



# WebBank Klarna Credit Account Agreement

This Agreement governs your use of Klarna Credit, an open-end credit plan offered by WebBank. By using Klarna Credit, you agree that you have reviewed this Agreement.

## Important Disclosures Regarding Klarna Credit

Please review the Important Disclosures below. See Terms and Conditions for information about Promotional Purchases.

Interest Rate and Interest Charges							
Annual Percentage Rate (APR) for Standard Purchases	<b>19.99%</b>						
Paying Interest	Your due date is at least 23 days after the close of each billing cycle. We will not charge any interest on Standard Purchases or Special Interest Purchases if you pay your entire balance by the due date each month. We will begin accruing interest from the transaction posting date, as discussed further in the Terms and Conditions.						
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$2.00 per month.						
For Credit Card Tips from the Consumer Financial Protection Bureau	To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at: <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a> .						
Fees							
Annual Fee	None						
Penalty Fees	<table border="0"> <tr> <td>Late Payment Fee</td> <td>Up to \$35.00</td> </tr> <tr> <td>Returned Payment Fee</td> <td>Up to \$35.00</td> </tr> <tr> <td>Over the Limit Fee</td> <td>None</td> </tr> </table>	Late Payment Fee	Up to \$35.00	Returned Payment Fee	Up to \$35.00	Over the Limit Fee	None
Late Payment Fee	Up to \$35.00						
Returned Payment Fee	Up to \$35.00						
Over the Limit Fee	None						

Other Important Information	
How We Will Calculate Your Balance	WebBank uses the "daily balance" method (including for new purchases, with daily compounding). See the Terms and Conditions for more details.
Billing Rights	Information on your rights to dispute transactions and how to exercise those rights is provided in the Terms and Conditions.
Amendment of Terms and Conditions	WebBank may amend this Agreement, including any of the terms stated in Important Disclosures, from time to time, in accordance with the section of the Terms and Conditions entitled "Amendment of this Agreement."
Important Information about Procedures for Opening a New Account	To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, WebBank will obtain your name, address, date of birth, and other information that will allow WebBank to identify you. WebBank may verify this information with you and others. WebBank may also request to see your driver's license or other identifying documents.

State Disclosures	
All Accounts, including CA, NY, UT, RI & VT Residents	<ul style="list-style-type: none"> <li>As required by applicable law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.</li> <li>We may order credit reports in connection with processing applications/solicitations and any update, renewal, or increase in the Credit Line. Upon request, we will tell you the name and address of any consumer-reporting agency that furnished a report on you. You consent to the obtaining of such reports by signing or otherwise submitting an application or solicitation.</li> <li>NY Residents: Klarna Credit Customer Service, 1-844-4KLARNA. New York Residents may contact the New York State Department of Financial Services by telephone or visit its website for free information on comparative credit card rates, fees, and grace periods. New York State Department of Financial Services 1-877-226-5697 or <a href="http://www.dfs.ny.gov">www.dfs.ny.gov</a>.</li> <li>All accounts are individual accounts; each applicant must apply separately.</li> </ul>

OH Residents	The Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.
WI Residents	No provision of a marital property agreement, unilateral statement under Section 766.59, or court decree under Section 766.70 adversely affects the interest of WebBank, unless WebBank, prior to the time credit is granted, is furnished a copy of the agreement, statement, or decree or has actual knowledge of the adverse provision when the obligation to WebBank is incurred. If you are married, please contact us immediately at: "Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201," and provide us with the name and address of your spouse. We are required to inform your spouse that we have opened a credit account for you.

This Agreement contains [Important Disclosures](#), [Electronic Communications Agreement](#), [Terms and Conditions](#) and [WebBank Privacy Policy](#). The Terms and Conditions include a mandatory agreement to [arbitrate disputes](#) under Section 26. If you are a Covered Borrower under the Military Lending Act, as defined by federal law, Section 26 will not apply to you. Please review each section carefully.

## Electronic Communications Agreement

### Consent to Electronic Communications

By clicking "Agree and Place Order" and/or checking "I agree to receive these terms and other required disclosures electronically," you consent and agree that:

- We and/or Klarna Inc. can provide all communications and other information relating to your application for and/or use of Klarna Credit, including but not limited to agreements, privacy notices, billing statements, change in terms, adverse action notices and any other disclosures required by law (collectively, "Communications") to you electronically, including via our website or the email address(es) that you provided to us.
- You are providing your consent to receive electronic communications pursuant to the Electronic Signatures in Global and National Commerce Act and you and we intend that the statute applies to the fullest extent possible.
- You are providing your electronic signature on agreements and documents, which has the same effect as if you signed them in ink.
- You are able to and will access and retain any Communication received from us.
- This consent applies to this transaction, and to all future Communications from WebBank and/or Klarna Inc., unless you have withdrawn your consent by the procedure outlined below in "Withdrawing Consent."

You understand and acknowledge that, in order to access and retain Communications, you will need the following:

- A computer or a mobile device with an internet connection.
- A current web browser that includes 128-bit encryption with cookies enabled.
- A valid email address.
- Sufficient storage space to save past Communications or a means to print them.

### Withdrawing Consent or Requesting Paper Copy

If you'd like to withdraw your consent to receive Communications electronically, you may contact us in writing at "Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201." If you withdraw your consent, we may prohibit you from using Klarna Credit or certain other Klarna services.

You may also request paper copies of any specific Communication within 180 days of the date of the Communication without withdrawing your electronic communications consent given in this Agreement. To request a paper copy, please contact us in writing at "Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201."

### Updating Email Address

At any time, you may update the email address to which Communications may be sent and at which you may be contacted electronically. If you change your email address, you must notify us. You can update your email address by contacting us in writing at "Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201," or by using a web service tool we may provide you with.

## Klarna Credit Terms and Conditions

THIS AGREEMENT INCLUDES THE MANDATORY USE OF ARBITRATION ON AN INDIVIDUAL BASIS TO RESOLVE DISPUTES, WITH LIMITED EXCEPTIONS, RATHER THAN JURY TRIALS OR CLASS ACTIONS, AND LIMITS THE REMEDIES AVAILABLE TO YOU IN THE EVENT OF A DISPUTE.

This Agreement sets forth the terms and conditions regarding your Klarna Credit Account and the extensions of credit made by WebBank. Please read this Agreement and keep a copy.

## 1. Certain Definitions

The following definitions are used frequently in this Agreement:

“**Account**” means the Klarna Credit open-end (revolving) account offered by WebBank that is the subject of this Agreement.

“**Agreement**” means the Important Disclosures, Electronic Communications Agreement, Terms and Conditions, WebBank Privacy Policy, and any amendment or addendum to any of the foregoing.

“**Billing Cycle**” means the time between the dates on which we prepare billing statements, or would have prepared them if statements were required under the “Billing Statements” section of this Agreement.

“**Credit Line**” means the dollar amount of credit available for you to borrow on this Account. The total balances of all types of transactions on the Account plus transactions which have been authorized but not yet posted to the Account (but not including unpaid Fees) may not exceed the Credit Line.

“**Expiration Date**” means the date on which a promotional period ends for Promotional Purchases.

“**Grace Period**” means the period within which you may repay a loan or extension of credit without incurring any interest, as further described in the “Interest and Grace Period” section of this Agreement.

“**Klarna Inc.**” located in Columbus, Ohio, developed Klarna Credit and provides services for WebBank, such as processing transactions, keeping records, sending billing statements, and providing customer service.

“**Merchant**” means a merchant participating in and authorized to accept Klarna Credit as a payment option.

“**Payment Due Date**” means the date which will appear on each billing statement as the “Payment Due Date” for the Billing Cycle. The Payment Due Date will be on approximately the same day each month. We may change the Payment Due Date at our option, and will notify you if we do so.

“**Purchases**” are purchases of goods and services, not including returns and credits, for which we extend credit on the Account when you choose Klarna Credit to pay for a purchase from a Merchant website or other authorized location, or when you choose Klarna Credit to pay for any outstanding Klarna *pay after delivery* invoice or other goods and services from Klarna Inc. at the Klarna Inc. consumer portal or other authorized location. You may occasionally see references to “credit card purchases” because under federal law this is considered a credit card account. We discuss different categories of Purchases in the “Standard and Promotional Purchases” section of the Agreement.

“**Standard APR**” means the Annual Percentage Rate for Standard Purchases identified in the [Important Disclosures](#).

“**Promotional APR**” means a special APR in effect during a promotional period that may be 0% or greater but lower than the Standard APR.

“**We**,” “**us**,” and “**our**” mean WebBank.

“**WebBank**” means the lender of your Klarna Credit account.

“**You**” are the individual who may use this Account to make Purchases and who agrees to be bound by the terms of this Agreement.

## 2. How You Agree to This Agreement

You agree to the terms of this Agreement and you make the promises it contains by either applying for or accepting an Account, or making a Purchase using your Account after receipt of this Agreement.

## 3. Standard and Promotional Purchases

This section details the terms and conditions that apply to Standard Purchases you make using the Account, as well as promotional offers that may be available to you from time to time. This section is divided into two parts: (i) Standard Purchases and (ii) Promotional Purchases. Promotional Purchases include purchases made under a Purchase-Specific Promotion.

### a. Standard Purchases (sometimes marketed as “Flexible Month-to-Month”)

<p><b>What Are Standard Purchases?</b> “Standard Purchases” are all Purchases that are not Promotional Purchases. The Standard Balance is the total of all unpaid balances of (i) Standard Purchases, (ii) Promotional Purchase which remains after its Expiration Date, as applicable, and (iii) to the extent permitted by applicable law, Promotional Purchases on which you fail to make the applicable Minimum Payment Due for a period of time.</p>
<p><b>Applicable APR.</b> Standard Purchases and other purchases that become part of the Standard Balance are subject to the Standard APR and other terms provided in Important Disclosures, as well as the Minimum Payment Due set forth below.</p>
<p><b>Grace Period May Apply.</b> A Grace Period of at least 23 days may apply to new Standard Purchases. For additional information on Grace Period, see the “Interest and Grace Period” section of this Agreement.</p>

### b. Promotional Purchases

From time to time, we may make promotional offers to you, which may include special Promotional APRs, repayment schedules, minimum payment rules and other terms that affect the way Promotional Purchases are repaid. These special promotions are made available at our discretion and for a limited period of time, are subject to credit approval, may not be available for all purchases and cannot be changed by customer request.

We use the term “**Promotional Purchases**” to describe purchases made under Purchase-Specific Promotions. When you make a Promotional Purchase, it will be identified on your billing statements. Promotional Purchases may be separately itemized or may, at our option, be grouped together in the “Interest Charge Calculation” and “Promotional Purchases” sections of your billing statement.

We may offer the promotions described below from time to time. In addition we may revise or remove any of them at any time, or add more promotions from time to time.

### Purchase-Specific Promotions

<p><b>What Are Purchase-Specific Promotions?</b> “Purchase-Specific Promotions” are offers of special promotional terms specific to a Purchase or a group of Purchases. We may offer any of the following Purchase-Specific Promotions from time to time:</p> <ul style="list-style-type: none"><li>• Reduced Interest Purchases</li><li>• Deferred Interest Purchases (sometimes marketed as “No Interest if Paid in Full”)</li><li>• Planned Payment Purchases</li></ul>
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### Purchase-Specific Promotions – Reduced Interest Purchases

<p><b>What Are Reduced Interest Purchases?</b> “Reduced Interest Purchases” are Purchases subject to a Purchase-Specific Promotion on which no interest or reduced interest will apply. The promotional period starts on the date the Purchase is made and may last six months or longer as disclosed at the time of Purchase. There are three types of Reduced Interest Purchases:</p> <ul style="list-style-type: none"><li>• “<b>No Interest + Minimum Payment Purchases</b>” are Purchases on which (i) no interest will apply during the promotional period and (ii) you owe the Minimum Payment Due by each monthly Payment Due Date during the promotional period.</li><li>• “<b>Special Interest Purchases</b>” are Purchases on which (i) a Promotional APR that is lower than the Standard APR will apply during the promotional period and (ii) you owe the Minimum Payment Due by each monthly Payment Due Date during the promotional period.</li></ul>
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### Interest.

- For No Interest + Minimum Payment Purchases, we will not charge any interest for the Purchase during the promotional period. You still have the obligation to pay at least the Minimum Payment Due by each monthly Payment Due Date during the promotional period. If any balance on No Interest + Minimum Payment Purchases remains after the Expiration Date, such balance will be treated as Standard Balance and the Standard APR and payment terms will apply to such balance.
- For Special Interest Purchases, a Promotional APR lower than the Standard APR will apply during the promotional period. You have the obligation to pay at least the Minimum Payment Due by each monthly Payment Due Date during the promotional period. If any balance on Special Interest Purchases remains after the Expiration Date, such balance will be treated as Standard Balance and the Standard APR and payment terms will apply to such balance.

<p>During the first six months of a promotional period following the date of Purchase, we will <i>not</i> increase the Promotional APR to the Standard APR, even if you fail to pay a Minimum Payment Due by a Payment Due Date that falls within the first six months of the promotional period. After the first six months of the promotional period (if the promotional period is longer than six months), if you fail to pay a Minimum Payment Due within 60 days following the Payment Due Date, we may raise the Promotional APR to the Standard APR and transfer the balance to the Standard Balance, as permitted by applicable law. Please note that you will be subject to the applicable Late Payment Fee if you miss your Minimum Payment Due at any time during the promotional period.</p>
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**No Grace Period for No Interest + Minimum Payment Purchases.** No Interest + Minimum Payment Purchases do not have a Grace Period. You can avoid paying interest by paying the Minimum Payment Due by each Payment Due Date within the promotional period and by paying any remaining balance in full by the Expiration Date.

**Grace Period May Apply to Special Interest Purchases.** A Grace Period of at least 23 days may apply to new Special Interest Purchases. For additional information on Grace Period, see the “Interest and Grace Period” section of this Agreement.

### Purchase-Specific Promotions – Deferred Interest Purchases (sometimes marketed as “No Interest if Paid in Full”)

**What Are Deferred Interest Purchases?** “Deferred Interest Purchases” are Purchases (i) that accrue interest at the Standard APR during the promotional period and (ii) on which you owe the Minimum Payment Due each month during the promotional period; *however*, we will not charge the accrued interest to you if you pay your balance *in full* by the Expiration Date. The promotional period may be six months or longer as disclosed when the Purchase is made.

**Interest.** If you pay the balance on a Deferred Interest Purchase *in full* by the Expiration Date, we will not charge any interest for that Purchase. We will calculate the interest at the Standard APR for each Billing Cycle prior to the Expiration Date and disclose it on the billing statement as the “Accrued Deferred Interest.” If you do not pay the balance of a Deferred Interest Purchase *in full* before its Expiration Date, (i) on the Expiration Date, we may charge your Account for all the interest that accrued on that Deferred Interest Purchase from its transaction posting date (even if you paid a portion of your balance by the Expiration Date), and (ii) any remaining balance, including interest charged under (i), will be treated as a Standard Purchase beginning on the Expiration Date.

**No Grace Period.** Deferred Interest Purchases do not have a Grace Period. However, you can avoid paying interest on a Deferred Interest Purchase by paying the balance *in full* by the Expiration Date. If you do not pay the balance *in full* by the Expiration Date, you will be charged the entire interest that accrued on all Promotional Purchases at the Standard APR from their respective transaction posting dates.

#### Purchase-Specific Promotions – Planned Payments Purchases

**What Are Planned Payments Purchases?** “Planned Payments Purchases” are Promotional Purchases that will be repaid in substantially equal monthly installments called “Monthly Planned Payments.” Planned Payments Purchases will be subject to the repayment terms offered at the time of the Purchase.

- There are two types of Planned Payments Purchases:
  - “Planned No Interest Payments Purchases” are Planned Payments Purchases on which no interest will be charged.
  - “Planned Interest Bearing Payments Purchases” are Planned Payments Purchases on which interest will be charged. The Promotional APR for Planned Interest Bearing Payments Purchases may vary by Merchant and will be disclosed at the time of Purchase, but will not exceed the Standard APR.

#### Interest.

- For Planned No Interest Payments Purchases, we will not charge any interest during the promotional period. You have the obligation to pay each Monthly Planned Payment by the applicable Payment Due Date during the promotional period and pay the Purchase balance in full by the Expiration Date.
- For Planned Interest Bearing Payments Purchases, we will charge interest at the applicable Promotional APR during the promotional period. You have the obligation to pay each Monthly Planned Payment consisting of your principal and accrued interest by the applicable Payment Due Date during the promotional period and pay the Purchase balance in full by the Expiration Date.

The Promotional APR on any Planned Payments Purchase will never increase, but you are required to make each Monthly Planned Payment. Please note that you will be subject to the applicable Late Payment Fee if you miss your Monthly Planned Payment at any time during the promotional period.

#### Payments.

Depending on the purchase you make and the Merchant from whom you make it, you may have one or both of the following options:

- You may have the option to choose the number of months until the Expiration Date (called the “term”) to pay the balance. For example, you may have the option to pay the balance in six (6), twelve (12) or eighteen (18) months. The Monthly Planned Payments are calculated to be substantially equal so that as long as you pay each of them by the applicable Payment Due Date, you will pay off the entire balance of the Purchase by the Expiration Date. We will disclose the estimated Monthly Planned Payment amount to you when you choose the term.
- If applicable, you must pay a Minimum Interest Charge in addition to the Monthly Planned Payment. Sometimes, we may include the potential Minimum Interest Charge amount in the Monthly Planned Payment amount initially offered to you. Regardless of such disclosure, you will not be billed for the Minimum Interest Charge unless it applies to your Account during the applicable Billing Cycle. This means that in the Billing Cycles the Minimum Interest Charge is not owed, the actual billed amount of a Monthly Planned Payment will be less than the amount of Monthly Planned Payment initially disclosed to you. If there are multiple Monthly Planned Payments, we will choose one of such Payments and reduce its initially disclosed amount by the Minimum Interest Charge.
- The Monthly Planned Payment due on the scheduled Expiration Date (or sooner if you pay off the balance early) will be adjusted as necessary to pay the amount you owe at that time.
- Please note that the actual amount of the Monthly Planned Payments you owe under your billing statements may be different from our original estimate if you pay more or less than your Minimum Payments Due during the promotional period, if you pay early or late, or if your ordered items ship at different times. Please see “Orders Consisting of Multiple Items” below for further information.

**No Grace Period.** Planned Payments Purchases do not have a Grace Period. However, for Planned No Interest Payments Purchases, you can avoid paying interest by paying each Monthly Planned Payment on time and the balance in full by the Expiration Date. Planned Interest Bearing Payments Purchases are subject to the applicable Promotional APR from the date of the Purchase until the Purchase balance is paid in full.

**Orders Consisting of Multiple Items.** Generally, transactions are posted when the Merchant ships your order. If every item in your Purchase is shipped on the same day, your Monthly Planned Payment amounts will be substantially consistent with the estimated amounts we disclosed or you chose at the time of Purchase (subject to any minimum interest charge and other applicable fees or how much you pay in excess of the Minimum Payments Due during the promotional period). But if the items in your Purchase ship at different times, your Monthly Planned Payment amounts will be affected as follows. If, in any given Billing Cycle during the promotional period, the total retail price for the then-*shipped but unpaid* items is less than your estimated Monthly Planned Payment amount for that Billing Cycle, your actual Monthly Planned Payment amount we will bill you for will equal the total retail price for the unpaid, shipped items, not the originally estimated amount. If, in any given Billing Cycle during the promotional period, the total retail price for the then-*shipped but unpaid* items equals or exceeds the estimated Monthly Planned Payment amount for that Billing Cycle, then your actual Monthly Planned Payment amount will be consistent with the estimated amount.

#### Skip Pay Option

At our discretion, we may allow you to skip making the Minimum Payment Due. The applicable Promotional APR or Standard APR will be assessed during the skip-payment period, but a Late Payment Fee will not be assessed. If you attempt to make a payment during the skip-payment period and the payment is returned unpaid by your bank or financial institution, a Returned Payment Fee will be assessed in accordance with the “Fees” section of this Agreement. This option will not be considered a waiver of any of our rights described in this Agreement. All other terms of your Account apply during the skip-payment period.

#### 4. Interest and Grace Period

**When Interest Charges Start to Accrue.** **INTEREST BEGINS TO ACCRUE ON THE TRANSACTION POSTING DATE FOR ALL PURCHASES,** except that interest does not accrue on any portion of a Standard Purchase or Special Interest Purchase that you repay during the Grace Period, if a Grace Period applies as set forth in this section.

#### Grace Period.

All new Standard Purchases or Special Interest Purchases are subject to a Grace Period of at least 23 days, if such new Purchases are made during a Billing Cycle (the “current Billing Cycle”) in which you paid the balances of Standard Purchases or Special Interest Purchases outstanding at the end of the preceding Billing Cycle, on or before the Payment Due Date of the current Billing Cycle. If the new Standard Purchases or Special Interest Purchases made in the current Billing Cycle are subject to a Grace Period, we will not charge interest on such new Purchases if you pay the balance of such Purchases in full by the Payment Due Date in the following Billing Cycle. For example, consider the following scenario:

- Your Billing Cycle runs from the 15th of each month to the 14th of the next month;
- Your Account had a balance of \$0.00 on January 15;
- You make a \$500.00 Standard Purchase on February 1;
- We send you a statement on or about February 15 with a Payment Due Date of March 12; and
- You pay \$500.00 (the full balance) by March 12; then
- We will not charge any interest on this transaction.

Where the new Standard Purchases or Special Interest Purchases made in the current Billing Cycle are subject to a Grace Period, you will lose the benefit of the Grace Period if you do not pay the balance for such Purchases in full by the Payment Due Date in the following Billing Cycle. For example, consider the following scenario:

- Your Billing Cycle runs from the 15th of each month to the 14th of the next month;
- Your Account had a balance of \$0.00 on January 15;
- You make a \$500.00 Standard Purchase on February 1 (Grace Period applies);
- We send you a statement on or about February 15 with a Payment Due Date of March 12; and
- You pay \$400.00 (only part of the full balance) by March 12; then
  - We will not charge any interest on the \$400.00 you paid (due to existing Grace Period);
  - We will charge interest on the unpaid balance of \$100.00 from February 15 to March 14 (the March 15 billing statement will show such accrued interest as a finance charge you must pay by the next Payment Due Date); and
  - New Purchases made in the February 15 to March 14 Billing Cycle will not qualify for a Grace Period because you did not pay, on or before the March 12 Payment Due Date, the balances of all Standard Purchases or Special Interest Purchases, made during the January 15 to February 14 Billing Cycle.

In order for new Purchases in the current Billing Cycle to qualify for the Grace Period again, you must pay all outstanding balances on Standard Purchases and Special Interest Purchases made during the preceding Billing Cycle in full by the Payment Due Date of the current Billing Cycle.

#### How We Calculate Interest.

We calculate interest for each Billing Cycle using the Daily Balance method; interest is compounded daily. A separate Daily Balance is calculated for each balance type that carries a different APR.

- How we get to the Daily Balance: We take the starting balance each day for each balance type with a different APR, add any new charges, interest for the previous day and fees, and subtract any payments and credits (treating any net credit balance as zero). This gives us the daily balance for each balance type.
- How we get the interest charge for each balance type: For each day of the Billing Cycle, we multiply the Daily Balance of each balance type by the Daily Periodic Rate applicable to that balance. Then we add together the daily interest charges for each day of the Billing Cycle for each balance type. This gives us the interest charges for the Billing Cycle for each of your different balances.
  - “Daily Periodic Rate” is a daily interest rate. The daily periodic rate for a given balance is equal to the APR for that balance divided by 365 (or by 366 in a leap year).
- How we get the interest charge for the Billing Cycle: We will then add up the interest for all the balance types, to get the interest for the Account.

**Minimum Interest Charge.** We charge a minimum of \$2.00 of interest in any Billing Cycle in which you owe interest. Once the minimum interest charge has been assessed, it will become part of the Standard Balance that is subject to the Standard APR.

**Rate of Interest.** We will compute the interest on Standard Purchases and Promotional Purchases using the Daily Periodic Rate of 0.05477% (or 0.05462% in a leap year). This corresponds to the Standard APR of 19.99%. However, if we have disclosed a special Promotional APR for Promotional Purchases at the time we made the special offer, during the promotional period, we will compute the interest on those Promotional Purchases balances using that special Promotional APR.

#### 5. Fees

You agree to pay the following fees, as applicable. You agree that we may allocate any fee to your Standard Purchases balance.

**Late Payment Fee.** If we do not receive the Minimum Payment Due by its Payment Due Date, we will charge you a Late Payment Fee of up to \$25.00. If this happens again within the next six Billing Cycles, we will charge you a Late Payment Fee of up to \$35.00. However, the Late Payment Fee will not exceed the applicable Minimum Payment Due. No Late Payment Fee will be due if the reason the Minimum Payment Due is late is either:

- attributable solely to a Late Payment Fee assessed on an earlier payment; or
- because, after default, the entire balance on this Account is due.

No interest will be assessed on a Late Payment Fee until its Payment Due Date as reflected on the billing statement. After such Payment Due Date, any unpaid portion of the Late Payment Fee will become part of the Standard Balance that is subject to the Standard APR.

**Returned Payment Fee.** If your payment on the Account is returned unpaid when we present to your bank or financial institution for "not sufficient funds" or for other reasons such as a closed account, we will charge you a Returned Payment Fee of up to \$25.00. If this happens again within the next six Billing Cycles, we will charge you a Returned Payment Fee of up to \$35.00. However, the Returned Payment Fee will not exceed the applicable Minimum Payment Due.

No interest will be assessed on a Returned Payment Fee until its Payment Due Date as reflected on the billing statement. After such Payment Due Date, any unpaid portion of the Returned Payment Fee will become part of the Standard Balance that is subject to the Standard APR.

## 6. Minimum Payment Due

The Minimum Payment Due for each Billing Cycle will be the greater of:

\$25.00
AND
2% of the balances on the Account (excluding any balance (i) on a Planned Payments Purchase prior to its Expiration Date and (ii) that is past due from previous Billing Cycles) on the last day of that Billing Cycle
+
Any interest accrued on the Account (excluding any accrued interest on Planned Payment Purchases and any accrued deferred interest on Deferred Interest Purchases prior to its Expiration Date) in that Billing Cycle
+
Any Late Payment Fees, Returned Payment Fees and Minimum Interest Charge assessed on the Account in that Billing Cycle
+
Monthly Planned Payment Due
+
Any amounts past due from previous Billing Cycles

However, the Minimum Payment Due for any Billing Cycle will never be greater than the total balance outstanding on the Account ("New Balance" disclosed on the Billing Statement) at the end of such Billing Cycle (excluding any portion of the balance on a Planned Payments Purchase that is not yet due).

Credits for refunds and returns are not treated as payments; you must still make the Minimum Payment Due in a Billing Cycle during which your Account received a credit, unless the credit reduced the balance to zero.

## 7. Payment Application and Prepayment

We will use each payment in the amount of the Minimum Payment Due or less to pay your balances from oldest to newest.

You may at any time pay the total unpaid balance without any additional charge for prepayment. If you pay more than the Minimum Payment Due in any Billing Cycle, you still must make the Minimum Payment Due the next Billing Cycle. We will use any amount in excess of the Minimum Payment Due to pay the balances with the highest interest rate, then the next highest interest rate, and so forth. However, during the two Billing Cycles immediately preceding the Expiration Date of any Deferred Interest Purchase, we will use such excess payments first to pay the balance on such Deferred Interest Purchase.

## 8. Other Agreements about Payments to Your Account

If you make a payment (a) by ACH at Klarna's online customer portal or (b) by sending a check or money order to the address specified on your billing statement:

- Payments received by 8:00 p.m. eastern time will be credited to your Account the same day received.
- Payments received after 8:00 p.m. eastern time will be credited the next business day.

If you do not use one of the payment options above, and/or do not comply with the following additional payment requirements, crediting of your payment may be delayed up to 5 days or your payment may be rejected.

**Additional payment requirements:** All payments must be in U.S. dollars and drawn on an account at a U.S. financial institution. When sending your payment by mail, you must send it to the address shown on the billing statement and write your account number on your check or on a separate piece of paper that you send with the check. If we send you a paper billing statement, you must use the envelope provided with your billing statement, make sure our address is showing through the envelope window and include your payment coupon. Do not send cash or include paper clips, staples, tape or other correspondence with your payment.

**Agreement for Electronic Withdrawal.** If you pay by check, you authorize us to either use the information from your check to make a one-time electronic funds transfer from your checking account or to process the payment as a check transaction. When we use the information from your check to make an electronic funds transfer, the funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution.

**Communications concerning disputed debts.** All communications to us by you concerning disputed debts, including a check or instrument tendered as full satisfaction of the Account (for example marked "paid in full") must be sent to "Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201."

## 9. Your Credit Line and Other Agreements

**a. Credit Line.** At the time you open your Account, we will evaluate your request for credit. If we extend you credit, we will disclose to you the total amount of your Credit Line, which will be no less than \$300.00. Your Credit Line is shown on your billing statement. We may increase or reduce your Credit Line without giving you prior notice, and may do so even if you pay on time and your Account is not in default. We will not consider any direct request from you for a Credit Line increase. We will proactively consider increasing your Credit Line whenever you attempt to make a purchase that cannot be accommodated by your existing Credit Line.

**b. We may charge your Account for Purchases.** You authorize us to charge your Account for the cost of any Purchase you, or anyone to whom you have given permission to use your Account, make using Klarna Credit. You understand that the amount that we actually pay to the Merchant for any Purchase may be less than the cost of the Purchase, because the Merchant may agree that we or a third party may retain a portion of the cost in order to accept Klarna Credit.

We may authorize charges that cause your Account balance to exceed your Credit Line. If this happens, we will not charge an over-the-limit fee. You agree to promptly pay the amount of your Account balance above your Credit Line if we request you to do so. This may or may not change your Credit Line for future Purchases.

We may decline to authorize a charge for any reason, including suspected fraud and our assessment of your creditworthiness, and even if the charge would not cause your Account balance to exceed your Credit Line and your Account is not in default. We are not responsible for any losses you incur if we do not authorize a charge or if any Merchant refuses to accept Klarna Credit.

**c. We may charge your Account for Interest and Fees.** You authorize us to charge your Account for interest, any fees, costs of collection, and amounts that you agree in this Agreement to pay.

## 10. Your Personal Information

**a. Privacy Policy.** Our or Klarna Inc.'s collection and use of your personal information in connection with Klarna Credit is governed by the [WebBank Privacy Policy](#). Klarna Inc.'s collection and use of your information in connection with services offered by Klarna Inc. (including Klarna Checkout and Klarna pay after delivery) is governed by the [Klarna Privacy Policy](#).

**b. Purchases.** By making a Purchase, you authorize the Merchant to share your personal information (including email address) with us to verify your identity, make a credit decision, complete your transaction, service your Account, and/or for all other lawful purposes.

## 11. Your Promises to Us

**a. Promise to Pay.** You promise to repay to us all extensions of credit (including any and all Purchases) you have authorized us to charge to this Account and any accrued interest and fees as agreed in this Agreement.

**b. Promise to Manage Credit Line.** You promise to manage your Account so that your Account balance (including interest) is not more than your Credit Line.

**c. Minimum Payment Due.** You promise to pay at least the Minimum Payment Due on or before the Payment Due Date each month and in accordance with the reasonable requirements set forth herein and on each billing statement.

**d. Personal Financial Information.** You promise to give us personal financial information about you that we may reasonably request, from time to time.

**e. Collection Costs.** You promise to pay all costs of collection as provided in this Agreement.

**f. Your Contact Information.** You promise to promptly notify us if you change your name, mailing address, email address, or telephone number. In doing so, you agree that you will not give us false information or signatures, electronic or otherwise, at any time.

**g. Age and Residency.** You promise that you are of legal age in the state where you reside and are a resident of the U.S.A. when you accept this Agreement and open the Account.

**h. Merchant Disputes.** You promise that, if you are dissatisfied with goods or services you purchased from a Merchant, you will try in good faith to resolve the dispute and correct the problem directly with the Merchant. This shall in no way limit or reduce your rights in case of a billing error.

## 12. Security Interest

We will not take any security interest to secure this Account.

### 13. Billing Statements and Credit Balances

**a. Billing Statements.** We will provide a billing statement for each Billing Cycle as required by applicable law. We will provide electronic billing statements in accordance with your consent to the Electronic Communications Agreement.

**b. Credit Balances.** We will refund any credit balance in excess of \$1.00 to you as required by law. You authorize us to make the refund either (i) by check to your mailing address on file, or (ii) by direct deposit to your bank account on file or stated on any check you presented to us for payment(s).

### 14. Default

You will be in default if you:

- Fail to make any payment when due;
- Violate, or are unwilling or unable to perform, any provision, obligation or other requirement applicable to you under this Agreement;
- Pass away or become incompetent;
- Become the subject of bankruptcy or insolvency proceedings;
- Supply us with any misleading, false, incomplete, or incorrect information or signature, or fail to supply us with any information we deem necessary;
- Default under any other loan, agreement, or account you have with us or any of our affiliates;
- Exceed your Credit Line; or
- Give us a payment returned unpaid by your bank or financial institution for any reason.

### 15. Effect of Default

**a. Our Rights.** If you are in default, we may suspend or close your Account, require you to pay the full amount you owe immediately, or take any other action permitted by law. This may happen without prior notice unless otherwise required by applicable law. If we exercise our rights, this Agreement will continue to apply to your Account.

**b. Collection Costs.** You agree to pay all costs of collection (including reasonable attorneys' fees and expenses) if we take any action to collect this Account after default, and to the maximum amount permitted by applicable law, if permitted.

### 16. Termination

We may terminate your Account or this Agreement at any time for any reason without prior notice, subject to limitations of applicable law. After termination, you will not be able to make new Purchases but you will still have to pay any remaining balance in full. All other provisions of this Agreement will continue to apply.

### 17. Liability

**a. Our Liability.** Neither we nor Klarna Inc. will be responsible for any Merchant's failure to accept payment using Klarna Credit. Our and Klarna Inc.'s liability is limited to that determined by applicable law and will only include your actual damages.

**b. Your Liability for Unauthorized Use/Lost or Stolen Account.** If you notice the loss or theft of your Account or a possible unauthorized use of your Account, you should write to us immediately at "Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201" or call us at 1-844-4KLARNA. You may qualify for the protections set forth in the Klarna Buyer Protection Policy. You will not be liable for unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed \$50.

You may qualify for the protections set forth in the [Klarna Buyer Protection Policy](#).

### 18. Amendment of this Agreement

We may amend this Agreement from time to time, in any respect, and give you written notice if required by law. An amendment may change something in this Agreement (for example, the rate of interest on any or all transaction types), add something new, or take something out. Amendments will apply to outstanding balances and new Purchases, except as otherwise indicated in any written notice or as otherwise provided by applicable law. This Agreement, except when amended in accordance with this Agreement, is the final expression of the Agreement between us and may not be contradicted by evidence of any alleged oral agreement.

### 19. Remedies Cumulative

Our remedies under this Agreement shall be cumulative and not alternative.

### 20. Delay in Enforcement

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

### 21. Book Entry System

You hereby appoint Klarna Inc. as your agent in maintaining, and Klarna Inc. agrees to maintain, a book entry system that records the identity of the owner of each Purchase on the Account. The right to the principal of, and stated interest on, each Purchase on the Account may only be transferred through the book entry system maintained by Klarna Inc. This section does not affect any of your obligations under this Agreement. This section does not limit or waive any of your rights, including but not limited to your Billing Rights.

### 22. Assignment

You may not transfer or assign any rights or obligations you have under this Agreement without our prior written consent. WebBank reserves the right to transfer or assign this Agreement or any right or obligation under this Agreement at any time without your consent, including to Klarna Inc.

### 23. Credit Investigation, Reporting and Credit Bureau Disputes

You authorize us and/or our service providers to make or have made any credit, employment, and investigative inquiries we deem appropriate related to your application for credit, this Account, and the collection of amounts owed on this Account. You agree that we and/or Klarna Inc. have the right to obtain a credit report in connection with our review of your application for this Account and for an increase or decrease in the Credit Line and occasionally and routinely, during the term of this Account, as we deem reasonably necessary to maintain and collect this Account. You authorize us to answer any questions about our experience with you related to this Account and to report that experience to credit reporting agencies.

**If you believe we inaccurately reported credit history information about you or your Account to a credit reporting agency, call us at 1-844-4KLARNA or write to us at: Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201. Please include a copy of the credit report reflecting the information that you believe is inaccurate.**

### 24. Communications Between You and Us

**a. Notices and Customer Service.** You may send written notices, correspondence, inquiries, and questions concerning your Account to us at Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201. You may also call our customer service department at 1-844-4KLARNA.

**b. Consent to Communications.** We and/or Klarna Inc. may use any means of communication to contact you for any lawful purpose (including debt collection and/or marketing), including during weekends or holidays. Such means of communication may include, but are not limited to, postal mail, telephone, email, text message, or other technology, even if you are charged for the contact. You are responsible for any charges for contacting you that may be billed to you by our or Klarna Inc.'s communications carrier. We and/or Klarna Inc. may contact you at any address (including any email or text message address) or telephone number (including any cellular telephone number or landline number that is later ported to a cellular telephone) that you give us or from which you call us or that we have collected for you as authorized and described in the WebBank Privacy Policy, including telephone numbers you have provided us and/or Klarna Inc. or that we and/or Klarna Inc. have obtained from third parties or collected by our own efforts. We and/or Klarna Inc. may contact you for any lawful purpose relating to this Account using an automatic dialing and/or announcing device that may play prerecorded messages and may also contact you via text messages. You agree to receive such calls and text messages. No contact from us and/or Klarna Inc. will be deemed unsolicited. You may contact our and/or Klarna Inc.'s customer service department to ask that we not contact you by using any one or more particular methods or technologies.

**c. Monitoring and Recording.** We and/or Klarna Inc. may monitor, tape, or electronically record our telephone calls with you, including any calls with our and/or Klarna Inc.'s customer service department, collection department, and any other department.

**d. Emails.** You consent to our emailing you for any lawful purpose, including marketing. You may withdraw consent to us sending you commercial emails by changing your email preferences at our Account servicing website, or by "unsubscribe" when we send you an email.

### 25. Governing Law

This Agreement and your Account will be governed by federal law applicable to a FDIC-insured institution and, to the extent permitted by law and not preempted by federal law, the law of Utah, without regard to its choice of law provisions, including any applicable statutes of limitations. You agree that this Agreement is entered into between you and us, and received by us, in Utah and we extend credit to you from Utah, whether or not you live in Utah. We will make the decision whether to open an account for you based on criteria established in Utah. If any provision of this Agreement is determined to be void or unenforceable under any applicable law, rule or regulation, all other provisions of this Agreement will remain enforceable (except as specifically addressed in the Arbitration Provision). Our failure to exercise any of our rights under this Agreement will not be deemed to waive our rights to exercise such rights in the future. This Agreement is a final expression of the agreement between you and us and this Agreement may not be contradicted by evidence of any alleged prior oral agreement or of an alleged contemporaneous oral agreement between you and us.

### 26. Arbitration

**Please review this provision carefully. It provides that any dispute may be resolved by binding arbitration instead of a trial in court or a class action. Unless you opt out, as described below, this provision will eliminate your right to go to court (except for a small claims court having jurisdiction), the right to bring class or collective actions, and the right to have a jury decide a dispute. If you are a Covered Borrower under the Military Lending Act, as defined by federal law, this section will not apply to you.**



You, WebBank and Klarna Inc. each agree that any and all disputes or claims arising out of or relating to this Agreement, your Account or the corresponding relationship between you, on the one hand, and WebBank Klarna Inc., and their agents, employees, officers, directors, predecessors in interest, and successors and assigns (for purposes of this section, collectively the "WebBank/Klarna Parties"), on the other hand, shall be resolved exclusively through final and binding arbitration, as set forth in this section ("*Arbitration Provision*"), rather than in court, except that you may assert claims in small claims court, if your claims satisfies all requirements to be heard in that small claims court. This Arbitration Provision and any dispute or arbitration hereunder will be governed by the Federal Arbitration Act. The arbitrator's award shall be final and binding, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any arbitration shall be confidential, and neither you nor we may disclose the existence, content or results of any arbitration, except as may be required by law or for purposes of enforcement of the arbitration award.

**a. Prohibition of Class and Representative Actions and Non-Individualized Relief.** YOU AND THE WEBBANK/KLARNA PARTIES AGREE THAT EACH MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, CONSOLIDATED OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND THE WEBBANK/KLARNA PARTIES AGREE OTHERWISE, THE ARBITRATOR MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON'S OR PARTY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. THE ARBITRATOR MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S). ANY RELIEF AWARDED CANNOT AFFECT OTHER KLARNA CREDIT USERS.

**b. Arbitration Procedures.** Arbitration is more informal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, discovery is more limited, and court review of an arbitration award is very limited. However, an arbitrator can award the same damages and relief on an individual basis that a court can award to an individual, including monetary damages, and injunctive or declaratory relief. An arbitrator also must follow these Terms as a court would. The arbitration will be conducted by the American Arbitration Association ("AAA") under its rules and procedures, including the AAA's Consumer Arbitration Rules (as applicable), as modified by this Arbitration Provision. The AAA's rules are available at [www.adr.org](http://www.adr.org). A form for initiating arbitration proceedings is available on the AAA's website at [www.adr.org](http://www.adr.org). The arbitration shall be held in a reasonably convenient location in the state in which you reside or at another mutually agreed location. Attendance at an in-person hearing may be made by telephone by you and/or the WebBank/Klarna Parties, unless the arbitrator requires otherwise. If the value of the relief sought is \$10,000 or less, either you or the WebBank/Klarna Parties may elect to have the arbitration conducted based solely on written submissions pursuant to the AAA's Procedures for the Resolution of Disputes through Document Submission, which election shall be binding on you and the WebBank/Klarna Parties subject to the arbitrator's discretion to require an in-person hearing, if the circumstances warrant.

**OPT-OUT.** NOTWITHSTANDING THE FOREGOING, YOU MAY CHOOSE TO PURSUE YOUR CLAIM IN COURT AND NOT IN ARBITRATION IF YOU OPT OUT OF THIS ARBITRATION PROVISION WITHIN 30 DAYS FROM THE DATE YOU FIRST APPLY FOR THE ACCOUNT OR OTHERWISE ACCEPT THIS AGREEMENT (THE "OPT OUT DEADLINE"). YOU MAY OPT OUT OF THIS ARBITRATION PROVISION BY FULLY COMPLETING, SIGNING AND DATING THE ARBITRATION OPT-OUT NOTICE FORM LOCATED AT [http://cdn.klarna.com/1.0/shared/content/legal/en\\_us/arbitration/opt\\_out\\_notice\\_credit.pdf](http://cdn.klarna.com/1.0/shared/content/legal/en_us/arbitration/opt_out_notice_credit.pdf) AND MAILING IT VIA FIRST-CLASS MAIL AT THE FOLLOWING ADDRESS: KLARNA CREDIT ARBITRATION OPT-OUT, P.O. BOX 8116, COLUMBUS, OHIO 43201. ANY ARBITRATION OPT-OUT NOTICE RECEIVED AFTER THE OPT-OUT DEADLINE WILL NOT BE VALID AND YOU MUST PURSUE YOUR CLAIM IN ARBITRATION OR SMALL CLAIMS COURT.

**c. Costs of Arbitration.** Payment of all filing, administration, and arbitrator fees will be governed by the AAA's rules, unless otherwise stated in this Arbitration Provision. If the value of the relief you are seeking is \$10,000 or less, the WebBank/Klarna Parties will pay or reimburse your filing, administration, and arbitrator fees associated with the arbitration. Any request for payment of fees by the WebBank/Klarna Parties should be submitted by mail to the AAA along with your Demand for Arbitration and the WebBank/Klarna Parties will make arrangements to pay all necessary fees directly to the AAA. In the event the arbitrator determines the claim(s) you assert in the arbitration to be frivolous, you agree to reimburse the WebBank/Klarna Parties for all fees associated with the arbitration that the WebBank/Klarna Parties paid on your behalf that you otherwise would be obligated to pay under the AAA's rules.

**d. Severability.** If any part of this Arbitration Provision, other than subsection (a) ("Prohibition of Class and Representative Actions and Non-Individualized Relief"), is found invalid or unenforceable for any reason, the remainder of this Arbitration Provision shall remain enforceable. If any of the provisions in subsection (a) is found invalid or unenforceable for any reason, then the entirety of this Arbitration Provision will be null and void, with the sole exception of the jury waiver set forth in subsection (e), which shall continue to apply.

**e. Jury Waiver.** IF FOR ANY REASON A DISPUTE OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND THE WEBBANK/KLARNA PARTIES PROCEEDS IN COURT RATHER THAN IN ARBITRATION, YOU AND THE WEBBANK/KLARNA PARTIES EACH WAIVE ANY RIGHT TO A JURY TRIAL TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW.

**f. Future Changes to this Arbitration Provision.** Notwithstanding any provision in this Agreement to the contrary, you and the WebBank/Klarna Parties agree that if we make any change to this Arbitration Provision (other than a change to any notice address or website link provided herein) in the future, that change shall not apply to any claim that was filed in a legal proceeding against the WebBank/Klarna Parties prior to the effective date of the change.

## 27. Severability

Except as otherwise provided herein, if any provision of this Agreement is held to be invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions of this Agreement.

## 28. Billing Rights Notice

*Your Billing Rights: Keep This Document For Future Use*

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

### *What To Do If You Find A Mistake On Your Statement*

If you think there is an error on your statement, write to us at:

Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201,

or write to us electronically at:

customerservice@klarna.com

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call or email us, but if you do, we are not required to investigate any potential errors, and you may have to pay the amount in question.

### *What Will Happen After We Receive Your Letter*

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your Credit Line.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

### *Your Rights If You Are Dissatisfied With Your Credit Card Purchases*

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the Merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50 (Note: Neither of these are necessary if your Purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

Klarna Credit Customer Service, P.O. Box 8116, Columbus, Ohio 43201,

or write to us electronically at:

customerservice@klarna.com

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

## 29. Protections for Members of the Armed Forces and their Dependents

This section only applies to Covered Borrowers under the Military Lending Act, as defined by federal law. Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an annual percentage rate of 36 percent. This rate must include, as applicable to the credit transaction or account: The costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).

To hear this statement, as well as a description of your payment obligation, please call 1-866-483-6518.

As a Covered Borrower, the mandatory arbitration provisions of Section 26 will not apply to you.

Last updated October 11, 2018

## WebBank Privacy Policy

Rev 05/18

FACTS	WHAT DOES WEBBANK DO WITH YOUR PERSONAL INFORMATION IN CONNECTION WITH YOUR KLARNA CREDIT ACCOUNT?		
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and transaction history</li> <li>• payment history and account balances</li> <li>• credit history and credit scores</li> </ul> When you are no longer our customer, we continue to share your information as described in this notice.		
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons WebBank chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information	Does WebBank share?	Can you limit this sharing?	
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No	
For our marketing purposes – to offer our products and services to you	Yes	No	
For joint marketing with other financial companies	No	We don't share	
For our affiliates' everyday business purposes – information about your transactions and experiences	No	We don't share	
For our affiliates' everyday business purposes – information about your creditworthiness	No	We don't share	
For nonaffiliates to market to you	Yes	Yes	
To limit our sharing	<ul style="list-style-type: none"> <li>• Email us at <a href="mailto:privacyoptout@klarna.com">privacyoptout@klarna.com</a>, or</li> <li>• Call toll-free 1-844-KLARNA1 (1-844-552-7621)</li> </ul> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.		
Questions?	Call toll-free 1-844-4KLARNA (1-844-455-2762) or go to <a href="http://Klarna.com">Klarna.com</a>		
Who we are			
Who is providing this notice?	WebBank		

What we do	
How does WebBank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We also maintain other physical, electronic and procedural safeguards to protect this information and we limit access to information to those employees for whom access is appropriate.
How does WebBank collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>• open an account or apply for financing</li> <li>• give us your contact information or give us your income information</li> <li>• pay your bills</li> </ul> We also collect your personal information from others, such as credit bureaus or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes--information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• WebBank does not share with our affiliates.</li> </ul>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• WebBank does not share with nonaffiliates so they can market to you.</li> </ul>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• WebBank does not jointly market.</li> </ul>
Other important information	
<b>California Customers:</b> If your account has a California billing address, we will not share your personal information except to the extent permitted under California law.	
<b>Vermont Customers:</b> If your account has a Vermont billing address, we will not share your information to nonaffiliated third parties to market to you, unless you authorize us to make those disclosures.	
<b>Telephone Communications:</b> All telephone communications with us or our authorized agents may be monitored or recorded.	
The above notice applies only to your Klarna Credit account with WebBank and does not apply to any other accounts you have with WebBank.	