



CBD Certification Agreement

WHEREAS, Esquire Bank, National Association (the “Bank”), Pepper Pay LLC (the “ISO”) and _____ (the “Merchant”) entered into a Merchant Agreement dated _____, 2024 (the “Merchant Agreement”);

WHEREAS, the Merchant provided certain representations and warranties in the Merchant Agreement related to Merchant’s compliance with applicable law; and

WHEREAS, the Merchant desires that the Bank process payments related to the Merchant’s sale of industrial hemp-derived cannabidiol products (the “CBD Products”).

NOW THEREFORE, as an inducement to, and in consideration of, the Bank processing the Merchant’s payments related to its sale of CBD Products, the Merchant provides the following representations and warranties to the Bank:

1. Merchant is in good standing and properly licensed in all states where it sells its CBD Products, and copies of all licenses are attached hereto (each a “License” and collectively, “Licenses”).
2. Attached as Schedule A hereto is a complete list of the CBD Products Merchant currently sells. Merchant will provide a revised Schedule A to the Bank at least annually or more frequently as requested by the Bank.
3. Merchant intends to sell the CBD Products listed on Schedule A to the general public.
4. Each CBD Product is excluded from the definition of “marijuana” in the Controlled Substances Act (21 U.S.C. §801 *et. Seq.*), as amended (the “CSA”), and has been approved for sale under applicable federal and state laws, rules, and regulations.
5. Merchant does not, and will not, purchase, sell, deliver or provide any refund or exchange for any product: (i) containing marijuana-based cannabidiol, cannabinoid, or tetrahydrocannabinol (THC) in excess of 0.3% by dry weight; (ii) that is included under Drug Enforcement Agency Drug Code 7350 or 7360; (iii) that is not excluded from the definition of “marijuana” in the CSA; or (iv) that has not been approved for sale under applicable federal and state laws, rules and regulations.
6. Merchant does not know of any reason that could lead to the revocation or cancellation of any License and has not received notice from any governmental authority of any revocation or intention to revoke, suspend or modify any License.
7. The individual executing this Merchant Agreement Certification on behalf of Merchant is duly authorized to make the statements contained herein, and to bind Merchant in accordance with the terms hereof.
8. In connection with its sale of CBD Products, the Merchant covenants that it will always:

- a. Fully comply with all requirements and conditions of the Licenses, all other licenses and/or permits as well as applicable federal and state laws, rules and regulations related to Merchant's business, including its sale of CBD Products.
- b. Take all action necessary to maintain the Licenses as valid and in full force and effect.
- c. Notify the Bank in writing within five (5) calendar days of the Merchant being informed of any change to any License or any location from which Merchant sells any CBD Product.
- d. Notify the Bank in writing within five (5) calendar days of the Merchant being informed of any regulatory notices or actions, or of any pending lawsuits or legal actions.
- e. Not make any statements, notices, or claims that the CBD Products prevent, treat, or cure any illness, disease, ailment or condition on their website, social media, blogs, consumer reviews and testimonials.
- f. Take all actions necessary to ensure that all information provided to Bank and/or all applicable governmental agencies relating to the operation of Merchant's business, including its sale of CBD Products, is true, accurate and complete.
- g. Refrain from shipping or delivering any CBD Product in violation of any License or Licenses.
- h. Ensure that Merchant only purchases its CBD Products, or the cannabidiol it uses in its CBD Products, from appropriately licensed and authorized distributors.
- i. Ensure that all CBD Products Merchant offers for sale are assembled, manufactured, labeled, advertised, and processed pursuant to the requirements of applicable federal and state laws, rules, and regulations.

Merchant: _____

By: _____

Print Name: _____

Title: _____

Date: _____

Schedule A to CBD Certification Agreement

Product and Price Listing

Please list all CBD Products, the price, and the Manufacturer/Distributor. Please add additional pages as needed.

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