputes;

(e) Your business activities, products, or services;

(f) Any negligent act, omission, or willful misconduct by you or your employees, agents, or representatives;

(g) Any security breach or data breach affecting Buyer data under your control;

(h) Any claim by a Buyer or third party relating to the goods or services provided by you;

(i) Any claim that your use of the Processing Services infringes on the intellectual property rights of any third party;

(j) Any fine, penalty, or assessment by a Card Network, Payment Method Provider, or regulatory authority related to your use of the Processing Services.

13.2. Procedure. Smackdab will promptly notify you of any claim subject to indemnification; provided that any failure to provide prompt notice shall not relieve you of your indemnification obligations except to the extent that you are materially prejudiced by such failure. Smackdab reserves the right to assume the exclusive defense and control of any matter subject to indemnification, in which case you agree to cooperate with Smackdab in defending such claim. You may not settle any claim without Smackdab's prior written consent.

13.3. Consequential Indemnification. Your indemnification obligations under this Section 13 shall include indemnification for any consequential, incidental, indirect, special, or punitive damages incurred by the Indemnified Parties, notwithstanding the exclusion of liability for such damages in Section 12.1 with respect to direct claims against Smackdab.

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14. DISPUTES AND GOVERNING LAW

14.1. Governing Law. This Payment Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without giving effect to any principles of conflicts of law.

14.2. Dispute Resolution. Any dispute arising out of or relating to this Payment Agreement shall be resolved in accordance with the dispute resolution provisions set forth in Section 14 of the Agreement.

14.3. Limitation Period. Any claim or cause of action arising out of or related to this Payment Agreement must be filed within one (1) year after such claim or cause of action arose, or be forever barred.

14.4. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE OR LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS PAYMENT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14.5. Class Action Waiver. EACH PARTY AGREES THAT ANY PROCEEDINGS TO RESOLVE OR LITIGATE ANY DISPUTE ARISING OUT OF OR RELATING TO THIS PAYMENT AGREEMENT WILL BE CONDUCTED SOLELY ON AN INDIVIDUAL BASIS, AND NEITHER PARTY WILL SEEK TO HAVE ANY DISPUTE HEARD AS A CLASS ACTION, A REPRESENTATIVE ACTION, A COLLECTIVE ACTION, A PRIVATE ATTORNEY GENERAL ACTION, OR IN ANY PROCEEDING IN WHICH EITHER PARTY ACTS OR PROPOSES TO ACT IN A REPRESENTATIVE CAPACITY. THE PARTIES FURTHER AGREE THAT NO PROCEEDING WILL BE JOINED, CONSOLIDATED, OR COMBINED WITH ANOTHER PROCEEDING WITHOUT THE PRIOR WRITTEN CONSENT OF ALL PARTIES TO THIS PAYMENT AGREEMENT AND ANY OTHER PROCEEDING.

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15. MISCELLANEOUS

15.1. Entire Agreement. This Payment Agreement, together with the Agreement, constitutes the entire agreement between you and Smackdab regarding the Processing Services, and supersedes all prior or contemporaneous agreements, proposals, understandings, and communications, whether oral or written.

15.2. Amendment. Smackdab may amend this Payment Agreement at any time by posting the amended terms on the Smackdab website and providing notice to you. Your continued use of the Processing Services after the effective date of the amended terms constitutes your acceptance of the amended terms.

15.3. No Waiver. The failure of Smackdab to enforce any right or provision of this Payment Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by Smackdab in writing.

15.4. Severability. If any provision of this Payment Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall be enforced to the fullest extent under law.

15.5. Assignment. You may not assign or transfer this Payment Agreement, by operation of law or otherwise, without Smackdab's prior written consent. Any attempt by you to assign or transfer this Payment Agreement without such consent shall be null and void. Smackdab may assign or transfer this Payment Agreement, at its sole discretion, without restriction.

15.6. Relationship of the Parties. Smackdab and you are independent contractors, and nothing in this Payment Agreement shall create a partnership, joint venture, agency, franchise, or employment relationship between Smackdab and you.

15.7. Force Majeure. Neither party shall be liable for any failure or delay in performance under this Payment Agreement due to causes beyond its reasonable control, including but not limited to acts of God, natural disasters, terrorism, riots, war, epidemics, power or telecommunications failures, Internet disturbances, or acts of governmental authorities.

15.8. Notices. All notices under this Payment Agreement shall be in writing and shall be delivered in accordance with the notice provisions set forth in Section 15.1 of the Agreement.

15.9. Survival. The following sections of this Payment Agreement shall survive termination: Sections 7.4 (Transaction Documentation), 10.4 (Effect of Termination), 10.5 (Funds After Termination), 12 (Limitation of Liability), 13 (Indemnification), 14 (Disputes and Governing Law), and 15 (Miscellaneous).

15.10. Headings. The section headings in this Payment Agreement are for convenience only and have no legal or contractual effect.

15.11. Electronic Signatures. Each party agrees that the electronic signatures of the parties included in this Payment Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. "Electronic signature" means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record.

15.12. Third-Party Beneficiaries. Except as expressly provided in this Payment Agreement, nothing in this Payment Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their respective successors and permitted assigns any rights, benefits, or remedies of any nature whatsoever under or by reason of this Payment Agreement. Notwithstanding the foregoing, Forward is an intended third-party beneficiary of this Payment Agreement and shall have the right to enforce any provision of this Payment Agreement directly against you.

15.13. Counterparts. This Payment Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Payment Agreement delivered by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Payment Agreement.

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16. CONTACT INFORMATION

Questions about this Payment Agreement should be directed to:

Smackdab Inc. Attn: Payment Services Team 372 Live Oak Ln Marco Island, FL 34145 Email: payments@smackdab.ai Phone: +1 (239) 299-4616

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