

## CBD Requirements

### Cannabidiol (“CBD”) Policy

- o No products can contain more than 0.3% THC.
- o Must not sell products marketed as food for humans, this includes products marketed as ‘delicious’, ‘edible’, ‘fruity’, ‘yummy’, ‘snacks’, ‘supplements’, etc.; no nutritional facts. Nor should they make any claims remotely related to health benefits like “anti-inflammatory” on an edible’s specific product page. Claims of health benefits could be allowed on the home page as long as a variety of non-edible products are also sold. Will be evaluated on a case by case basis.
- o Examples of acceptable products are vape (in person), gummies, capsules, pet products, bath bombs, lip balms, topical creams, CBD Oil/Tinctures/Drops
- o Must not ship to areas where product has restrictions. Hemp-derived CBD is restricted in ID, OK, NE, SD so shipping should be limited to 46 other states. Also must state it is ‘Hemp-derived CBD’.
- o Must not make false claims in advertisements
- o Must provide Ultimate Beneficial Owner form, at time of underwriting (to be provided)
- o Must provide certificate of analysis (COA) on website regarding THC testing of its products/suppliers, both at the time of underwriting and ongoing
- o IMS is not available to high risk merchants, including CBD merchants

### Required Documents

- Signed Paycosmos Application w/Pricing
- Picture of Driver’s License
- Bank Letter OR Voided Check
- Most recent processing statements – 3 months

Additional documents may be required upon review of the customer

### Common Website Requirements

- Physical business address listed; no PO Boxes/Virtual locations
- Phone number for customers to call
- Card Brand Logos
- FDA Disclaimer on home page and product pages
- No Free Trials
- Clear T&Cs
- No controversial ingredients

### Nutraceutical Questionnaire

What is the initial cost to consumers? (e.g. Free Trial, \$19.95 Sample, etc.)

If offering Trial Period, does period begin upon customer being in receipt of product(s)?

Yes \_\_\_\_\_ No \_\_\_\_\_

What is the average cost per month if consumer continues to purchase product(s)?

Are terms of sale, recurring billing, and cancellation terms displayed in a clear and conspicuous manner before the subscription is paid for by the customer?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is affirmative consent provided by consumer prior to processing an automatic renewal or continuous service?

Yes \_\_\_\_\_ No \_\_\_\_\_

Is full acknowledgement provided to consumer prior to **each** sales transaction, including recurring transactions? (Full Acknowledgement includes: When the charge will occur, for how much, name on the billing statement, and how to cancel)

Yes \_\_\_\_\_ No \_\_\_\_\_

Is a cost-effective, timely, and easy-to-use mechanism for service/subscription cancellation available to consumer? If so, which:

- |                            |           |          |
|----------------------------|-----------|----------|
| Toll-free telephone number | Yes _____ | No _____ |
| Electronic mail address    | Yes _____ | No _____ |
| Postal address             | Yes _____ | No _____ |
| Online cancellation        | Yes _____ | No _____ |
| Other (please describe)    | _____     |          |

When a consumer cancels, is consumer notified in writing?

Yes \_\_\_\_\_ No \_\_\_\_\_

Prior to any material change or policy change, will consumer be notified of the changes and provide written consent prior to billing?

Yes \_\_\_\_\_ No \_\_\_\_\_

## Required Documents

- Signed Paycosmos Application w/Tiered Pricing
- Signed Nutra Questionnaire w/ Reserve Agreement
- Picture of Driver's License
- Bank Letter OR Voided Check
- CRM Agreement
- Call Center Agreement
- Fulfillment Agreement
- Ingredients if not listed on website

### Financial Documents

- Most recent corporate financials or tax returns
- Most recent processing statements – 3 months
- Most recent business bank statements – 3 months

**For new businesses that do not have all the above financial documents available, paycosmos requires a 10% reserve if all other factors are sufficient. See attached agreement.**

## Common Website Requirements

- Physical business address listed; no PO Boxes/Virtual locations
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- No controversial ingredients

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner's Name: \_\_\_\_\_ Title: \_\_\_\_\_

DBA/Corporate Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

## Merchant Reserve Agreement

As a requirement for having a Merchant Account with paycosmos and the sponsoring bank (Avidia Bank), the undersigned business has agreed to establish and maintain a non-interest bearing reserve account ("Merchant Reserve Account") at the Sponsor Bank.

The undersigned business understands and agrees the Merchant Reserve Account amount has been established based on information provided to the Sponsor Bank and paycosmos on the Merchant Processing Agreement. Significant variances to that information may result in modifications to the Reserve Account Requirement. The creation of a Merchant Reserve Account does not change, alter or modify any of the original terms or conditions found in the Merchant Processing Agreement.

This Merchant Reserve Account will remain in effect and will continue to be held by the Sponsor Bank until such time as either party has notified the other in writing of their intent to terminate the Merchant Processing Agreement or until the Sponsor Bank and paycosmos reasonably determine that the Merchant Reserve Account is not necessary to cover any anticipated chargebacks, fees or losses resulting from prior processing activity. This is to include chargebacks, fees and losses associated with equipment, lease/rental payments, and/or supplies.

The Merchant Reserve Account requirement is \_\_\_\_\_% of the total monthly volume and is to be deducted from each deposit for a period of twelve months. (or) The Reserve Account requirement is \$\_\_\_\_\_ and will be withheld from the first deposits made until the requirement has been met. The undersigned business understands and agrees the Merchant Reserve Account amount has been established based on information provided to the Sponsor Bank on the Merchant Processing Agreement. Significant variances to that information may result in modifications to the Reserve Account Requirement.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner's Name: \_\_\_\_\_ Title: \_\_\_\_\_

DBA/Corporate Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_