

Notice of Important Changes to Your Petal 1 Account Terms

We are making changes to your account terms. This notice explains the changes and what they mean for your Petal 1 account. We also are offering you a temporary membership fee waiver in connection with these changes.* Please read this notice carefully and keep a copy for your records. Please see below for both a summary of the changes, details about the temporary membership fee waiver, and the full details of the changes to your Cardholder Agreement.

Important Changes to Your Account Terms

We are adding a Monthly Membership Fee to your account.* We also are adding a transaction fee on purchases that are cash-like transactions and are expanding the types of purchases permitted on your account. The following is a summary of the changes that are being made to your account terms. Details of the changes to your Cardholder Agreement can be found below the summary. These changes will take effect on **July 1, 2023**.

How to avoid these changes: You have the right to reject these changes. However, if you reject these changes, your account will be closed. **You can reject these changes by: Going to your Petal app > 'Settings' > 'Important account changes' > 'Close Your Account', emailing us at support@petalcard.com; or calling us at 1-855-697-3825.**

Revised Terms, as of July 1, 2023	
Fees	
Monthly Membership Fee	\$96 annually (\$8 per month)*
Transaction Fees	
<ul style="list-style-type: none">Cash-Like Transaction	Either \$10 or 3% of the amount of each transaction, whichever is greater.

*We will waive the Monthly Membership Fee until January 1, 2024. After that, your Monthly Membership Fee will be \$8, as disclosed in the summary above.

Details of the Changes to your Cardholder Agreement

This notice amends your Petal 1 VISA Credit Card Cardholder Agreement (“Cardholder Agreement”) as described below. Any terms in the Cardholder Agreement that conflict with these changes are replaced in their entirety. Terms not changed by this notice continue to apply to your account. If you have any questions, please email us at support@petalcard.com.

Effective July 1, 2023, your Cardholder Agreement will be amended as follows:

The “Fees” section of your Customized Disclosures is amended by (i) deleting the “Annual Membership Fee” and “Transaction Fee” rows and replacing them with the following:

Monthly Membership Fee	\$96 annually (\$8 per month)
Transaction Fees	
<ul style="list-style-type: none">Cash-Like Transaction	Either \$10 or 3% of the amount of each transaction, whichever is greater.
<ul style="list-style-type: none">Foreign Purchases	None

The "Purchases" section of your Cardholder Agreement will be deleted in its entirety and replaced with the following:

2. Purchases. You may use your Account to purchase or lease goods or services and make other transactions we permit (each, a "purchase") by presenting your Card, or providing to participating merchants and establishments that honor the Card, your Card number and additional information you use to access your Account by any other means (for example, over the phone, online or through a mobile app). Cash-like transactions are purchases; provided, however, that additional terms and conditions may apply to cash-like transactions, as set forth in this Agreement. Examples of cash-like transactions include but are not limited to the following, to the extent they are accepted: the purchase of traveler's checks, foreign currency, and money orders; the purchase of or payment for lottery tickets, casino gaming chips, race track wagers, and similar offline and online betting transactions; payment for wire transfers, person-to-person money transfers, and account-funding transactions that transfer currency; payment for buy now, pay later transactions; the purchase of gift cards and commuter cards, to the extent permitted by law and applicable payment network rules; payment for bail bonds and to collection agencies; and making a payment using a third-party service, including bill payment transactions not made directly with the merchant or their service provider.

You may not use your Card or Account to (i) transfer a balance from another credit account to your Account ("balance transfer"), (ii) obtain cash from an automated teller machine or other device available for such purpose, a financial institution, or other location, or (iii) purchase cryptocurrency or other similar digital or virtual currency. You agree that we may rely on information provided by merchants, payment processors, and your applicable payment network to categorize transactions among various types of purchases, balance transfers, and other types or categories of transactions, as well as by merchant category.

We reserve the right to deny any purchase for any reason, such as Account default, suspected fraudulent or unlawful activity, suspected violation of the terms of this Agreement, internet gambling, or any indication of increased risk related to the purchase. We will not be liable to you (or anyone else) for any losses you incur if we deny a purchase. We will not be liable to you (or anyone else) if any merchant or other person cannot or will not process a purchase permitted under this Agreement. Unless prohibited by applicable law, we may from time to time limit or restrict the type, number and dollar amount of any purchase, even if you have sufficient available credit to complete the purchase. We also may limit or restrict the merchants or terminals where you may use your Account or your Card. We may change these limits or restrictions from time to time in our sole discretion.

The "Prohibited Uses of Account" section of your Cardholder Agreement will be deleted in its entirety and replaced with the following:

3. Prohibited Uses of Account. You agree that you will only use the Account for personal, family or household purposes and will not use the Account for any unlawful purpose, in any manner not permitted by this Agreement, or for the purpose of paying us on this or any other form of credit account you may have with us. If you use your Card for any such purpose, we may declare you to be in default under this Agreement and we may block such transactions and/or terminate your Account, but you still will be liable to us for all charges relating to such transactions and all other transactions on your Account at the time it is closed. Further, you agree that you will not allow any other person to use the Card or Account without our consent. However, your breach of any of these promises will not affect or limit your liability to us with respect to your purchases. If you authorize or allow any person to use your Account, such authorization will be deemed to extend to all purchases by such person, even if not intended by you, and will continue until you have taken all steps necessary to prevent any further use of the Account by such person, even if you have advised us that such person is no longer authorized to use the Account.

The "Fees" section of your Cardholder Agreement will be deleted in its entirety and replaced with the following:

8. Fees. Subject to applicable law, including the federal Truth in Lending Act and Regulation Z, you agree to pay the following fees:

(a) *Monthly Membership Fee.* The monthly membership fee is \$8. We have the right to charge this fee in each billing cycle, whether or not you use your Account. We will add this fee to the purchase balance on your Account. This fee is non-refundable. Your payment of the monthly membership fee does not affect our rights under this Agreement to close your Account or limit or restrict your ability to make purchases on your Account.

(b) *Penalty fees.*

(i) Each time we do not receive the minimum payment due in full by the payment due date, we will charge you a late fee of \$29.00 if we have not charged (or waived) a late fee within the six immediately preceding billing cycles. However, we will charge a late fee of \$40.00 if we have already charged (or waived) a late fee within the six immediately preceding billing cycles. We will never charge a late fee exceeding the minimum payment due that is late.

(ii) Each time a payment on your Account is returned or reversed for any reason or we must return any check or instrument you send us because it is not signed or is otherwise incomplete, we will charge you a returned payment fee of \$29.00. However, we will not charge a returned payment fee if we are charging a late fee with respect to the same minimum payment due and will never charge a returned payment fee exceeding the minimum payment due that was due immediately prior to the date on which the payment was returned to us.

(c) *Transaction Fee for Purchases that are Cash-like Transactions.* We will charge you a fee for a purchase that is a cash-like transaction (a "Cash-Like Transaction Fee"). The amount of the Cash-Like Transaction Fee will be either \$10 or 3% of the amount of each cash-like transaction, whichever is greater. We will add this fee to the purchase balance on your Account.

(d) *Additional fees.* We may charge fees for special services you request in accordance with applicable law.