

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-40465

**Marqeta, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**180 Grand Avenue, 6th Floor, Oakland, California**

(Address of principal executive offices)

**27-4306690**

(I.R.S. Employer Identification Number)

**94612**

(Zip Code)

**(888) 462-7738**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	MQ	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933 ("Securities Act"). Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 ("Exchange Act"). Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the registrant's Class A common stock held by non-affiliates of the registrant on June 30, 2021, the last business day of its most recently completed second fiscal quarter, was \$1.9 billion based on the closing sales price of the registrant's Class A common stock on that date. Solely for purposes of this disclosure, shares of Class A common stock held by executive officers and directors of the registrant as of such date have been excluded because such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purposes.

As of March 4, 2022, there were 425,786,396 shares of the registrant's Class A common stock, par value \$0.0001 per share, outstanding and 117,017,563 shares of the registrant's Class B common stock, par value \$0.0001 per share, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's Proxy Statement for the 2022 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2021.

MARQETA, INC.  
FORM 10-K

TABLE OF CONTENTS

	<b>Page</b>
<a href="#">Note About Forward-Looking Statements</a>	<a href="#">3</a>
<b>PART I</b>	
<a href="#">Item 1. Business</a>	<a href="#">5</a>
<a href="#">Item 1A. Risk Factors</a>	<a href="#">27</a>
<a href="#">Item 1B. Unresolved Staff Comments</a>	<a href="#">65</a>
<a href="#">Item 2. Properties</a>	<a href="#">65</a>
<a href="#">Item 3. Legal Proceedings</a>	<a href="#">65</a>
<a href="#">Item 4. Mine Safety Disclosures</a>	<a href="#">65</a>
<b>PART II</b>	
<a href="#">Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</a>	<a href="#">66</a>
<a href="#">Item 6. Reserved</a>	<a href="#">67</a>
<a href="#">Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">68</a>
<a href="#">Item 7A. Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">84</a>
<a href="#">Item 8. Financial Statements and Supplementary Data</a>	<a href="#">85</a>
<a href="#">Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</a>	<a href="#">118</a>
<a href="#">Item 9A. Controls and Procedures</a>	<a href="#">118</a>
<a href="#">Item 9B. Other Information</a>	<a href="#">119</a>
<a href="#">Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</a>	<a href="#">119</a>
<b>PART III</b>	
<a href="#">Item 10. Directors, Executive Officers and Corporate Governance</a>	<a href="#">120</a>
<a href="#">Item 11. Executive Compensation</a>	<a href="#">120</a>
<a href="#">Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">120</a>
<a href="#">Item 13. Certain Relationships and Related Transactions and Director Independence</a>	<a href="#">120</a>
<a href="#">Item 14. Principal Accountant Fees and Services</a>	<a href="#">120</a>
<b>PART IV</b>	
<a href="#">Item 15. Exhibits and Financial Statements Schedules</a>	<a href="#">121</a>
<a href="#">Item 16. Form 10-K Summary</a>	<a href="#">122</a>
<a href="#">Signatures</a>	

### Note About Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “shall,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential,” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- the effect of uncertainties related to the global COVID-19 pandemic on U.S. and global economies, our business, results of operations, financial condition, demand for our Platform, sales cycles and Customer retention;
- our future financial performance, including our net revenue, costs of revenue and operating expenses and our ability to achieve future profitability;
- our ability to effectively manage or sustain our growth and to effectively expand our operations;
- our ability to enhance our Platform and develop and expand its capabilities;
- our ability to further attract, retain, diversify, and expand our Customer base;
- our expectations as to live events in 2022;
- our ability to maintain our relationships with our Issuing Banks and Card Networks;
- our strategies, plans, objectives, and goals;
- our plans to expand internationally;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- our estimated market opportunity;
- economic and industry trends, projected growth, or trend analysis;
- our ability to develop and protect our brand;
- our ability to comply with laws and regulations;
- our ability to successfully defend litigation brought against us;
- our ability to attract and retain qualified employees and key personnel;
- our ability to maintain effective disclosure controls and internal controls over financial reporting; and
- the increased expenses associated with being a public company.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K. You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, results of operations, financial condition, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled “Risk Factors” and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements. The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law. Unless otherwise indicated or unless the context requires otherwise, all references in this document to “Marqeta”, the “Company”, the “Registrant,” “we”, “us”, “our”, or similar references are to Marqeta, Inc. Capitalized terms used and not defined above are defined elsewhere within this Annual Report on Form 10-K, including in “Select Defined Terms.”

## Select Defined Terms

**Acquirer Processor.** An Acquirer Processor provides the technology that facilitates the flow of card payment information through Card Networks to the Issuing Bank.

**Acquiring Bank.** An Acquiring Bank is the financial institution that merchants use to hold funds and manage their business. The Acquiring Bank may work with an Acquirer Processor to provide access to the Card Networks.

**API.** Refers to application programming interface.

**Card issuer.** A card issuer is a business that issues customized card products to its end users.

**Card Network.** A Card Network provides the infrastructure for settlement and card payment information that flows between the Issuer Processor and the Acquirer Processor.

**Customer.** A Customer is a current contracted customer of Marqeta.

**Dollar-based net revenue retention.** Dollar-based net revenue retention measures our ability to increase net revenue across our existing Customer base through expansion of processing volume offset by any reduced net revenue and loss of Customers in a given period. Dollar-based net revenue retention is calculated as net revenue derived during a given period from Customers existing at the beginning of the period, divided by net revenue from these same Customers in the prior period. This metric reflects any attrition of net revenue and loss of Customers during the current period.

**Interchange Fees.** Interchange Fees are transaction-based and volume-based fees set by a Card Network and paid by an Acquiring Bank to the Issuing Bank that issued the payment card used to purchase goods or services from a merchant. Our agreements with Issuing Banks provide that we receive 100% of the Interchange Fees for processing our Customer's card transactions.

**Issuer Processor.** An Issuer Processor provides a technology platform, ledger, and infrastructure to support a card issuer and connects with a Card Network to facilitate payment transactions.

**Issuing Bank.** An Issuing Bank is the financial institution that issues a payment card (credit, debit, or prepaid) either on its own behalf or on behalf of a card issuer.

**Just-In-Time Funding or JIT Funding.** A feature of the Marqeta Platform that allows Customers to programmatically authorize and fund individual transactions while participating in the approval decision in real time.

**Marqeta Platform or Platform.** Refers to our modern card issuing platform.

**Modern card issuing.** Modern card issuing is secure card issuing and processing delivered via an open API platform that enables card issuers to create customized payment card products that leverage a just-in-time funding feature, authorizing their end users' transactions in real-time.

**Processing volume.** Processing volume refers to the dollar amount of payments processed through the Marqeta Platform, net of returns and chargebacks, that contribute to our TPV.

**Revenue Share.** Revenue Share refers to provisions in our Customer contracts under which we share a portion of Interchange Fees with our Customers.

**Tokenization as a Service or TaaS.** A Marqeta product that allows a card issuer to provision a token to a digital wallet (e.g., Apple Pay, Google Pay, Samsung Pay), allowing an end user to securely store card information in the digital wallet. Customers that use our Tokenization as a Service benefit from our Platform, tokenization expertise, and built-in certifications with digital wallets and the Card Networks.

**Total processing volume or TPV.** TPV is the total dollar amount of payments processed through the Marqeta Platform, net of returns and chargebacks.

**Transactions on our Platform.** Refers to the number of transactions we process on our Platform.

## PART I

### ITEM 1. BUSINESS

#### Our Business

Marqeta created modern card issuing, and we believe modern card issuing is at the heart of today's digital economy.

When you order food using DoorDash or groceries using Instacart, modern card issuing works in the background as money moves from the app to the delivery driver or shopper's payment card, allowing the driver or shopper to pay for exactly what you ordered, and nothing else.

When you buy a big screen TV and pay for it in installments using Affirm or Klarna, modern card issuing helps move money to the payment card that Affirm or Klarna uses to seamlessly pay the merchant.

When you receive money from your friend through Block's Cash App, modern card issuing helps move the funds to your debit card, making it instantly available to you to make purchases.

Marqeta's modern card issuing platform empowers our Customers - which include businesses like Affirm, Block (formerly known as Square), DoorDash, Instacart, and Klarna - to create customized payment cards that provide innovative payment experiences for their customers, shoppers, and end users. Before the rise of modern card issuing, creating cards was slow, complex, and subject to mistakes. Marqeta helps solve these problems. Our Platform, powered by open APIs, enables businesses to develop modern, frictionless payment card experiences for consumer and commercial use cases that are either the core of, or in support of, their core business.

Our modern architecture allows for flexibility, a high degree of configurability, and accelerated product development, democratizing access to card issuing technology. Marqeta's open APIs provide instant access to our highly scalable, cloud-based, and configurable payment infrastructure that enables our Customers to launch and manage their own card programs, issue cards to their customers or end users, and authorize and settle payments transactions.

Marqeta is the first company to offer a Platform for modern card issuing and transaction processing and we believe also the first to market with multiple issuing and processing innovations, including the first open APIs, JIT Funding, and Tokenization as a Service. Marqeta's modern card issuing Platform supports prepaid, debit, and credit products. Modern card issuing is secure card issuing and processing delivered via an open API platform that enables card issuers to create customized payment card products that leverage a just-in-time funding feature, authorizing their end users' transactions in real-time. Integrated with major global and local Card Networks, modern card issuing enables card issuers to build payment solutions to their specifications and launch them globally.

We believe we are deeply integrated with our Customers in three ways: our technology underpins their core business or supports a core business process, our solutions drive their key processes, and our people become their trusted partner. In addition, our usage-based business model provides a win/win for both our Customers and us: as their businesses thrive, our net revenue grows.

The strength and durability of our Customer relationships are evidenced by our year-over-year net revenue growth of 78% and our dollar-based net revenue retention of 175% for the year ended December 31, 2021. Our dollar-based net revenue retention was over 200% for each of the years ended December 31, 2020, and 2019. In the years ended December 31, 2021, 2020 and 2019, the Marqeta Platform processed TPV of \$111.1 billion, \$60.1 billion and \$21.7 billion, respectively, which reflected year-over-year growth of 85% and 177%, respectively.

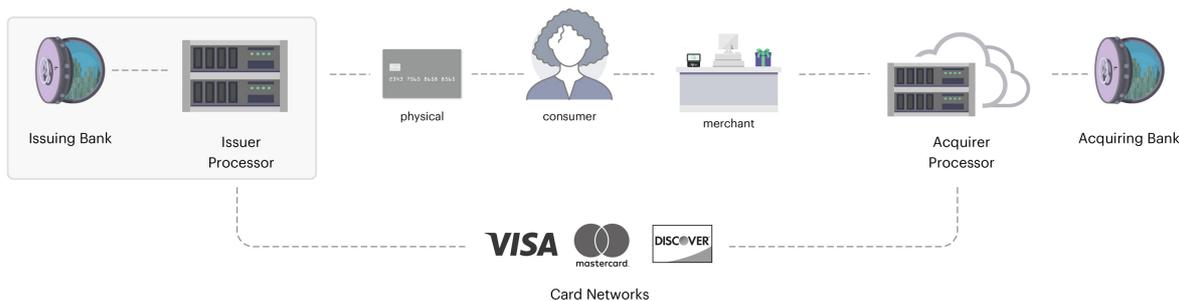
Our products meet the card issuing and transaction processing needs of commerce disruptors, digital banks, tech giants, and large financial institutions alike. Marqeta has already emerged as a card issuing platform category leader in many disruptive verticals, including on-demand services, lending (including buy-now-pay-later, or BNPL, financing), expense management, disbursements, online marketplaces, and digital banking (including cryptocurrency), and our Platform is sought out by tech giants and large financial institutions to improve their existing offerings and stay competitive with technology-focused new market entrants.

As we expand our use cases, product offerings, and global footprint, we attract new industry innovators and help existing Customers expand into new verticals, programs, markets, and geographies. Our Customers consistently tell us that our ability to work at speed, simplify the complex, and envision their end users' experience helps them focus on what they do best—*building innovative products and serving their customers*. We believe our culture of customer-centricity, innovation, teamwork, and clarity of mission is why Customers trust us with their mission critical payments needs and continue to grow and expand with us.

We have grown and scaled rapidly in recent periods. Our total net revenue was \$517.2 million, \$290.3 million and \$143.3 million for the years ended December 31, 2021, 2020 and 2019, respectively, an increase of 78% and 103% from the prior years, respectively. We incurred net losses of \$163.9 million, \$47.7 million, and \$58.2 million for the years ended December 31, 2021, 2020 and 2019, respectively.

### The Payments Ecosystem

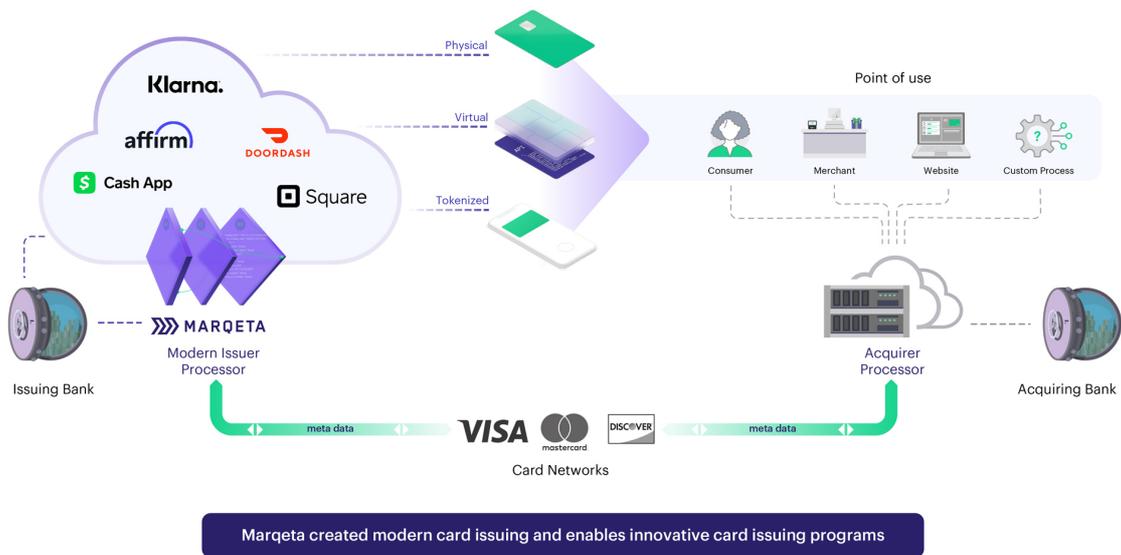
A complex ecosystem of Issuing Banks and Acquiring Banks, Acquirer Processors, Issuer Processors, and the Card Networks that facilitate the exchange of information and funds underpins global payment card purchase transactions.



### Legacy Payments Ecosystem

- **Issuing Bank:** The financial institution that issues the payment card (credit, debit, or prepaid) either on its own behalf or on behalf of a card issuer.
- **Issuer Processor:** Provides the technology platform, ledger, and infrastructure to support a card issuer and connects with a Card Network to facilitate payment transactions.
- **Card issuer:** A business that issues customized card products to its end users.
- **Card Networks:** Provides the infrastructure for settlement and card payment information that flows between the Issuer Processor and the Acquirer Processor.
- **Acquirer Processor:** Provides the technology that facilitates the flow of card payment information through Card Networks to the Issuing Bank.
- **Acquiring Bank:** The financial institution that merchants use to hold funds and manage their business. The Acquiring Bank may work with an Acquirer Processor to provide access to the Card Networks. The Acquiring Bank is also referred to sometimes as the merchant bank.

## Modern Payments Ecosystem



Modern card issuing is secure card issuing and processing delivered via an open API platform that enables card issuers to create customized payment card products that leverage a just-in-time funding feature, authorizing their end users' transactions in real-time. Integrated with major global and local Card Networks, modern card issuing enables card issuers to build payment solutions to their specifications and launch them globally. This modern infrastructure allows for significant innovation in the payments ecosystem. It enables a new class of card issuers to emerge by simplifying and democratizing the issuing process. It expands the issuing medium beyond physical cards to keep pace with the demands of digital commerce and mobile wallets, increasing regulatory and security requirements, and cross-border capabilities. It gives developers highly configurable controls that enable them to provide a customized solution to their business and customer needs. It operates on an extensible cloud infrastructure that works globally and enables scale and simplicity even as card issuer, merchant, and consumer demands become increasingly complex.

In other words, a modern payments ecosystem puts innovation, accessibility, flexibility, control, and scale into the hands of card issuers by delivering all of these benefits in one easy-to-use platform. This type of platform solution powers the growth of new verticals and new card issuers and enables innovation for large financial institutions who are looking to expand their products and use cases to remain competitive in an increasingly digitized world. We believe Marqeta has built such a platform.

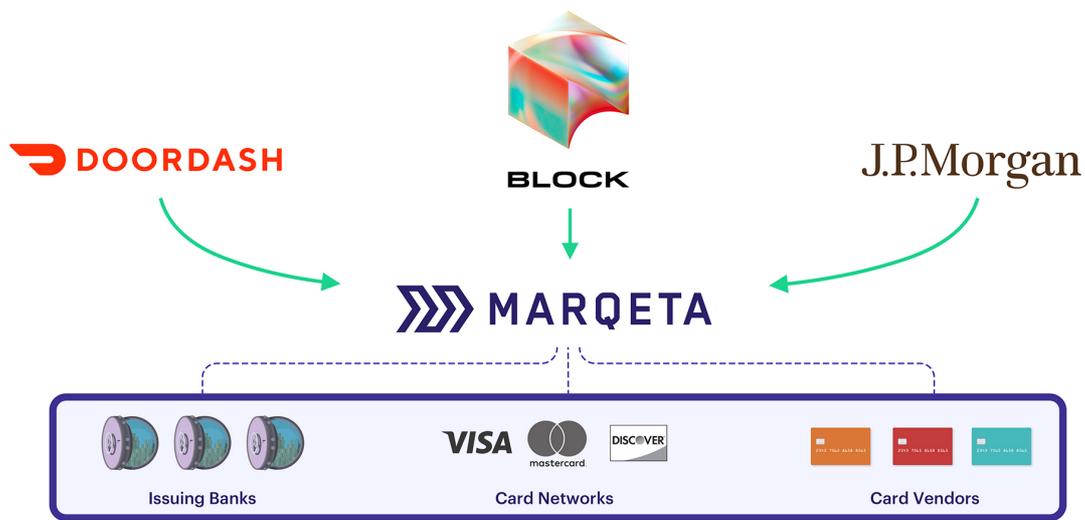
### Our Platform and Products

Marqeta provides a single, global, cloud-based, open API Platform for modern card issuing and transaction processing. The Marqeta Platform provides next generation payment experiences for tech-driven, developer-led companies and is well positioned to address the payment needs of commerce disruptors, digital banks, tech giants, and large financial institutions.

### Our Platform

Marqeta's modern card issuing Platform was built by developers for developers. Our Customers are able to use our simple, data-rich, and accessible Platform to build and rapidly scale their card programs, with extensive control and configurability, and with the highest standards of reliability and security. Our Platform is designed to reduce complexity for card issuers, enabling a full spectrum of card issuing and transaction processing services in a single solution.

Marqeta = one-stop access to the modern payments ecosystem and services



Our Platform has a number of key attributes, including:

**Accessible:** We democratize key payment capabilities to enable any business to start issuing physical, virtual, or tokenized payment cards (e.g., Apple Pay, Google Pay, Samsung Pay) that are configured to its individual business needs. New Customers do not need to have deep payment expertise to issue cards and process transactions.

**Simple:** Our Platform makes payment transactions simple by working behind the scenes to translate the complex into intuitive and developer-friendly user experiences. We provide direct integrations with the Card Networks, including Visa, Mastercard, and PULSE, which is part of the Discover Global Network, enabling developers to use Marqeta's single unified platform for all of their payments integrations.

**Scalable:** The Marqeta Platform is highly agile and scalable, allowing our Customers to launch and grow card programs with speed and confidence. As a global platform built on a single codebase to support our Customers worldwide, we have a build-once, deploy-anywhere model, offering seamless integration with global and local Card Networks.

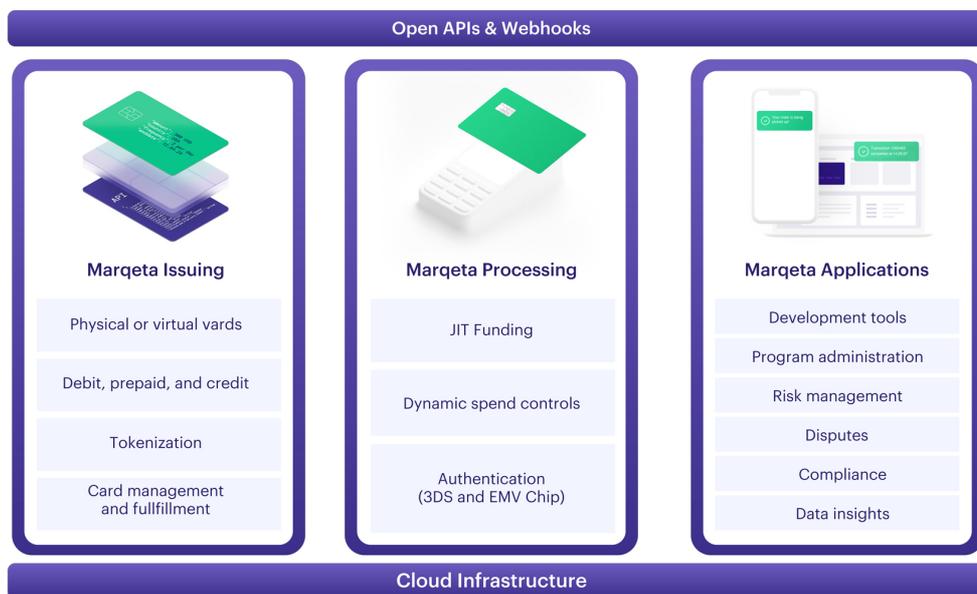
**Configurable:** The Marqeta Platform is highly configurable and is able to serve use cases previously unaddressed by legacy systems, such as BNPL financing at the point-of-sale in the lending industry. Our Platform's configurability significantly expands the categories of businesses that can begin issuing their own cards to solve complex payment needs.

**Innovative:** Marqeta is a hub for innovation. Instant card issuance, provisioning to digital wallets, JIT Funding, and dynamic spend controls enable our Customers to operate with unmatched speed and control.

**Trusted:** Our Platform is trusted by some of the world's largest financial institutions, tech giants, digital banks, and commerce disruptors to perform at scale. We meet the highest standards of Payment Card Industry, or PCI, compliance and provide a trusted environment for card issuing and payment processing with security, transparency, and real-time information.

## Our Products

Marqeta's innovative products are developed with deep domain expertise and a customer-first mindset. At its core, our Platform offers three primary capabilities: Marqeta Issuing, Marqeta Processing, and Marqeta Applications to launch, scale, and manage card programs.



### Marqeta Issuing

We enable our Customers to issue physical, virtual, and tokenized cards. With approximately 493 million cards issued through the Marqeta Platform as of December 31, 2021, across a deep and varied Customer base, we have significant industry experience supporting card programs of multiple types and sizes. We offer fulfillment services, enabling our Customers to optimize their card programs by managing users, fulfillment, and card transactions through the Marqeta Platform. We are also at the forefront of payments innovation, with features such as the provision of a tokenized card into digital wallets like Apple Pay, Google Pay, and Samsung Pay.

We offer a number of core card issuing services and functionalities:

**Custom card functionality:** Our Issuing Bank relationships and direct integrations with the Card Networks enable our Customers to efficiently launch, manage, and grow card programs that are customized to their specific business needs without needing to build those complex relationships or integrations themselves. We provide industry-leading user experience while minimizing fraud.

**Configure cards with open APIs:** Customers can easily define card attributes for where and how a card is used. These use cases and restrictions include, among others, ATM, online, or point-of-sale use; ability to restrict or accept use in certain countries or currencies; and address or postal code acceptance.

**Build, test, and launch cards:** Developers can simultaneously create card products and set up funding sources, cardholders, and cards through simulations available in their own private and secure Marqeta sandbox, enabling them to test and validate their programs easily and quickly before launch.

**Securely embed cards into apps:** Customers using our Platform have the ability to securely embed sensitive card data into mobile apps using customizable widgets or the Marqeta JavaScript library; this has the added benefit of dramatically reducing the workload necessary to comply with PCI requirements.

**Customize cards:** Marqeta's Customers control the design and feel of their physical and virtual cards, which helps our Customers establish strong brand identity for their business. Customers choosing physical cards can also customize security features, including magnetic stripe, near field communication, and EMV-chip enabled.

**Manage card programs:** The Marqeta Platform allows Customers to manage card issuance over the entire card lifecycle. Through our dashboard, Customers can order, activate, set expiration, suspend, and terminate cards. They can also manage lost, stolen, and damaged cards via our APIs. Customers can also integrate Interactive Voice Response for card activation, personal identification number, or PIN, setting, balance inquiry, and lost or stolen card reporting into their own card programs.

We also partner with some of the world's largest card issuers. For example, our card-issuing technology will enable J.P. Morgan to instantly provision commercial cards into digital wallets for commercial card customers, accelerating the issuance process and reducing the probability of fraud in each transaction.

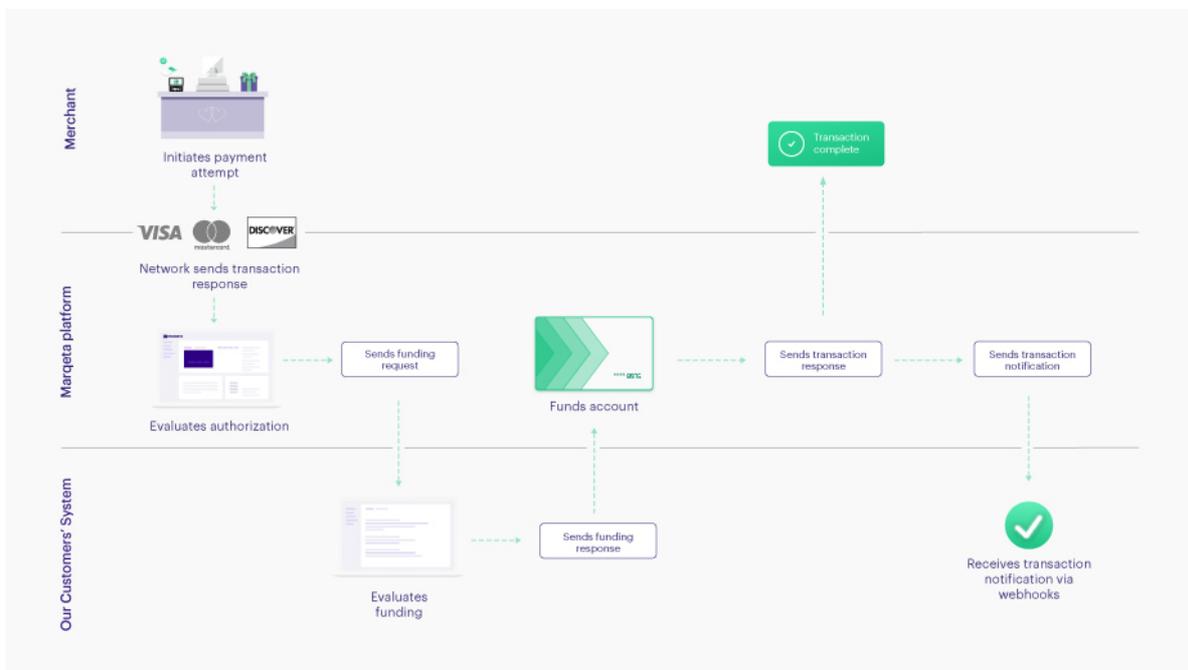
### Marqeta Processing

Our Platform can process transactions with control and speed for our Customers, leveraging certain of our core competencies:

**Secure authentication:** Marqeta's modern Platform provides robust, secure authentication tools. A variety of authentication methods are available to authenticate the card user, including PIN, address verification, card verification value, 3D Secure and EMV chip.

**Configurable spend controls:** Customers can reduce fraud by limiting where and how their end users can transact. Through the Marqeta Platform, our Customers can deploy fully tailored spending limits by merchant, merchant category, merchant group, amount, user, user group, frequency of use, time of use, and start/end times, among many other inputs.

**Just-in-Time Funding:** Using Marqeta's industry-first JIT Funding functionality, Customers can programmatically authorize and fund each transaction in real time. Utilizing this feature, each card maintains a zero-amount balance until the card is used and approved. Upon approval, Marqeta automatically moves funds from an identified funding source into the appropriate account. The following illustration reflects the workflow once a cardholder attempts to make a payment at a merchant using an account configured to use JIT Funding:



**Real-time notifications:** Through our Platform, Customers can implement our unique webhooks or push notification capabilities to receive real-time updates as transactions are processed on the Marqeta Platform. Turning on these notifications empowers our Customers to provide real-time, meaningful messages to their end users. Our Platform also supports card events, dispute events, and transaction events. For example, cardholders will receive notifications on returns and refunds as they occur to help our Customers apply the right amount of credit to accounts in a timely manner.

**Accelerates reconciliations:** Our Platform saves our Customers both time and money. By injecting custom data fields into each transaction, Customers can optimize and accelerate reconciliations by matching the order and ledger system records automatically.

### **Marqeta Applications**

Using the Marqeta Platform, Customers can leverage applications that cover the entire payments lifecycle, including the developer sandbox, card management, transaction monitoring, and case management. These applications help ensure their programs are as successful as possible.

Marqeta applications allow Customers to:

**Utilize developer tools:** Developers have access to Marqeta's wealth of tools, including a private sandbox, APIs, software development kits, or SDKs, widgets, and documentation to customize, test, and issue their cards and programs. With multiple API endpoints, developers can configure spend controls, simulate transaction processing, and quickly roll out new features with confidence.

**Streamline program administration:** Our Platform is transforming how our Customers can approach program administration. We offer tools to manage program funds, monitor cardholder balances, report lost or stolen cards, and view a multitude of white-labeled reports, all through a single application.

**Reduce and mitigate fraud:** We offer unique functionality to help card issuers combat fraud. Using Marqeta's powerful authorization and decisioning engine, Customers can configure rules using a variety of inputs that approve or decline transactions based on real-time and dynamic parameters. This along with our know-your-customer, 3D Secure, and dispute management services provide a multi-layer security framework, helping our Customers detect and prevent unauthorized, fraudulent activities, while empowering them to create frictionless experiences for their customers.

**Manage cases and resolve disputes:** Marqeta's case management API endpoints help our Customers to optimize the entire dispute process. This includes submitting disputes, receiving statements, participating in arbitration, all while receiving live status updates via push notifications. Our holistic solution helps to simplify case management while enabling an optimized experience for the end user.

**Simplify compliance and reporting:** With our Platform, Customers can monitor and review reports for potential violations and leverage data and insights for compliance reporting such as anti-money-laundering and Bank Secrecy Act, or BSA, monitoring, as well as know-your-customer requirements. Our solutions are certified as compliant with Payment Card Industry Data Security Standard, or PCI DSS, and 3DS, among others. Our bank-grade encryption safeguards payment card data, including personally identifiable information.

**Analyze data intelligence:** We dissect and analyze transaction data. Customers can monitor balances, authorizations, and settlements over time to track every aspect of their card program. Customers can see chargebacks, declined transactions, and card activities on a regular basis, while data can be reported on a daily, weekly, or monthly cadence.

### **Our Business Model**

Our modern, cloud-based, open API Platform delivers card issuing and transaction processing services for global money movement, tailored to the needs of developers, technical product managers, and visionary entrepreneurs at innovative companies. As of December 31, 2021, there were approximately 122 million active cards on our Platform, up 115% from 57 million active cards on our Platform as of December 31, 2020, and during the year ended December 31, 2021, we processed approximately 2.7 billion transactions on our Platform across the globe, up 70% from the 1.6 billion transactions processed on our Platform during the year ended December 31, 2020. Active cards are defined as the number of transacting cards with one or more successful clearing events during the preceding twelve months.

We employ a usage-based model, based on processing volume, that aligns our interests with those of our Customers. We derive the majority of our revenue from Interchange Fees generated by card transactions through our Platform. Additionally, we generate revenue from other processing services, including monthly platform access, ATM fees, fraud monitoring, and tokenization services.

Interchange Fees are transaction- and volume-based fees paid by the Acquiring Bank to the Issuing Bank that issued the payment card used to purchase goods or services from the merchant. In accordance with our agreements with Issuing Banks, we receive 100% of the Interchange Fees for processing our Customers' card transactions. Under our Customer contracts, we typically share a portion of Interchange Fees with our Customers, referred to as "Revenue Share." As Customers increase processing volumes on our Platform, they may earn an increased percentage of Revenue Share. Sharing an increased percentage of Interchange Fees with our Customers aligns our interests with our Customers' growth and builds deeper customer relationships.

As we strive to democratize payments and simplify card issuing and transaction processing, our strategic partnerships and direct integrations with Issuing Banks and Card Networks are important to our customer value proposition. Greater processing volume also allows us to achieve better volume pricing with our Issuing Banks and Card Networks, which we can pass along to our Customers. This, in turn, can make our product offerings more competitive.

Our Platform enables new and existing Customers to create innovative and configurable card programs and to increase their processing volumes. Additionally, as we expand our use cases, product offerings, and global footprint, we help our Customers expand into new verticals, programs, markets, and geographies. We have experienced significant success with this strategy to date. We achieved year-over-year net revenue growth of 78% and a dollar-based net revenue retention of 175% for the year ended December 31, 2021.

### Our Strengths

The following strengths and advantages power our business model:

**Modern Card Issuing Trailblazer:** Marqeta created modern card issuing. Our modern Platform offers multiple issuing and processing innovations, including open APIs, JIT Funding, and Tokenization as a Service, and supports prepaid, debit, and credit products. We continue to innovate on our Platform, and we believe that this innovation, coupled with our deep expertise, keeps us in a market-leading position.

**Continuous Innovation:** As we partner with our existing Customers to support their ambitious global projects and develop cutting-edge use cases for each vertical, we also attract new Customers seeking best-in-class solutions. The highly configurable Marqeta Platform is agile out of the box and at scale. We help our customers go to market with our developer-centric APIs, sandboxes, and SDKs, written in modern programming languages.

**Enduring Customer Relationships:** Our dollar-based net revenue retention was over 175% for the year ended December 31, 2021 and over 200% for each of the years ended December 31, 2020, and 2019, illustrating the strength and durability of our Customer relationships. Our Platform powers mission-critical experiences for our Customers, leading to strong relationships over time as we extend their reach both from a product and geographic perspective. We become *technically* integrated within their products and solutions, *operationally* integrated as Customers develop core processes around our tools and platform, and *culturally* integrated as our partnerships deepen over time. Indeed, our mutually beneficial contractual terms are designed to provide a win/win for both our Customers and us; as their businesses thrive, our net revenue grows.

**People-centric Culture and Values:** We believe our culture of customer centricity, innovation, teamwork, and clarity of mission is why Customers trust us with their mission critical payments needs. Our Customers consistently tell us that our ability to work at speed, simplify the complex, and envision their end users' experience helps them focus on what they do best—*building innovative products and serving their customers*. We also believe our culture helps us hire and retain best-in-class talent, as we empower employees to do the best work of their lives.

The aggregate effect of these strengths and advantages is a strong competitive moat, predicated on our scale, Customer relationships, and the technological complexities that we have managed to simplify over time, while remaining agile, extensible, and innovative. We believe it would require a significant commitment of time and resources for a potential competitor to *imitate* our Platform.

We also believe that we have and continue to build significant technical know-how and card issuing and transaction processing expertise so that potential competitors cannot easily *replicate* our business. We believe these structural advantages, and our culture and values driven business, should enable us to extend our lead over time.

### Our Growth Strategy

Our market opportunity is tremendous, and we intend to expand our addressable market and increase our revenue by pursuing the following strategies:

**Adding New Customers.** We intend to solidify our reach in existing categories and expand to new use cases and industry verticals. Our sales teams focus on attracting an even greater number of commerce disruptors, digital banks, and tech giants. We also intend to expand our relationships with new large financial institutions to help them compete in the new digitized world through our industry-leading solutions. We intend to attract and engage new Customers through customer referrals from existing Customers, marketing campaigns, outbound sales calls, and key industry conferences and tradeshows. We will also look for opportunities to grow through strategic partnerships and acquisitions.

**Expanding and Growing Our Relationships With Our Existing Customers.** Our current Customers include some of today's leading commerce disruptors, digital banks, tech giants, and large financial institutions. We participate in our Customers' growth alongside them because as our Customers' businesses scale and their processing volumes increase, so does our revenue.

**Broadening Our Global Reach.** As of December 31, 2021, we were certified by one or more of the global Card Networks to process transactions in 39 countries across North America, Europe, and Asia-Pacific and intend to accelerate our international expansion in the future. Because our Customers employ digital models that transcend borders, we are constantly extending our Platform's reach. This allows us to offer a single global Platform to all Customers, no matter where they originate or how they expand. With Marqeta, developers only have to integrate once to gain access to a global market and to take advantage of all of the tools our Platform offers for a global reach.

**Expanding Our Ecosystem, Product Offering and Partnership Network.** Our closely integrated relationships with our Customers and deep insight into our Customers' transaction data allows us to anticipate our Customers' product needs and emerging market opportunities. Our modern card issuing Platform and best-in-class APIs allow us to rapidly develop new products, features, and use cases to serve our current and future Customers. We will continue to invest in our Platform to create increased stability, greater flexibility, and data-driven decision-making, all within increasingly shorter timeframes. We plan to build new APIs to deliver for our Customers and expand our migration to the cloud to provide enhanced scalability, paving the way for data localization options and reducing our maintenance burden. We initially targeted card issuing through a modern and disruptive lens, and we believe we can leverage our Platform to replicate our success in other areas of the payments ecosystem. A robust ecosystem of partners is also crucial to our ability to embed our technology into a greater range of use cases. We intend to continue identifying and nurturing our relationships with Issuing Banks, Card Networks, and other vendors to continue building on our existing use cases.

### Culture & Values

Our mission is to be the global standard for modern card issuing, empowering builders to bring the most innovative products to the world. Great missions are achieved by great teams, and at Marqeta, everything starts with our culture. A great culture attracts and retains great people who find their purpose in serving our Customers.

Our culture is built on the foundation of seven core values:



## Everyone belongs

We realized some time ago that words like “company” and “customer” are just another way to say “people.” Companies are collections of people who unite behind a common mission and then align behind values that bind them together. Each person on our team is called a Marqetan. On their first day, we share with each Marqetan our values. Key among these is “Everyone Belongs.” We respect, value, and include each other, demonstrating empathy and celebrating diversity.

As part of our onboarding process, we also ask each new employee an empowering question: “What is your superpower?” We believe everyone has a superpower. Whatever it is, we want that person to embrace it, share it, and celebrate all of our unique abilities, viewpoints, and personalities together as Marqetans. United, these superpowers allow us to be more than just the sum of the people who work at Marqeta. With 789 Marqetans as of December 31, 2021, we believe that each Marqetan brings their own unique superpower to the company. We strive to empower every Marqetan to do the best work of their lives.



## Build one Marqeta

Nothing is more powerful than a unified team of people focused on the results of the team over their individual success. If you want to go fast, go alone. If you want to go far, go together.

We do what’s right for all of us, not one of us. We succeed together.



## Connect the customer

Customers are the people we seek to delight every day. Our Customers tell us that our ability to work at speed, cut through complexity, and always have their end users’ experience at heart helps them focus on what they do best – *building innovative products and serving their customers.*



## Lead innovation

Because of our value of Lead Innovation, we believe we are the first modern Platform to market with multiple issuing and processing innovations, including the first open APIs, JIT Funding, and Tokenization as a Service. Our modern card issuing Platform supports prepaid, debit, and credit products. We love to lean into the unknown and find the path forward.



## Deliver results

Success is measured in results. At our heart, we are developers who build for developers, and we have not forgotten our entrepreneurial roots. Customers have chosen to build and scale their businesses on our Platform because we understand that *our* Customers need to deliver for *their* customers.

We keep it simple and find a solution. We act like owners and deliver the best outcome for our Customers.



## Quality focused

Quality is at the heart of everything we build. We are proud of the work we do and strive to improve it every day. When you provide high-quality products and do great work, people remember it and trust you.



## Marqeta cares

Our purpose has never been more clear: pay it forward. We aspire to have a positive global impact by making complex payment infrastructure accessible and leveling the playing field for innovation and financial access across communities. Our celebration of diversity and community is critically important to our culture and why we are proud to be headquartered in Oakland. Our commitment to the people in the communities we serve is embodied in our value of Marqeta Cares:

We invest in corporate social responsibility. Our people, technology, and resources make a positive impact in our community, and we are responsible stewards of our environment.

We created Marqeta Cares, our social impact initiative, as our corporate giving program and to help select the charities we support. Marqeta Cares seeks to create inclusive communities and build pathways to economic prosperity. We do this by leveraging our financial and human capital to support nonprofit organizations that advance economic opportunity for under-resourced and under-served communities. We approved up to 400,000 shares of our common stock to be contributed to the Marqeta Cares program over ten years, beginning in 2020. Marqeta Cares will leverage these resources to make targeted and thoughtful donations where our equity and dollars can make a meaningful difference.

To help implement our Marqeta Cares goals, Marqeta has partnered with an experienced donor-advised fund, operated as a 501(c)(3) public charity, that will serve as the legal vehicle for implementing Marqeta Cares' corporate philanthropic vision. In 2020 and 2021, that donor-advised fund made a number of financial grants to charities in the United States and the United Kingdom to advance economic opportunity for marginalized and underserved populations and generate positive impact for our communities, our environment, our Customers and our Company. In addition, we are partnering with Pledge 1%, an advisory non-profit organization that assists companies in donating to charitable causes. Marqeta is also proud of its emerging green initiatives, which include offering Customers the innovative choice to use recycled plastic cards and partnering with a plastic offset platform to remove ocean-bound plastic waste.

## Our Customers

Our modern card issuing Platform powers mission-critical experiences for our Customers, leading to strong relationships over time as we extend their reach both from a product and geographic perspective. We had over 200 Customers and over 160 Customers as of December 31, 2021 and 2020, respectively. Currently, we provide solutions in the following verticals:

- Commerce Disruptors
  - On-Demand Services
  - Lending (e.g., BNPL financing)
  - Expense Management
  - Disbursements (e.g., insurance, incentives and rewards)
  - Online Marketplaces (e.g., travel, eCommerce)
- Digital Banks (e.g., digital banking; cryptocurrency)
- Tech Giants
- Large Financial Institutions

### **Agreements with Large Customers**

#### **Block**

On April 19, 2016, we entered into a master services agreement with Block, Inc., formerly known as Square, Inc., subsequently amended, which includes agreements that provide for the commercial terms of our relationship with Block. Pursuant to the terms of the agreement, we have agreed to manage Block's Cash App, Square Card, and Square Card Canada card issuing programs for Block. Under the agreement to manage these card programs, we agree to share with Block a portion of the net interchange revenue that we earn from processing the volume of these programs. The Revenue Share provisions include increased rates of Revenue Share when processing volumes reach specified volume tiers. Additionally, we generate revenue from other processing services under the agreement. In addition, on March 13, 2021, and as specified in our agreement with Block, we granted Block a warrant to purchase up to 1,100,000 shares of our common stock at an exercise price of \$0.01 per share, which is exercisable upon attaining certain milestones relating to Block's creation of a specified percentage of new cardholders on our Platform each year over a three-year period. The current term of our agreement with Block for Cash App expires in March 2024, the current term of our agreements with Block for Square Card and Square Card Canada, respectively, expire in December 2024, and each agreement automatically renews thereafter for successive one-year periods, unless terminated earlier by either party. Either we or Block may terminate the master services agreement under certain specified circumstances, including upon a material breach. The agreement also provides for certain other terms, including representations and warranties of the parties, intellectual property rights, data ownership and security, limitations on liability, confidentiality and indemnification rights, and other covenants.

### **Our Relationships with Issuing Banks and Card Networks**

Our contractual relationships with Issuing Banks and Card Networks contribute to Marqeta's ability to create and manage customized card programs for our Customers.

We partner with Issuing Banks to provide services to Marqeta that include card issuance, Card Network sponsorship, and creating deposit accounts used to settle our Customers' transactions. Our contracts with Issuing Banks entitle Marqeta to all of the Interchange Fees generated from our Customers' card programs and obligate us to pay all Card Network fees associated with our Customers' card transactions. Issuing Banks require Marqeta to comply with their requirements and those of the Card Networks necessary to sponsor the Customer's card programs.

We provide all of our Customers issuer processor services, and, for most of our Customers, we also act as the program manager. As a program manager, we are responsible for ensuring compliance with the Issuing Bank's requirements and Card Network rules and help create regulatory compliant card programs for our Customers.

When our Customers engage us solely as an Issuer Processor, we process the authorization, settlement and reporting of transactions for these Customers but in such engagements we do not manage the relationships with the Issuing Banks and Card Networks.

We intend to expand and deepen our relationships with Issuing Banks and Card Networks and expect to see an increased demand for both our program manager and issuer processor services.

### ***Agreements with Issuing Banks***

While an Issuing Bank ultimately approves each card program, Marqeta is able to configure the program design, negotiate key program terms, and select the Issuing Bank. Marqeta actively “shops” the potential card program to various Issuing Banks to identify the most appropriate bank based on the Customer’s needs. Marqeta pays the Issuing Banks a fixed fee (either a fixed percentage of the transaction volume or a fixed fee per transaction) as compensation for the services they provide to Marqeta.

### **Sutton Bank**

On April 1, 2016, we entered into a prepaid card program manager agreement with Sutton Bank. Under the terms of the agreement, as amended, Sutton Bank settles payment transactions for us and provides prepaid card and other related services to us, including the issuance of cards for approved card programs. The agreement provides that we pay Sutton Bank a fee based on a percentage of the value of transactions processed. Under this agreement we are entitled to receive 100% of the Interchange Fees for processing our Customers’ card transactions. Under certain circumstances, the agreement also requires us to pay termination fees, including fees and costs to Sutton Bank, if we terminate the agreement before the end of its term or any automatic renewal term. The current term of the agreement expires in 2028, after which it automatically renews on the same terms and conditions for a two-year renewal term, unless either party provides written notice of its intent not to renew at least 180 days prior to the expiration of the then-current term. Either we or Sutton Bank may terminate the agreement under certain specified circumstances, including if the other party commits a material breach that is not cured within 30 days.

### ***Agreements with Card Networks***

The Card Networks oversee their worldwide payment networks, through which debit, credit, and prepaid card payments are authorized, processed, and settled between an Issuing Bank and an Acquiring Bank. Card Networks also set the Interchange Fee rates that the Acquiring Bank routes through the Card Network to the Issuing Bank. We currently partner with a number of Card Networks, including Visa, Mastercard, and PULSE, which is part of the Discover Global Network, and a number of PIN networks, to process our Customers’ transactions on our Platform. Marqeta arranges for our Customers to use one or more of the available Card Networks, and we pay standard fees to Card Networks directly, or indirectly through reimbursement of these fees upon the settlement of card transactions by the Issuing Banks. Our contracts with the Card Networks also provide us with certain monetary incentives based on the volume of our Customers’ transactions processed through the respective Card Network. Additionally, we partner with Card Networks to develop our processing capabilities in international locations as we expand globally.

Our relationships with the Card Networks allow us to connect our Platform directly to the Card Networks, which allows for transaction authorization (or decline) messages to be sent electronically to and from our Platform. This connection provides for virtually instant notification of our Customers’ card transactions and allows for quick response to the authorization request. Once an authorization approval response has been sent by Marqeta to the Card Network (based on parameters established by the applicable Customer), the transaction is able to occur on the Card Network’s secure network.

## **Mastercard**

In 2020, we entered into a strategic relationship agreement with Mastercard. We have also entered into a number of subsequent arrangements with Mastercard, including certain brand agreements. Under these agreements, as amended, we have agreed to cooperate with Mastercard on a number of initiatives, including international expansion, product, marketing and business development collaboration. The contracts provide Marqeta with tiered incentives based on the processing volume of our Customers' transactions routed through Mastercard and its affiliated networks. The current term of the strategic relationship agreement expires in 2028 or at an earlier date if Marqeta achieves a certain processing volume milestone through the Mastercard network. Either party may terminate the agreements under specified circumstances, including upon a material breach that remains uncured for a specified period of time.

## **Visa**

In 2017, we entered into a strategic alliance framework agreement with Visa, subsequently amended. We have also entered into a number of subsequent arrangements with Visa, as governed by the strategic alliance framework agreement, including a service evaluation agreement and certain brand agreements. Under these agreements, we have agreed to cooperate with Visa on a number of initiatives, including international expansion, product, marketing and business development collaboration. The contracts provide Marqeta with tiered incentives based on the processing volume of our Customers' transactions routed through Visa and its affiliated networks. The current term of the strategic alliance framework agreement expires in 2022 and automatically renews annually thereafter. Either party may terminate the agreements under specified circumstances, including upon a material breach that remains uncured for a specified period of time. Visa may also elect to terminate the agreements prior to the natural expiration of the then-current term due to our failure to meet certain performance requirements.

## **Pulse Network**

In 2013, we entered into a direct processor agreement with Pulse Network LLC, or Pulse, subsequently amended. The contract provides Marqeta with tiered incentives based on the processing volume of our Customers' transactions routed through Pulse and its affiliated networks. The contract is currently under a renewal term, which automatically renews annually, unless either party provides written notice of its intent not to renew. Either party may terminate the agreement under specified circumstances, including upon a material breach that remains uncured for a specified period of time.

## **Our Competitors**

We compete in a large and evolving market. We believe that the principal competitive factors in our market include:

- industry expertise;
- platform and product features and functionality;
- ability to build new technology and keep pace with innovation;
- scalability;
- extensibility;
- product pricing;
- security and reliability;
- brand recognition and reputation;
- agility; and
- speed to market.

Our competitors fall into three primary categories:

- Providers with legacy technology platforms, including Global Payments (TSYS), Fiserv, and FIS:

We believe we offer a more agile and configurable solution that is faster to market than the traditional providers. We believe that, in general, legacy solutions are more rigid and are slower to both implement and innovate. Legacy platforms are often oriented to serve large financial institutions with standard product offerings. In contrast, the Marqeta Platform supports a range of digitally enabled use cases to serve the evolving card issuing marketplace.

- Vertical-focused providers, including Wex and Comdata:

While we also compete with providers focused on a certain vertical, we believe that our modern card issuing Platform's depth and breadth offer a better and more complete solution for innovators. From its initial inception, our Platform was built to be horizontal, making it more configurable and extensible for a variety of emerging use cases and verticals. Furthermore, our experience in one vertical often informs similar use cases in other verticals, helping us bring new features to market faster.

- Emerging providers, including Adyen and Stripe:

Our Customers tell us that industry expertise is the number one reason for selecting an Issuer Processor. Marqeta has a track record of successful innovation. Emerging providers generally do not have the same demonstrated track record in card issuing. In addition, emerging providers that are also Acquirer Processors as their core business, are required to dedicate both time and capital to non-core parts of their business to serve the card issuing market. Overall, emerging providers generally have different go-to-market strategies and less expansive technological capabilities.

We have a deep history of card issuing expertise, enabling us to achieve technical and operating leverage that we believe potential competitors are unable to replicate. However, some of our competitors have greater financial and operating resources. Moreover, as we expand the scope of our Platform, we may face additional competition. See the section titled "Risk Factors—Risks Relating to Our Business and Industry—We participate in markets that are competitive and continuously evolving, and if we do not compete effectively with established companies and new market entrants, our business, results of operations, and financial condition could be adversely affected."

### **Intellectual Property**

We believe that our intellectual property rights are valuable and important to our business. We rely on a combination of patents, trademarks, copyrights, trade secrets, license agreements, confidentiality procedures, non-disclosure agreements, employee disclosure and invention assignment agreements, as well as other legal and contractual rights, to establish and protect our proprietary rights. Though we rely in part upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees, the functionality and infrastructure of our Platform and our business, and frequent enhancements to and expansions of our Platform are more important contributors to our success.

We have a patent program designed to cover various aspects of our business in the United States and abroad. These patents and patent applications are intended to protect our proprietary inventions relevant to our business. We continually review our development efforts to assess the existence and patentability of new intellectual property.

We have an ongoing trademark and service mark registration program pursuant to which we register our brand names and product names, taglines, and logos in the United States and internationally to the extent we determine appropriate and cost-effective. We also have registered domain names for websites that we use in our business, such as [www.marqeta.com](http://www.marqeta.com) and other similar variations.

In addition, we seek to protect our intellectual property rights by requiring our employees and independent contractors involved in development of intellectual property on our behalf to enter into agreements acknowledging that all works or other intellectual property generated or conceived by them on our behalf are our property, and assigning to us any rights, including intellectual property rights, that they may claim or otherwise have in those works or property, to the extent allowable under applicable law.

We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented, or challenged. In addition, the laws of various foreign countries where we operate may not protect our intellectual property rights to the same extent as laws in the United States. We expect that infringement claims may increase as the number of products and competitors in our market increase. In addition, to the extent that we gain greater visibility and market exposure as a public company, we face a higher risk of being the subject of intellectual property infringement claims from third parties. Any third-party intellectual property claims against us could significantly increase our expenses and could have a significant and negative impact on our business, results of operations and financial condition.

From time to time, we also incorporate certain intellectual property licensed from third parties, including under certain open source licenses. Even if any such third-party technology did not continue to be available to us on commercially reasonable terms, we believe that alternative technologies would be available as needed in every case.

### **Sales and Marketing**

Our marketing and business development teams operate under one, closely aligned go-to-market umbrella at Marqeta. Our go-to-market function is responsible for how we position ourselves within the industry, growing awareness and adoption of our Platform, accelerating Customer acquisition, onboarding Customers, and setting them up for success. We deploy a range of marketing strategies to drive brand awareness and adoption, including public relations, advertising campaigns, and generating leads and opportunities through direct marketing (online and offline). Our sales development representatives are part of our marketing team and make sure we create, influence and mature the right opportunities from our marketing activity, ranging from tailored content to high touch activities such as leading industry trade shows and events.

Our business development teams, incorporating both strategic, enterprise, and emerging sales units as well as our partnerships team, employ strategies specific to the industry, vertical, use-case and Customer, to convert interest into Customers, capture market share and drive revenue. Our thoughtful, multi-stage engagement process sets the stage for enduring enterprise partnerships with our Customers. We complement these marketing, business development, and sales activities with a focus on Customer onboarding, experience, and success.

We believe that highly responsive and effective support and education are an extension of our brand and are core to ensuring we're reducing time to revenue when signing a new customer and building and maintaining trust. We firmly believe in the importance of partnering with our Customers, and this is made possible by close cooperation between Customers and our Customer success and delivery operations and bank partnership team. This enables us to launch new card programs as quickly as possible, reacting quickly to Customer needs and fostering collaboration on future product innovation.

### **Research and Development**

Our research and development efforts focus on building enterprise-grade product and service capabilities for our Customers. Technical direction is derived from our understanding of the payments ecosystem and our partners, the evolving opportunity and needs of our Customer base, and the developer community. This focus enables the development of a robust, global platform to support a wide array of products, services, and use cases. Our design, product, engineering, and Customer success teams collaborate to connect our Customers to our Issuing Banks and Card Networks. Our technical operations team also works to ensure the successful deployment and monitoring of our Platform. Software development is primarily executed by our team of professionals across design, product management, and engineering disciplines. We intend to continue to invest in our research and development capabilities to extend our Platform.

## **Government Regulation**

We are subject, directly, or indirectly through our relationships with our Issuing Banks, Customers, or Card Networks, to a number of U.S. federal and state and foreign laws and regulations that involve matters central to our business. These laws and regulations involve privacy, data protection, information security, intellectual property, competition, and other subjects.

Many of the laws and regulations that we are subject to are still evolving and being tested in courts and could be interpreted in ways that could harm our business. In addition, the application and interpretation of these laws and regulations often are uncertain, particularly in the new and rapidly evolving industry that we operate in. Further, these laws and regulations are sometimes ambiguous or inconsistent, and the extent they apply to us is at times unclear. As global laws and regulations have continued to develop and evolve rapidly, it is possible that we may not be, or may not have been, compliant with each such applicable law or regulation or that we may in the future be required to obtain licenses and registrations. Any actual or alleged failure to comply with applicable laws or regulations may result in, among other things, private litigation, regulatory investigations and enforcement actions, sanctions, civil and criminal liability and constraints on our ability to continue to operate.

As we expand our geographical reach and our offerings, we may become subject to additional regulations, in the United States and internationally.

### ***Dodd-Frank Wall Street Reform and Consumer Protection Act***

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, effected comprehensive revisions to a wide array of federal laws governing financial institutions, financial services and financial markets. Among its most notable provisions is the creation of the Consumer Financial Protection Bureau, or CFPB, which is charged with regulating consumer financial products or services and which assumes much of the rulemaking authority under federal laws affecting the extension of credit. In addition to rulemaking authority over several enumerated federal consumer financial protection laws, the CFPB is authorized to issue rules prohibiting unfair, deceptive, or abusive acts or practices by persons offering consumer financial products or services and their service providers and has authority to enforce these consumer financial protection laws and CFPB rules. The CFPB has not defined what is a consumer financial product or service but has indicated informally that, in some instances, small businesses may be covered under consumer protection.

Due to our relationships with Issuing Banks and Card Networks, we may be subject to indirect supervision and examination by the CFPB in connection with our Platform and certain of our products and services. CFPB rules, examinations, and enforcement actions may require us to adjust our activities and may increase our compliance costs.

In addition, the Durbin Amendment to the Dodd-Frank Act provides that Interchange Fees that an Issuing Bank or Card Network receives or charges for debit transactions are regulated by the Federal Reserve and must be “reasonable and proportional” to the cost incurred by the card issuer in authorizing, clearing, and settling the transaction. Card Network fees may not be used directly or indirectly to compensate Issuing Banks in circumvention of the interchange transaction fee restrictions. While we only contract with Issuing Banks who are exempt from the Durbin Amendment, we remain sensitive to changes in the regulation of Interchange Fees. The implementation of the Dodd-Frank Act is ongoing, and as a result, its overall impact remains unclear. Its provisions, however, are sufficiently far reaching that it is possible that we could be further directly or indirectly impacted.

### ***Privacy, Data Protection and Information Security Regulations***

We provide services that are subject to various state, federal and foreign laws and regulations relating to privacy, data protection, and information security, including, among others, the Gramm-Leach Bliley Act, the General Data Protection Regulation, and the California Consumer Protection Act. Accordingly, we publish our privacy policies and terms of service, which describe our practices concerning the use, transmission, and disclosure of certain information. For additional information about laws and regulations relating to privacy, data protection, and information security, see the section titled “Risk Factors—Risks Relating to Regulation—Regulations and industry standards related to privacy and data protection could adversely affect our ability to effectively provide our services.”

Additionally, our Platform hosts, transmits, processes, and stores payment card data and is therefore required to comply with PCI DSS. As a result, we are subject to PCI audits and must comply with related security requirements. See the section titled “Risk Factors—Risks Relating to Our Business and Industry—Our business relies on our relationships with Issuing Banks and Card Networks, and if we are unable to maintain these relationships, our business may be adversely affected. Further, any changes to the rules or practices set by Card Networks, including changes in Interchange Fees, could adversely affect our business.”

### ***Association and Card Network Rules***

Our Issuing Banks must comply with the bylaws, regulations, and requirements that are set forth by the Card Networks, including PCI DSS and other applicable data-security program requirements. In providing services through our Platform, we are also subject to such requirements. To provide payment processing services, we are certified and registered with certain Card Networks as a processor for member institutions. As such, we are subject to applicable card association, Card Network and national scheme rules that could subject us to fines or penalties for certain acts or omissions. The Card Networks routinely update and modify their requirements and we, in turn, must work to comply with such updates to continue processing transactions on their networks.

Further, we are subject to network operating rules promulgated by the National Automated Clearing House Association relating to payment transactions processed on our Platform using the Automated Clearing House Network and to various federal and state laws regarding such operations.

### ***Prepaid Card Regulations***

The prepaid card programs that we manage for our Customers are subject to various federal and state laws and regulations, including the Credit Card Accountability, Responsibility, and Disclosure Act of 2009 and the Federal Reserve Board’s Regulation E, which impose requirements on general-use prepaid cards, store gift cards and electronic gift certificates. The CFPB also regulates prepaid accounts, including certain accounts that are capable of being loaded with funds and whose primary function is to conduct transactions with multiple, unaffiliated merchants, at ATMs, or for person-to-person transfers. These regulations include, among other things, disclosure of fees to the consumer prior to the creation of a prepaid account; liability limits and error-resolution requirements; regulation of prepaid accounts with overdraft and credit features; and the submission of prepaid account agreements to the CFPB and the publication of such agreements to the general public.

These laws and regulations are evolving, unclear, and sometimes inconsistent and subject to judicial and regulatory challenge and interpretation, and therefore the extent these laws and rules apply to, and impact, us is in flux. The extensive nature of these regulations may result in additional compliance obligations and expense for our business.

### ***Anti-Money Laundering***

Although we are not a “money services business” or otherwise subject to anti-money laundering registration requirements under U.S. federal or state law, we are subject to certain anti-money laundering laws and regulations in the United States, the United Kingdom, the European Union, and other jurisdictions. In the United States, the Currency and Foreign Transactions Reporting Act, which is also known as the BSA, and which was amended by the USA PATRIOT Act of 2001, contains a variety of provisions aimed at fighting terrorism and money laundering. Among other things, the BSA and implementing regulations issued by the U.S. Treasury Department require certain financial institutions to establish anti-money laundering programs, to not engage in terrorist financing, to report suspicious activity and to maintain a number of related records.

Due to our relationships with Issuing Banks that are directly regulated for anti-money laundering purposes, we have implemented an anti-money laundering program designed to prevent our Platform from being used to facilitate money laundering, terrorist financing and other illicit activity. When providing program management services, we ensure that our anti-money laundering program complies with the requirements of our Issuing Banks. Our programs are also designed to prevent our Platform from being used to facilitate activity in violation of applicable sanctions laws and regulations, including conducting business in specified countries or with designated persons or entities, including those on lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Controls and equivalent foreign authorities. Our anti-money laundering compliance program includes policies, procedures, reporting protocols and internal controls, including the designation of a bank secrecy act officer in the U.S. and the equivalent in other jurisdictions, and it is designed to assist in managing risk associated with money laundering and terrorist financing.

### ***Anti-Bribery Laws***

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the U.K. Bribery Act 2010, and other anti-corruption and anti-bribery laws in countries where we conduct activities. The FCPA and other applicable anti-corruption and anti-bribery laws prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business.

The FCPA includes anti-bribery and accounting provisions enforced by the Department of Justice and SEC. The statute has a broad reach, covering all U.S. companies and citizens doing business abroad, among others, and defining a foreign official to include not only those holding public office but also local citizens affiliated with foreign government-run or -owned organizations. The statute also requires maintenance of appropriate books and records and maintenance of adequate internal controls.

### ***Other***

We are subject to examination by our Issuing Banks' regulators and must comply with certain regulations to which our sponsor banks are subject, as applicable. For instance, due to our relationships with certain Issuing Banks and certain Customers, we may be subject to indirect supervision and examination by the Federal Deposit Insurance Corporation, state banking regulators (such as the California Department of Financial Protection and Innovation), and the Office of the Comptroller of the Currency in connection with our Platform and certain of our products and services. We are also subject to audit by certain Issuing Banks. Further, certain of our Customers are financial institutions or non-bank regulated entities and, as a result, we may be indirectly subject to examination and obligated to assist those Customers in complying with certain regulations to which they are subject or with responses to audits of such Customers.

### ***International Regulation***

The conduct of our business and the use of our products and services outside the United States are subject to various foreign laws and regulations administered by government entities and agencies in the countries and territories where we operate and where our Customers and their cardholders use our products and services. For instance, we are subject to processing fee and transaction fee regulation where our cards are used and may in the future be subject to Interchange Fee regulations in other countries where our cards are used.

## **Security, Privacy, and Data Protection**

Trust is important for our relationship with our Customers, and we take significant measures to protect the privacy and security of their data and the data of their cardholders.

### ***Security***

We devote considerable resources to our information security program, which is dedicated to ensuring the highest confidence in our custodianship of the data of our Customers. Our security program is aligned to the ISO 27000 standards and is regularly audited and assessed by third parties. In addition, our security program has achieved several internationally-recognized certifications and industry standard audited attestations.

Our security program focuses on preserving the confidentiality, integrity, and availability of the personal data and other confidential information of our Customers and our Customers' cardholders. To this end, our team of security professionals, working in partnership with peers across our company, work to identify and mitigate risks, implement best practices, and continue to evaluate ways to improve our information security. These steps include data encryption in transit and at rest, network security, classifying and inventorying data, limiting and authorizing access controls, and multi-factor authentication for access to systems with data. We also employ regular system monitoring, logging, and alerting to retain and analyze the security state of our corporate and production infrastructure. In addition, we take steps to help ensure that appropriate security measures are maintained by the third-party vendors we use, including by conducting security reviews and audits.

### ***Privacy and Data Protection***

The privacy of our Customers' data and our Customers' cardholders' data is important to our continued growth and success. Privacy is a shared responsibility among all our employees. We also have a privacy team that builds and executes on our privacy program, including support for data protection and privacy-related requests.

We are committed to complying with applicable privacy and data protection laws. We monitor guidance from industry and regulatory bodies and update our Platform and contractual commitments accordingly.

We maintain a privacy policy that describes how we collect, use, and share personal information relating to our Customers and we implement appropriate contractual provisions relating to our processing of cardholders' personal information.

## **Our Employees and Human Capital Resources**

As of December 31, 2021, we had a total of 789 employees, and 193 contractors. We supplement our workforce with contractors and consultants. To our knowledge, none of our employees is represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees. We believe our culture helps us hire and retain best-in-class talent, as we empower employees to do the best work of their lives. Marqeta was named one of Glassdoor's Best Places to Work in 2022. This list celebrates the employees' choice for the top companies to work for and is determined solely based on employee feedback provided on Glassdoor. We were ranked highest for our culture and values, career opportunities available, and diversity and inclusion.

### ***Diversity, Equity, and Inclusion***

Marqeta is proud of its Oakland roots and strives to build a global team as diverse as the markets it serves. A key focus of our human capital management approach is our commitment to advancing diversity, equity, and inclusion. At Marqeta, we believe that creating a truly inclusive workplace means investing in company-wide programs, policies, and practices centered on equity. We strive to build a culture where everyone belongs and is empowered to bring their authentic selves to work every day, regardless of race, ethnicity, gender identity, age, religion, sexual orientation, physical ability, background or any other human qualifier. Of our new hires in 2021 who voluntarily disclosed their gender and race/ethnicity information, 44% identified as female and 11% identified as Black or Latinx. It is our diverse perspectives that help us collaborate, innovate, and drive success within our teams and for the customers and communities we serve.

Marqeta's Employee Resource Groups, or ERGs, along with our Diversity Council and other culture coalitions form a network of internal groups focused on elevating underrepresented voices in tech and celebrating the wide range of communities and cultures that span our employee base. We currently have twelve ERGs, with over half of our employees participating in at least one. Marqeta's core company value that "Everyone Belongs" serves as a constant reminder of how critical this work is to our identity as a company.

### ***Compensation, Benefits, and Wellness***

We believe we offer a robust, competitive compensation and benefits package that supports our employees' overall health and financial wellness. To ensure alignment with our short- and long-term objectives, our compensation programs include base pay, and cash and equity incentives. The principal purposes of our equity incentive plans are to attract, retain and reward personnel through the granting of share-based compensation awards which allows us to align employees' interests with our shareholders and to allow our employees to share in increases in the value of our equity. We also offer a wide array of in-demand benefits and perks to our global workforce, including comprehensive health and welfare benefits, flexible time-off, and various family and medical leave benefits.

In response to the COVID-19 pandemic, we implemented significant changes that we determined were in the best interest of our employees and the communities in which we operate. These include having the vast majority of our employees continue to work from home, and implementing additional safety measures for employees conducting critical on-site work. The future of work at Marqeta is flexible, with in-office, hybrid, and remote working options. We have also added additional company-wide paid days off to help employees balance their work and life responsibilities. We believe these flexible policies will help us source, connect, and hire talent in more locations, as well as retain talent that may want or need to relocate.

### **Corporate Information**

We were incorporated in 2010 under the name Marqeta, Inc. as a Delaware corporation. We completed our initial public offering in June 2021 and our Class A common stock is listed on the Nasdaq Global Select Market under the symbol "MQ." Our principal executive offices are located at 180 Grand Avenue, 6th Floor, Oakland, CA 94612, and our telephone number is (888) 462-7738.

### **Available Information**

Our website is located at [www.marqeta.com](http://www.marqeta.com), and our investor relations website is located at [www.investors.marqeta.com](http://www.investors.marqeta.com). Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available, free of charge, on our investor relations website as soon as reasonably practicable after we file such material electronically with or furnish it to the Securities and Exchange Commission, or the SEC. The SEC also maintains a website that contains our SEC filings. The address of the site is [www.sec.gov](http://www.sec.gov). We use our [www.investors.marqeta.com](http://www.investors.marqeta.com) and [www.marqeta.com](http://www.marqeta.com) websites, as well as our blog posts, press releases, public conference calls, webcasts, our twitter feed (@Marqeta), our Instagram page (@lifeatmarqeta), our Facebook page, and our LinkedIn page, as a means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD. The contents of our websites are not intended to be incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC, and any references to our websites are intended to be inactive textual references only.

## Item 1A. Risk Factors

*Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K and our consolidated financial statements and the related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before making a decision to invest in our Class A common stock. Our business, results of operations, financial condition and prospects could also be harmed by risks and uncertainties not currently known to us or that we do not currently believe to be material. If any of the risks actually occur, our business, results of operations, financial condition, and prospects could be adversely affected. In that event, the trading price of our Class A common stock could decline, and you could lose part or all of your investment.*

### Risk Factors Summary

***Our business is subject to numerous risks and uncertainties that you should consider before investing in our company. The following is a summary of some of these risks and uncertainties. This summary should be read together with the more detailed description of each risk factor below.***

- We have experienced rapid net revenue growth in recent periods and our recent net revenue growth rates may not be indicative of our future net revenue growth.
- If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of customer service and satisfaction, and our business, results of operations, and financial condition could be adversely affected.
- Future net revenue growth depends on our ability to retain existing Customers, drive increased TPV on our Platform, and attract new Customers in a cost-effective manner.
- We participate in markets that are competitive and continuously evolving, and if we do not compete effectively with established companies and new market entrants, our business, results of operations, and financial condition could be adversely affected.
- We currently generate significant net revenue from our largest Customer, Block, Inc., or Block, and the loss or decline in net revenue from Block could adversely affect our business, results of operations, and financial condition.
- Our recent growth, ongoing changes in our industry, and our transaction mix make it difficult to forecast our net revenue and evaluate our business and future prospects.
- We have a history of net losses, we anticipate increasing operating expenses in the future, and we may not be able to achieve profitability.
- We may experience annual or quarterly fluctuations in our results of operations due to a number of factors that make our future results difficult to predict and could cause our results of operations to fall below analyst or investor expectations.
- The global COVID-19 pandemic could adversely affect our business, results of operations, and financial condition.
- Our business relies on our relationships with Issuing Banks and Card Networks, and if we are unable to maintain these relationships, our business may be adversely affected. Further, any changes to the rules or practices set by Card Networks, including changes in Interchange Fees, could adversely affect our business.
- There has been a limited public market for our Class A common stock, the trading price of our Class A common stock has been and is likely to continue to be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the price at which you purchased such shares.
- The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who hold shares of our Class B common stock, including our directors, executive officers, and their respective affiliates. This ownership limits or precludes your ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval, and that may depress the trading price of our Class A common stock.

## Risks Relating to Our Business and Industry

***We have experienced rapid net revenue growth in recent periods and our recent net revenue growth rates may not be indicative of our future net revenue growth.***

We have experienced rapid growth in recent periods. Our total net revenue was \$517.2 million, \$290.3 million and \$143.3 million for the years ended December 31, 2021, 2020, and 2019, respectively, an increase of 78% and 103% from the prior years, respectively. In future periods, we may not be able to sustain net revenue growth consistent with recent history, or at all. Further, because we operate in an evolving payments industry, our ability to grow and innovate is important to our success. We believe our net revenue growth depends on several factors, including, but not limited to, our ability to:

- acquire new Customers and retain existing Customers;
- achieve widespread acceptance and use of our Platform and the services we offer;
- increase the use of our Platform and our offerings, TPV, and the number of transactions on our Platform;
- effectively scale our operations while maintaining high levels of service and Customer satisfaction;
- maintain and increase our net revenue and gross profit by continuing to innovate and expanding our product and service offerings;
- diversify our Customer base;
- maintain and grow our network of vendors and partners, including Issuing Banks, Card Networks, and other vendors and partners;
- hire and retain talented employees at all levels of our business;
- maintain the security and reliability of our Platform;
- adapt to changes in laws and regulations applicable to our business;
- adapt to changing macroeconomic conditions and evolving conditions in the payments industry;
- introduce and grow widespread adoption of our Platform in new markets outside of the United States; and
- successfully compete against established companies and new market entrants, including legacy issuing platforms and modern payments technology companies.

If we are unable to accomplish these objectives, our net revenue growth may be adversely affected.

We also expect our operating expenses to increase in future periods, and if our net revenue growth does not increase to offset these anticipated increases in our operating expenses, our business, results of operations, and financial condition will be adversely affected, and we may not be able to achieve profitability. We have also encountered in the past, and expect to encounter in the future, risks and uncertainties frequently experienced by growing companies in evolving industries as further detailed in these "Risk Factors." If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our growth rates may slow and our business would suffer. In the near term, we expect our TPV and net revenue growth rates to be variable as a result of the COVID-19 pandemic, including the continued spread and evolution of COVID-19, and we are unable to predict the duration, degree, or volatility of future growth with any certainty.

***If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of Customer service and satisfaction, and our business, results of operations, and financial condition could be adversely affected.***

We have experienced, and expect to continue to experience, rapid growth, which has placed, and may continue to place, significant demands on our management and our operational and financial resources. For example, our workforce has grown to 789 employees as of December 31, 2021 from 509 employees as of December 31, 2020. We have offices in the United Kingdom, or U.K., and Australia, and a presence in Singapore, and we plan to continue to expand our international presence and operations into other countries in the future. We have also historically experienced significant growth in the number of Customers using our Platform, the number of card programs and solutions we manage for our Customers, and TPV on our Platform.

To manage operations and personnel growth, we will need to continue to grow and improve our operational, financial, and management controls, and our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to expand our systems and infrastructure before our net revenue increases without any assurances that our net revenue will increase. We also believe that our corporate culture has been and will continue to be a valuable component of our success. As we expand our business and mature as a public company, we may find it difficult to maintain our corporate culture while managing this growth as our employees and other service providers increasingly work from geographic areas across the globe. Failure to manage our anticipated growth and organizational changes in a manner that preserves the key aspects of our culture could reduce our ability to recruit and retain personnel, innovate, operate effectively, and execute on our business strategy, potentially adversely affecting our business, results of operations, and financial condition. Additionally, as a result of the COVID-19 pandemic, our global workforce has been working remotely or in hybrid settings, with expected future phased office re-openings potentially limiting our employees' ability to perform certain job functions and, over time, negatively impacting corporate culture.

Further, as more of our employees are located in new jurisdictions, we will be required to invest resources and to monitor continually changing local regulations and requirements, and we may experience a resulting increase in our expenses, decrease in employee productivity, and changes in our corporate culture.

In addition, as we expand our business, it is important that we continue to maintain a high level of Customer service and satisfaction. As our Customer base continues to grow, we will need to expand our account management and Customer service teams and continue to scale our Platform. If we are not able to continue to provide high levels of Customer service, our reputation, as well as our business, results of operations, and financial condition, could be adversely affected.

***Future net revenue growth depends on our ability to retain existing Customers, drive increased TPV on our Platform, and attract new Customers in a cost-effective manner.***

Our net revenue growth substantially depends on our ability to maintain and grow our relationships with existing Customers and increase the volume of transactions processed on our Platform. If our prospective Customers do not recognize, or our existing Customers do not continue to recognize, the need for and benefits of our Platform and our products, they may decide to adopt alternative products and services to satisfy their business needs. To grow our business and extend our market position, we intend to focus on educating potential Customers about the benefits of our Platform, expanding the capabilities of our Platform and our product offerings, and bringing new products and services to market to increase market acceptance and use of our Platform.

Some of our Customer contracts provide for a termination clause that allows our Customers to terminate their contract at any time following a limited notice period. In addition, our Customers generally are not subject to any minimum volume commitments under their contracts and have no obligation to continue using our Platform, products, or services. We cannot assure you that Customers will continue to use our Platform or that we will be able to continue processing transactions on our Platform at the same rate as we have in the past. Customers may terminate or reduce their use of our Platform for any number of reasons, including their level of satisfaction with our products and services, the effectiveness of our support services, our pricing and the pricing and quality of competing products or services, or the effects of global economic conditions.

The loss of Customers or reductions in their processing volumes, particularly any loss of or reductions by Block, may adversely affect our business, results of operations, and financial condition. Our growth may decline in the future if Customers are not satisfied with our Platform or our ability to meet our Customers' needs and expectations. Further, the complexity and costs associated with switching processing volume to our competitors may not ultimately prevent a Customer from switching to another provider. To achieve continued growth, we must not only maintain our relationships with our existing Customers, but also encourage them to increase adoption and usage of our products. For example, Customers can have multiple card programs on our Platform across different use cases and geographies. If Customers do not renew their contracts or broaden their use of our services, our growth may slow or stop and our business, results of operations, and financial condition may be materially and adversely affected.

In addition to capitalizing on the potential net revenue embedded within our existing Customer base, we must continue to attract new Customers to promote growth. Our growth depends on developing new use cases and industry verticals across new geographies. We may face additional challenges that are unique to the markets we target and we may not be able to acquire new Customers in a cost-effective manner. To reach new Customers, we may need to spend significantly more on sales and marketing to generate awareness of our Platform and educate potential Customers on the value of our Platform. We may also need to adapt our existing technology and offerings or develop new or innovative capabilities to meet the particular needs of Customers in these new use cases or new markets, and there can be no assurance that we will be successful in these efforts. We may not have adequate financial or technological resources to develop effective and secure products and services that will satisfy the demands of Customers in these new markets. When a new Customer launches with us, if we are slow to onboard them onto our Platform or are slow to expand their use cases, our net revenue from the Customer may be limited. If we fail to attract new Customers, including Customers in new use cases, industry verticals, and geographies, and to expand our Platform in a way that serves the needs of these new Customers, and to onboard them quickly, then we may not be able to continue to grow our net revenue.

***We participate in markets that are competitive and continuously evolving, and if we do not compete effectively with established companies and new market entrants, our business, results of operations, and financial condition could be adversely affected.***

We were founded in 2010, and we provide a single, global, cloud-based, open-API Platform for modern card issuing and payment processing. We provide card issuing, payment processing, risk management, data insights, and a variety of controls, customizations, and features through our Platform. Our modern card issuing Platform is situated in the evolving financial technology and payments industries that are intensely competitive and subject to rapidly evolving technology, shifting customer needs, new market entrants, and introductions of new products and services. We face competition along several dimensions, including providers with legacy technology platforms, such as Global Payments (TSYS), Fiserv, and Fidelity National Information Services; vertical-focused providers, such as Wex and Comdata; and emerging providers, such as Adyen and Stripe. We believe the principal competitive factors in our market include industry expertise, platform and product features and functionality, ability to build new technology and keep pace with innovation, scalability, extensibility, product pricing, security and reliability, brand recognition and reputation, agility, and speed to market. We expect competition to increase in the future as established and emerging companies continue to enter the markets we serve or attempt to address the problems that our Platform addresses. Moreover, as we expand the scope of our Platform, we may face additional competition.

Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as greater brand name recognition, longer operating histories, larger sales and marketing budgets and resources, more established relationships with vendors or customers, greater customer support resources, greater resources to make acquisitions and investments, lower labor and development costs, larger and more mature intellectual property portfolios, and substantially greater financial, technical, and other resources. Such competitors with greater financial and operating resources may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, customer requirements, or regulatory developments. In addition, there has been a recent increase in large merger and acquisition transactions in the payments industry, and future mergers and acquisitions by these companies may lead to even larger competitors with more resources.

Conditions in our markets could also change rapidly and significantly as a result of technological advancements, partnering by our competitors, or continuing market consolidation, and it is uncertain how our markets will evolve. New commerce disruptors or large financial institutions that are making significant investments in research and development may develop similar or superior products and technologies that compete with our Platform. Our existing and potential Customers also may choose to build some of the functionality our Platform provides, potentially limiting or eliminating their demand for our Platform. These competitive pressures in our markets or our failure to compete effectively may result in price reductions, fewer Customers, reduced net revenue, gross profit, and gross margins, increased net losses, loss of processing volume, and loss of market share. Any failure to meet and address these factors could adversely affect our business, results of operations, and financial condition.

***We currently generate significant net revenue from a small group of Customers, including our largest Customer, Block, and the loss or decline in net revenue from these customers, particularly Block, could adversely affect our business, results of operations, and financial condition.***

A small number of Customers account for a large percentage of our net revenue. For the years ended December 31, 2021, 2020 and 2019, Block accounted for 69%, 70% and 60% of our net revenue, respectively.

Although we expect the net revenue from our largest Customer will decrease over time as a percentage of our total net revenue as we generate more net revenue from other Customers, we expect that net revenue from a relatively small group of Customers will continue to account for a significant portion of our net revenue in the near term. Additionally, consolidation within our Customers' industries has accelerated in recent years, which has in turn increased the concentration of our Customers, and these trends may continue. For example, Block, our largest Customer, announced in February 2022 that it had completed its acquisition of Afterpay Limited, which is also our Customer, and may increase the percentage of our net revenue represented by our largest Customer. Furthermore, in the event that any of our largest Customers stop using our Platform or use our Platform in a reduced capacity, our business, results of operations, and financial condition would be adversely affected. In addition, any publicity associated with the loss of any of these Customers may adversely affect our reputation and could make it more difficult to attract and retain other Customers.

Our Customer contracts generally do not contain long-term commitments from our Customers, and our Customers may be able to terminate their agreements with us prior to expiration of the contract's term. The current term of our agreement with Block for Cash App expires in March 2024 and the current term of our agreement with Block for Square Card expires in December 2024, and each agreement automatically renews thereafter for successive one-year periods. Furthermore, while certain of our Customer contracts have minimum volume commitments, others do not. There can be no assurance that we will be able to continue our relationships with our Customers on the same or more favorable terms in future periods or that our relationships will continue beyond the terms of our existing contracts with them. In addition, the processing volume from Block has in the past fluctuated from period to period and may fluctuate or decline in future periods. Our net revenue and results of operations could suffer if, among other things, Block does not continue to use our products, uses fewer of our products, reduces its processing volume, or renegotiates, terminates or fails to renew, or to renew on similar or favorable terms, its agreement with us.

***Our recent growth, ongoing changes in our industry, and our transaction mix make it difficult to forecast our net revenue and evaluate our business and future prospects.***

We launched our Platform publicly in 2014, and much of our growth has occurred in recent periods. This recent growth makes it difficult to effectively assess or forecast our future prospects, particularly in an evolving industry. Our modern card issuing Platform represents a substantial departure from the traditional card issuing methods and the payment processing solutions offered by traditional providers. While our business has grown rapidly, the market for our Platform, products, and services may not develop as we expect or in a manner that is favorable to our business. As a result of ongoing changes in our evolving industry, our ability to forecast our future results of operations and plan for and model future growth is limited and subject to a number of uncertainties.

In particular, forecasting our future results of operations can be challenging because our net revenue depends in part on our Customers' end users, and our transaction mix adds further complexity. Our transaction mix refers to the proportion of signature debit versus PIN debit transactions and consumer versus commercial transactions that make up our TPV. In general, transactions that require a signature of the cardholder generate higher percentage-based Interchange Fees, while transactions that require a PIN generate lower percentage-based Interchange Fees. Accordingly, we may be unable to prepare accurate internal financial forecasts, and our results of operations in future reporting periods may differ materially from our estimates and forecasts or the expectations of investors or analysts, causing our business to suffer and our Class A common stock trading price to decline.

***We have a history of net losses, we anticipate increasing operating expenses in the future, and we may not be able to achieve profitability.***

We have incurred significant net losses since our inception, including net losses of \$163.9 million, \$47.7 million and \$122.3 million for the years ended December 31, 2021, 2020 and 2019, respectively. We expect to continue to incur net losses for the foreseeable future and we may not achieve profitability in the future. Because the market for our Platform, products, and services is evolving, it is difficult for us to predict our results of operations or our market opportunity. We expect our operating expenses to significantly increase over the next several years as we hire additional personnel, adjust compensation packages to hire new or retain employees in an increasingly competitive job market, expand our operations and infrastructure, both domestically and internationally, continue to enhance our Platform and develop and expand its capabilities, expand our products and services, and expand and improve our APIs. These initiatives may be more costly than we expect and may not result in increased net revenue. In addition, as a public company, we have incurred, and we will continue to incur, additional significant legal, insurance, accounting, and other expenses that we did not incur as a private company. Any failure to increase our net revenue sufficiently to keep pace with the increases in expenses resulting from these initiatives, investments, and other activities could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis in future periods. If we fail to achieve profitability, our business, results of operations, and financial condition could be adversely affected. We cannot assure you that we will ever achieve or sustain profitability and may continue to incur significant losses going forward. Any failure by us to achieve or sustain profitability on a consistent basis could cause the value of our Class A common stock to decline.

From time to time, we may make decisions that may reduce our short-term operating results if we believe those decisions will improve the experiences of our Customers, end users, and other users of our products and services, which we believe will improve our operating results over the long term. These decisions may not be consistent with investors' expectations and may not produce the long-term benefits that we expect, and this may materially and adversely affect our business.

***We may experience annual or quarterly fluctuations in our results of operations due to a number of factors that make our future results difficult to predict and could cause our results of operations to fall below analyst or investor expectations.***

Our annual or quarterly results of operations may fluctuate as a result of a number of factors, many of which are outside of our control and may be difficult to predict, including, but not limited to:

- demand for our Platform, products, and services by our Customers;
- our success in engaging and retaining existing Customers and attracting new Customers;
- changes in transaction mix or volume processed on the different Card Networks used and the resultant mix of interchange and transaction fees earned;
- our success in increasing our Customers' processing volumes;
- demand for our Customers' products by their customers;
- the timing and success of new capabilities by us or by our competitors or any other change in the competitive landscape of our market;
- changes to the terms of and performance under our Customer contracts, including concessions, or payments to Customers resulting from our failure to meet certain service level commitments, which are generally based on our Platform uptime, API response time, and/or transaction success rate;
- reductions in pricing as a result of renegotiations with our larger Customers;

- the amount and timing of operating expenses and capital expenditures, as well as entry into operating leases, that we may incur to maintain and expand our business and operations and remain competitive;
- the timing and extent of amendments or new contracts related to our volume incentive arrangements with Card Networks, which could result in incentive payments that are recorded in a current period and based on volume processed in a prior period;
- the timing of expenses and recognition of net revenue;
- changes in Customers' processing volumes resulting from seasonal fluctuations;
- security breaches, and technical difficulties involving our Platform or interruptions or disruptions of our Platform;
- adverse litigation judgments, other dispute-related settlement payments, or other litigation-related costs;
- regulatory fines;
- changes in, and continuing uncertainty in relation to, the legislative or regulatory environment;
- the timing and extent of changes in interchange rates set by Card Networks;
- legal and regulatory compliance costs in new and existing markets;
- the amount of compensation and timing of hiring new employees;
- the rate of expansion and productivity of our sales force;
- the timing and extent of increases of grants or vesting of equity awards to employees, directors, or consultants and the recognition of associated share-based compensation expenses and related payroll tax;
- fluctuations in foreign currency exchange rates;
- fluctuations in interest rates;
- costs and timing of expenses related to the acquisition of businesses, talent, technologies, or intellectual property, including potentially significant amortization costs and possible write-downs;
- the impact of tax charges as a result of non-compliance with, or changes to, federal, state, local, or other tax regulations;
- changes to generally accepted accounting standards in the United States;
- health pandemics, such as the COVID-19 pandemic, influenza, and other highly communicable diseases or viruses;
- the impact of market and economic volatility caused by the COVID-19 pandemic on our business and the businesses of our Customers;
- the impact of the COVID-19 pandemic on consumer demand and spending patterns; and
- general economic conditions in either domestic or international markets, including conditions resulting from geopolitical uncertainty and instability or war, including the significant military action against Ukraine launched by Russia.

Any one or more of the factors above may result in significant fluctuations in our results of operations. You should not rely on our past results as an indicator of our future performance.

The variability and unpredictability of our results of operations or other operating metrics could result in our failure to meet our or investors' expectations, or those of analysts that cover us, with respect to net revenue or other key metrics for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the trading price of our Class A common stock could fall, and we could face costly lawsuits, including securities class action suits.

***Systems failures and interruptions in the availability of our Platform may adversely affect our business, results of operations, and financial condition.***

Our continued growth depends on the efficient operation of our Platform without interruption or degradation of performance. Our business involves processing large numbers of transactions, enabling the movement of large sums of money on an aggregate basis, and the management of large amounts of data, and a system outage or data loss could have a material adverse effect on our business, results of operations, and financial condition. We may experience service interruptions, data loss, outages, and other performance problems due to a variety of factors, including infrastructure changes or failures, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, ransomware attacks, or other security-related incidents, including as retaliation against financial institutions for sanctions imposed against Russia as a result of the significant military action against Ukraine launched by Russia. In some instances, we may not be able to identify the cause or causes of these performance problems immediately or in short order, and we may face difficulties remediating and otherwise responding to any such issues. We may not be able to maintain the level of service uptime and performance needed by our Customers, especially as TPV increases. We have experienced high growth in TPV over the past several years and expect such growth may continue for the coming years; however, if we are unable to maintain sufficient processing capacity, Customers could face longer processing times or even downtime. Furthermore, any efforts to further scale our Platform or increase its complexity to handle a larger number or more complicated transactions could result in performance issues, including downtime. If our Platform is unavailable or if Customers are unable to access our Platform within a reasonable amount of time, or at all, our business would be adversely affected. Our Customers rely on the full-time availability of our Platform to process payment transactions, and an outage on our Platform could impair the ability of our Customers to operate their business and generate revenue. Therefore, any system failure, outage, performance problem, or interruption in the availability of our Platform would negatively impact our brand, reputation, and Customer satisfaction, and could subject us to financial penalties and liabilities.

Moreover, we depend on services from various third-party vendors to maintain our infrastructure, including data center facilities and cloud storage platforms such as Amazon Web Services, Inc., or AWS. We conduct vendor due diligence; however, if a service provider fails to develop and maintain sufficient internal control processes or fails to provide sufficient capacity to support our Platform or otherwise experiences service outages, such failure could interrupt the operation of our Platform, potentially adversely affecting our Customers or their perception of our Platform's reliability and adversely affecting the business of Customers using our Platform. Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our Platform. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of our Platform until equivalent technology is either developed by us or, if available from another provider, is identified, obtained, and integrated into our infrastructure. If we do not accurately predict our infrastructure capacity requirements, our Customers could experience service shortfalls. We may also be unable to effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, as well as to increase efficiency.

Further, our Customer contracts typically provide for service level commitments. If we suffer extended periods of downtime of our Platform or are otherwise unable to meet these commitments, we are contractually obligated to provide service credits, which may be based on a percentage of the processing volume on the day of an incident or the revenue we earned from our Customer on the day of an incident, or based on our overall monthly transaction success rate and the incentive payments or fees from that month. We have experienced incidents requiring us to pay service level credits and other customer service concessions in the past. In addition, the performance and availability of the cloud-based solutions that provide cloud infrastructures for our Platform is outside of our control and, therefore, we are not in full control of whether we meet our service level commitments. As a result, we have experienced, and expect to continue to periodically experience, unpredictable outages of the services provided by these cloud infrastructure providers. Our business, results of operations, and financial condition has in the past been affected and could in the future be adversely affected if we suffer unscheduled downtime that exceeds the service level commitments we have made to our Customers. Any extended service outages could adversely affect our business and reputation and erode Customer trust.

Any of the above circumstances or events may harm our reputation, cause Customers to terminate their agreements with us, impair our ability to renew contracts with Customers and grow our Customer base, subject us to financial penalties and liabilities, and otherwise adversely affect our business, results of operations, and financial condition.

***The global COVID-19 pandemic could adversely affect our business, results of operations, and financial condition.***

In March 2020, the World Health Organization declared the novel strain of coronavirus, COVID-19, a global pandemic. The COVID-19 pandemic has continued to spread and evolve. The related public health measures, including orders to shelter in place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, Customers, economies, and financial markets globally, leading to an economic downturn and increased market volatility. The extent to which such measures are removed or new measures are put in place will depend upon how the pandemic and the global response evolves, including the distribution of available vaccines, the rates at which they are administered, and the emergence of new variants of the virus.

The pandemic, as well as intensified measures undertaken to contain the spread of COVID-19, has impacted our day-to-day operations. Like many other companies, the majority of our workforce is working remotely and engaging with prospects and Customers who are also generally working remotely. As public health measures in the United States continue to shift, many Customer, employee, and industry events continue to be virtual-only experiences due to the pandemic. Live event attendance and sponsorship is one of the ways we have historically connected with prospective Customers. We rely on events, such as Money20/20, for a portion of our lead generation. A contingent of our employees attended Money20/20 in person in 2021, but the possibility of future variants of COVID-19 creates continuing uncertainty around live industry events in 2022. Because our solution is technical and requires in-depth discussions around Customer use cases, it can be challenging to acquire new Customers through predominantly online outreach, such as virtual events, email, and targeted ads. We have also observed fatigue from prospective Customers around attending virtual events, making it more difficult to acquire Customers through such events. Any cancellation or postponement of live events may impair our ability to acquire new Customers and prospects and may also result in the loss of financial commitments made to such events. In addition, we may incur increased workforce costs, including costs associated with implementing additional personnel and workplace safety protocols when the majority of our employees return to an office, and workplace or labor claims and disputes related to COVID-19.

The continued spread and evolution of COVID-19 could also have an adverse impact on our vendors, partners, and Customers, therefore materially and adversely impacting our business, results of operations, and overall financial performance in future periods. For example, we have experienced, and may continue to experience, a decrease in processing volumes from certain Customers, particularly those in industries that are heavily impacted by various public health measures, such as travel; delayed sales cycles, including Customers and prospective Customers delaying contract signing or contract renewals; and delays in launching strategic partnerships and opportunities. These disruptions could continue to adversely affect our business, results of operations, and financial condition, and could have other currently unforeseen negative impacts on us.

While we have developed and continue to develop plans to help mitigate the potential negative impact of the pandemic on our business, it is possible the COVID-19 pandemic, particularly in light of new variant strains of the virus, could further impact our operations and the operations of our Customers, partners, and vendors as a result of quarantines, illnesses, and travel and logistics restrictions. Supply chain disruption and resulting inflationary pressures, a global labor shortage, and the ebb and flow of COVID-19, including in specific geographies, are currently impacting the pace of our and our Customers', partners', and vendors' recovery and our business outlook. Our efforts to mitigate the potential negative impact of the pandemic on our business may not be effective and a protracted economic downturn will likely limit the effectiveness of our mitigation efforts. It is not possible for us to predict the duration or magnitude of the adverse results of the COVID-19 pandemic and its effects on our business, results of operations, or financial condition at this time. The extent to which the COVID-19 pandemic may impact our business, results of operations, and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, increases in infection rates and hospitalizations, the resulting impact on the businesses of our Customers, partners, and vendors, the remedial actions and stimulus measures adopted by federal, state, and local governments, and the extent that normal economic and operating conditions are impacted. To the extent the COVID-19 pandemic adversely affects our business, results of operations, and financial condition, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section. For more information on the effect of COVID-19 and potential risks to us, please see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Impact of COVID-19."

***Our business relies on our relationships with Issuing Banks and Card Networks, and if we are unable to maintain these relationships, our business may be adversely affected. Further, any changes to the rules or practices set by Card Networks, including changes in Interchange Fees, could adversely affect our business.***

We rely on our relationships with financial institutions, including Issuing Banks and Card Networks, that provide certain services that are an important part of our product offering. We have in the past and may in the future have disagreements with these financial institutions. If we are unable to maintain the quality of these relationships or fail to comply with our contractual requirements with these financial institutions, our business would be adversely affected. We partner with Issuing Banks, who issue payment cards to our Customers and settle payment transactions on such cards. A significant portion of our payment transactions are settled through one Issuing Bank, Sutton Bank. For the years ended December 31, 2021, 2020 and 2019, 90%, 96% and 97%, respectively, of TPV was settled through Sutton Bank. If Sutton Bank terminates our agreement with them or is unable or unwilling to settle our transactions for any reason, we may be required to switch some or all of our processing volume to one or more other Issuing Banks, including to any of the three other U.S. Issuing Banks that we currently contract with. Switching a significant portion or all of our processing volume to another Issuing Bank, including contracting with additional Issuing Banks, would take time and could result in additional costs, including increased operating expenses, and termination fees under our agreement with Sutton Bank if unilaterally terminated by us without Sutton Bank's consent. We could also lose Customers if we do not have another Issuing Bank who is willing to support such Customers. Diversifying our contractual relationships and operations with Issuing Banks may increase the complexity of our operations and may also lead to increased costs.

We also have agreements directly with Card Networks, such as Visa, Mastercard, and PULSE, which is part of the Discover Global Network, that, among other things, provide us certain monetary incentives based on the processing volume of our Customers' transactions routed through the respective Card Network. For certain incentive arrangements with an annual measurement period, the one-year period may not align with our fiscal year. Unusual fluctuations in network fees can occur in the quarter in which volume thresholds are achieved as higher incentive rates are applied to volumes over the entire measurement periods, which can span 6 or 12 months, which can affect our financial results for a given quarter or fiscal year. If we were to lose our certification with a Card Network, we could lose Customers if they needed to switch to a different Card Network, for which we did not have a certification. The Issuing Banks and Card Networks we work with may fail to process transactions, breach their agreements with us, or refuse to renew or renegotiate our agreements with them on terms that are favorable, commercially reasonable, or at all. They might also take actions that could degrade the functionality of our services, impose additional costs or requirements on us, or give preferential treatment to competitive services, including their own services. If we are unsuccessful in establishing, renegotiating, or maintaining relationships with Issuing Banks and Card Networks, our business may be adversely affected.

Our agreements with Issuing Banks and Card Networks require us to comply with Card Network operating rules. The Card Networks set these network rules and have discretion to interpret the rules and change them at any time. For additional information about regulations relating to network rules, see the section titled "Risk Factors—Risks Relating to Regulation—Our business is subject to extensive regulation and oversight in a variety of areas, directly and indirectly through our relationships with Issuing Banks and Card Networks, which regulations are subject to change and to uncertain interpretation." While changes in the network rules usually relate to pricing, other types of changes could require us to take certain steps to comply or adapt. For example, we began to issue cards with chips built in when a network rule changed to enable chip and PIN transactions. The termination of the card association registrations held by us or any of the Issuing Banks or any changes to these network rules or how they are interpreted could have a significant impact on our business and financial condition. Any changes to or interpretations of the network rules that are inconsistent with the way we or our Issuing Banks currently operate may require us to make changes to our business that could be costly or difficult to implement. If we fail to make such changes or otherwise resolve the issue with the Card Networks, the Card Networks could fine us or prohibit us from processing payment cards. In addition, violations of the network rules or any failure to maintain good relationships with the Card Networks could impact our ability to receive incentives from them, increase our costs, or otherwise adversely affect our business.

***Unfavorable conditions in our industry or the global economy could adversely affect our business, results of operations, and financial condition.***

Our performance is subject to economic conditions and their impact on levels of spending by businesses and their customers. Our net revenue is dependent on the usage of our Platform, which in turn is influenced by the volume of business our Customers conduct. To the extent that weak economic conditions result in a reduced volume of business for our Customers and prospective Customers, demand for, and use of, our Platform, products, and services may decline. If spending by their customers declines, our Customers could process fewer payments with us or, if our Customers cease to operate, they could stop using our Platform and our products and services altogether. Furthermore, weak economic conditions may make it more difficult to collect on outstanding accounts receivable. If, as a result of a weak economy, our Customers reduce their use of our Platform, or prospective Customers delay adoption or elect not to adopt our Platform, our business, results of operations, and financial condition could be adversely affected.

***Performance issues in our Platform or our Platform's transaction processing could diminish demand for our Platform or products, adversely affect our business and results of operations, and subject us to liabilities.***

Our Platform is designed to process a high number of transactions and deliver reports and other information related to those transactions at high processing speeds. Our Customers use our Platform for important aspects of their businesses. Our Issuing Banks use reports and information from our Platform in part to settle card transactions with the Card Networks. Any performance issues, including errors, defects, or disruptions in our Platform or our Platform's transaction processing, could damage our Customers' businesses and, in turn, hurt our brand and reputation and erode Customer trust. The risk of performance issues has increased in recent periods due to the significant increase in our TPV. This risk of performance issues further increases with new product launches and geographical expansion. We release regular updates to our Platform, which have in the past contained, and may in the future contain, undetected errors, failures, vulnerabilities, and bugs. Additionally, we may experience errors, inaccuracies, or omissions in our processing, reconciling or reporting of transactions. Further, we may be unable to replenish the supply of payment cards issued to our Customers before it is depleted, such that our Customers could run out of cards for a short period of time. Real or perceived errors, failures, or bugs in our Platform or our Platform's transaction processing could result in negative publicity, loss of or delay in market acceptance of our Platform or our products, loss of competitive position, lower Customer retention, claims by Customers, Card Networks, Issuing Banks, or other partners or vendors for losses sustained by them, or other claims, regulatory fines, or proceedings. In such an event, we may be required, or may choose, for Customer relations or other reasons, to expend additional resources to help correct the problem. In addition, we may not carry insurance sufficient to compensate us for any losses that may result from claims arising from defects or disruptions in our Platform or operations. As a result, our reputation and our brand could be harmed, and our business, results of operations, and financial condition may be adversely affected.

***We, our Customers, our vendors, and others who use or interact with our Platform obtain and process a large amount of sensitive data. Any real or perceived improper or unauthorized use of, disclosure of, or access to such data could expose us to liability and damage our reputation.***

Our operations depend on receiving, storing, processing, and transmitting sensitive information pertaining to our business, employees, Customers, and end users. The confidentiality, security, and integrity of such sensitive business information residing on our systems is important to our business. Any unauthorized access, intrusion, infiltration, network disruption, denial of service, or similar incident could disrupt the integrity, continuity, security, and trust of our systems or data, or the systems or data of our Customers or vendors. These incidents are often difficult to detect and are constantly evolving, and we or our Customers or vendors may face difficulties or delays in identifying or otherwise responding to any incident.

Unauthorized parties have attempted and may continue to attempt to gain access to our Platform, systems, or facilities, and those of our Customers, partners, and vendors, through various means and with increasing sophistication. Currently, there is a threat of attacks against U.S. financial institutions as retaliation against financial institutions for sanctions imposed against Russia as a result of the significant military action against Ukraine launched by Russia. These events could create costly claims and litigation, significant financial liability, regulatory investigations or proceedings, increased regulatory scrutiny, financial sanctions, a loss of confidence in our ability to serve Customers and cause current or potential Customers to choose another service provider, all of which could have a material adverse impact on our business. In addition, we expect to continue to invest significant resources to maintain and enhance our information security and controls and to investigate and remediate any security vulnerabilities.

Although we believe that we maintain a robust data security program, including a responsible disclosure program, and that none of the incidents that we have encountered to date have materially impacted us, we cannot be certain that the security measures and procedures we have in place to detect security incidents and protect sensitive data, including protection against unauthorized access and use by our employees, will be successful or sufficient to counter all current and emerging technological risks and threats. The impact of a material event involving our systems and data, or those of our Customers or vendors, could have a material adverse effect on our business, results of operations, and financial condition.

Under Card Network rules and our contracts with our Issuing Banks, if there is a breach of payment card information that we store, process, or transmit or that is stored, processed, or transmitted by our Customers or other third parties that we do business with, we could be liable to the Issuing Banks for certain of their costs and expenses. Additionally, if our own confidential business information were improperly disclosed, our business could be materially and adversely affected. The reliability and security of our Platform is a core component of our business. Any perceived or actual breach of security, regardless of how it occurs or the extent of the breach, could have a significant impact on our reputation as a trusted brand, cause us to lose existing Customers, prevent us from obtaining new Customers, require us to expend significant funds to remedy problems caused by breaches and to implement measures to prevent further breaches, and expose us to legal risk and potential liability, including those resulting from governmental or regulatory investigations, class action litigation, and costs associated with remediation, such as fraud monitoring, card reissuance, and forensics. Any actual or perceived security breach at a vendor providing services to us or our Customers could have similar effects.

While we maintain cybersecurity insurance, subject to applicable deductibles and policy limitations, our insurance may be insufficient to cover all liabilities incurred by such attacks. We cannot be certain that our insurance coverage will be adequate for privacy, data security, and data protection liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that an insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, premiums, or deductibles could have a material adverse effect on our business, results of operations, and financial condition.

***Our business depends on a strong and trusted brand, and any failure to maintain, protect, enhance, and market our brand would hurt our business.***

We have developed a strong and trusted brand that has contributed significantly to the success of our business. We believe that maintaining and promoting our brand in a cost-effective manner is important to achieving widespread acceptance of our Platform and the products and services we offer, expanding our base of Customers and end users, and increasing our TPV. Our brand is predicated on the idea that we offer modern payment solutions to our Customers and our Platform helps enable them to successfully operate their businesses. We are dedicated to building and maintaining a Platform our Customers can trust and creating solutions for our Customers who choose to build and grow their businesses with our card programs and other services. Maintaining and promoting our brand will depend largely on our ability to continue to provide a useful, reliable, secure, and innovative Platform, as well as our ability to maintain trust and be a payments processing innovator and leader. We may, from time to time, introduce, or make changes to, our Platform, products, services, privacy practices, or other practices or terms of service that Customers do not like, which may materially and adversely affect our brand. Brand promotion activities may not generate Customer awareness or increase net revenue, and even if they do, any increase in net revenue may not offset the expenses we incur in building our brand. In addition, due to the COVID-19 pandemic and the restrictions on travel, we have not been able to organize certain marketing and promotional events and in-person meetings to facilitate Customer adoption and generate leads with potential Customers. If we fail to successfully promote and maintain our brand or if we incur excessive expense in this effort, our business could be materially and adversely affected.

Harm to our brand can arise from many sources, including failure by us or our partners and vendors to satisfy expectations of service and quality, inadequate protection or misuse of sensitive information, compliance failures and claims, litigation and other claims, and misconduct by our vendors or other counterparties. We may also be the target of incomplete, inaccurate, and misleading or false statements about our company and our business that could damage our brand and deter Customers from adopting our services.

Any negative publicity about our company, our industry, the quality and reliability of our Platform, our risk management processes, changes to our products and services, our ability to effectively manage and resolve Customer complaints, our privacy, data protection, and information security practices, litigation, regulatory activity, policy positions, or the experience of our Customers with our Platform, products, and services could adversely affect our reputation and the confidence in and use of our Platform, products, and services. If we do not successfully maintain a strong and trusted brand, our business could be materially and adversely affected.

***If we fail to offer high-quality Customer support, our business and reputation will suffer.***

Many of our Customers depend on our Customer support team to assist them in launching and deploying our card programs effectively, help them resolve issues quickly, and provide ongoing support. Our direct, ongoing interactions with our Customers help us tailor offerings to them at scale and in the context of their usage. Our Customer support team also helps increase awareness and usage of our Platform while helping Customers address inquiries and issues. If we do not devote sufficient resources or are otherwise unsuccessful in assisting our Customers effectively, it could adversely affect our ability to retain existing Customers and could prevent prospective Customers from adopting our Platform. We may be unable to respond quickly enough to accommodate short-term increases in demand for Customer support. Increased demand for Customer support, without corresponding net revenue, could increase costs and adversely affect our business, results of operations, and financial condition. Our sales are highly dependent on our business reputation and on positive recommendations from Customers. Any failure to maintain high quality Customer support, or a market perception that we do not maintain high quality Customer support, could erode Customer trust and adversely affect our reputation, business, results of operations, and financial condition.

In addition, as we continue to grow our operations and reach a larger and increasingly global Customer base, we need to be able to provide efficient Customer support that meets the needs of Customers on our Platform globally and at scale. The number of Customers and end users using our Platform, TPV, the products and services we offer, and usage of our Platform by Customers have all grown significantly and this has put additional pressure on our support organization. If we are unable to provide efficient Customer support globally and at scale, our ability to grow our operations may be adversely affected and we may need to hire additional support personnel, potentially adversely affecting our results of operations.

***If we fail to adapt to rapid technological changes and develop enhancements and new capabilities for our Platform, our ability to remain competitive could be impaired.***

We compete in an industry that is characterized by rapid technological changes, frequent introductions of new products and services, and evolving industry standards and regulatory requirements. Our ability to attract new Customers and increase net revenue from Customers will depend in significant part on our ability to adapt to industry standards, anticipate trends, and continue to enhance our Platform and introduce new products and capabilities on a timely and secure basis to keep pace with technological developments and Customer expectations. For example, it is important for us to implement tools to support the operational efficiency of our Platform. If we are unable to provide enhancements and new products on our Platform, develop new capabilities that achieve market acceptance, innovate quickly enough to keep pace with rapid technological developments, or experience unintended consequences with enhancements we provide, our business could be adversely affected. For example, our Customers may not adopt enhancements and new products or may not use them as intended. We must also keep pace with changing legal and regulatory regimes that affect our Platform, products, services, and business practices. We may not be successful in developing modifications, enhancements, and improvements, in bringing them to market quickly or cost-effectively in response to market demands, or at modifying our Platform to remain compliant with applicable legal and regulatory requirements.

In addition, because our Platform is designed to operate directly with the Card Networks, Issuing Banks, and general payments ecosystem, we need to continuously modify and enhance our Platform to keep pace with changes in technologies, while maintaining compatibility and legal and regulatory compliance. Any failure of our Platform to continue to operate effectively with third-party infrastructures and technologies could reduce the demand for our Platform, products, or services, result in the dissatisfaction of our Customers, and materially and adversely affect our business.

***Our future success depends in part on our ability to expand internationally and drive the adoption of our Platform and products by international Customers. Expanding our business internationally, however, could subject us to new challenges and risks.***

During the year ended December 31, 2021, we derived 2% of our net revenue from Customers located outside the United States. The future success of our business will depend, in part, on our ability to offer our Platform and services internationally and expand our international Customer base. While we have been expanding our Platform, products, services and sales efforts internationally, our experience in selling our Platform, products, and services outside of the United States is early. Our process for identifying countries to expand into may not be successful and may take a considerable amount of time, effort, and expense, and we may not realize benefits from expansion into a particular market. Additionally, the spread of COVID-19 may complicate efforts to expand our business internationally by restricting our ability to travel and engage in certain market diligence, sales and marketing activities abroad. Furthermore, our business model may not be successful or have the same traction outside the United States and we may face additional regulatory hurdles. As a result, our investment in marketing our Platform to these potential Customers may not be successful. If we are unable to increase the net revenue that we derive from international Customers, then our business, results of operations, and financial condition may be adversely affected.

In addition, expansion, whether in our existing or new international markets, will require additional resources and controls, and offering our Platform in new geographic regions often requires substantial expenditures and takes considerable time. We may not be successful enough in these new geographies to recoup our investments in a timely manner or at all. Such expansion could also subject our business to substantial risks, including:

- difficulty in attracting a sufficient number of Customers in a given international market;
- failure to anticipate competitive conditions and competition with market-players that have greater experience and brand recognition in the local markets than we do;
- conformity with applicable business customs, including translation into foreign languages and associated expenses;
- increased costs and difficulty in protecting intellectual property and sensitive data;
- Increased costs from local Card Networks, Bank Identification Number, or BIN, sponsors, and other local providers locally;
- changes to the way we do business or price our products and services as compared with our current operations or a lack of acceptance of our Platform or certain products and services;
- the ability to support and integrate with local BIN sponsors and third-party vendors;
- difficulties in staffing and managing foreign operations in an environment of diverse culture, laws, and customs, and other challenges caused by distance;
- language and cultural differences, and the increased travel, infrastructure, and legal and compliance costs associated with global operations;
- difficulties in recruiting and retaining qualified employees and maintaining our company culture;
- difficulty in gaining acceptance from industry self-regulatory bodies;
- compliance with multiple, potentially conflicting and changing governmental laws and regulations, including with respect to payment processing, data privacy, data protection, and information security;
- compliance with U.S. and foreign anti-corruption, anti-bribery, and anti-money laundering laws;
- potential tariffs, sanctions, fines, or other trade restrictions, including any political or economic responses and counter-responses or otherwise by various global actors to the significant military action against Ukraine launched by Russia;
- exchange rate risk and Interchange Fee regulation in foreign countries;
- compliance with complex and potentially conflicting and changing laws of taxing jurisdictions where we conduct business and applicable U.S. tax laws; and

- regional economic and political instability or war, including the significant military action against Ukraine launched by Russia.

As a result of these risks, our efforts to expand our global operations may not be successful, potentially limiting our ability to grow our business.

In addition, we do not currently have operations in Russia or plans to expand there, and, based on the actions taken by certain Card Networks, to our knowledge no Marqeta-powered card could currently operate in Russia. It is unclear, however, whether the significant military action against Ukraine launched by Russia will have any broader implications that may impact our business and results of operations.

***We may incur losses relating to the settlement of payment transactions and the fraudulent use of payment cards issued through our Platform.***

We are and will continue to be subject to the risk of losses relating to the day-to-day settlement of payment transactions that is inherent in our business model, including with respect to pre-funding and chargeback requests. Customers deposit a certain amount of pre-funding into their Customer account at our Issuing Banks. However, depending on the model of the card program and the timing of funding and transactions, some transactions that exceed the amount of pre-funding in the Customer's account are still authorized. Customers are ultimately responsible for fulfilling their obligations to fund transactions. However, when a Customer does not have sufficient funds to settle a transaction, we are liable to the Issuing Bank to settle the transaction and may incur losses as a result of claims from the Issuing Bank. We would seek to recover such losses from the Customer, but we may not fully recover them if the Customer is unwilling or unable to pay due to their financial condition. Because we are liable to the Issuing Banks, we may also bear the risk of losses if a Customer does not provide payment due to fraudulent or disputed transactions. Additionally, when a chargeback request is approved, the purchase price of the transaction is refunded to the Customer's end user's account through our Platform. If we do not properly process the chargeback, the Customer may request that we fund the refunded amount to their end user. We have in the past, and may in the future, incur costs relating to the improper processing of chargeback requests.

Additionally, criminals are using increasingly sophisticated methods to engage in illegal activities which they may use to target us, including "skimming," counterfeit payment cards, and identity theft. A single, significant incident or a series of incidents of fraud or theft involving cards issued through our Platform could result in reputational damage to us, potentially reducing the use and acceptance of our Platform or lead to greater regulation that would increase our compliance costs. Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines. The foregoing could have a material adverse effect on our business, results of operations, and financial condition. We are also subject to risk from fraudulent acts of employees or contractors.

***We depend on our executive officers and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could adversely affect our business.***

Our success depends largely upon the continued services of our executive officers and other key employees. There have been changes in the past, recent changes, and there may be changes in the future, to our executive management team resulting from the hiring or departure of executives, which could disrupt our business. For example, we recently appointed a new Chief Financial Officer effective February 22, 2022. Additionally, from time to time we may reorganize the Company's departments in an effort to increase efficiencies or better serve our Customers, including consolidating groups under existing or new executives. For example, we recently consolidated the marketing team, including our sales development representatives, and business development team, including strategic, enterprise, and emerging sales units as well as our partnerships teams, into one go-to-market function under our Chief Operating Officer, Vidya Peters. Any employment agreements we have with our executive officers or other key personnel do not require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. Additionally, we do not maintain any key person insurance policies. The loss of one or more of our executive officers, especially our Chief Executive Officer, or other key employees could adversely affect our business. Changes in our executive management team may also cause disruptions in, and adverse impacts to, our business.

In addition, to maintain and grow our business, we must attract and retain highly qualified personnel. Competition for highly qualified personnel is intense across the markets we target, especially for highly skilled employees and experienced sales professionals. We have from time to time experienced, are currently experiencing, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications, at a speed that is consistent with our business needs, and at an appropriate cost, which may be compounded as a result of the COVID-19 pandemic. Any changes to U.S. immigration policies that restrain the flow of technical and professional talent may inhibit our ability to recruit and retain highly qualified employees. We must also effectively manage employee skills, competency requirements, and development plans to retain qualified employees once hired. Many of the companies we compete with for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached certain legal obligations, resulting in a diversion of time and resources, and potential liability for us or our employees.

In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the value of our equity awards declines, it may impair our ability to recruit and retain highly skilled employees. If we are not able to add and retain employees effectively, our ability to achieve our strategic objectives will be adversely affected, and our business and growth prospects will be adversely affected. Further, additions of executive-level management and large numbers of employees could significantly and adversely impact our culture.

The volatility in or lack of appreciation of the trading price of our Class A common stock may also affect our ability to attract and retain our key employees. Many of our senior personnel and other key employees have become, or will become, vested in a substantial amount of restricted stock units, or RSUs, or stock options. Employees may be more likely to leave us if the shares they own or the shares underlying their vested options or RSUs have significantly appreciated in value relative to the original purchase price of the shares or the exercise price of the options, or conversely, if the exercise prices of the options that they hold are significantly above the market price of our Class A common stock. If we do not maintain and continue to develop our corporate culture as we grow and evolve, including our diversity and inclusion efforts, it could impair our ability to foster the innovation, teamwork, curiosity, and diversity that we believe is necessary to support our growth.

***Exposure to political developments in the United Kingdom, including the United Kingdom's decision to leave the European Union, could adversely affect us.***

On June 23, 2016, a referendum was held on the U.K.'s membership in the European Union, or the EU, resulting in a vote in favor of leaving the European Union. Effective as of January 31, 2020, the U.K. formally withdrew its membership from the European Union. The U.K.'s decision to leave the European Union has created an uncertain political and economic environment in the U.K. and across other European Union member states. The political and economic instability created by the U.K.'s decision to leave the European Union has caused and may continue to cause volatility in global financial markets and the value of the British Pound or other currencies, including the Euro. In addition, this uncertainty may cause some of our Customers or potential Customers to curtail or delay spending or adoption of our Platform. Depending on the market and regulatory effects of the U.K.'s exit from the European Union, it is possible that there may be adverse practical or operational implications on our business. For example, the U.K. Data Protection Act, which implemented the EU's General Data Protection Regulation, or the GDPR, was amended January 1, 2021 to reflect the U.K.'s status outside the European Union. It remains unclear, however, how U.K. data protection laws or regulations will develop and be interpreted in the medium to longer term, how data transfers to and from the U.K. will be regulated, and how those regulations may differ from those in the European Union. While we have taken measures to preemptively address the impact of the U.K.'s departure from the European Union by including contingency clauses in our European Union master service agreements, for example, these may not adequately protect us from adverse implications on our business. Further, the U.K.'s exit from the European Union may create increased compliance costs and an uncertain regulatory landscape for offering equity-based incentives to our employees in the U.K. If we are unable to maintain equity-based incentive programs for our employees in the U.K. due to the departure of the U.K. from the European Union, our business in the U.K. may suffer and we may face legal claims from employees in the U.K. to whom we previously offered equity-based incentive programs.

These and other factors related to the departure of the U.K. from the European Union may adversely affect our business, financial condition, and results of operations.

***We may face exposure to foreign currency exchange rate fluctuations, and such fluctuations could adversely affect our business, results of operations, and financial condition.***

As we continue to expand our global operations, we become more exposed to the effects of fluctuations in currency exchange rates. Our Customer contracts are denominated primarily in U.S. dollars, and therefore the majority of our net revenue is not subject to foreign currency risk. We expect, however, to significantly expand the number of transactions with Customers that are denominated in foreign currencies in the future as we continue to expand our business internationally. We also incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency for such locations. Fluctuations in the exchange rates between the U.S. dollar and other currencies could result in an increase to the U.S. dollar equivalent of such expenses and, as a result, adversely affect our business, results of operations, and financial condition.

We do not currently maintain a program to hedge exposures in foreign currencies. In the future, however, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

***If our estimates or judgments relating to our accounting policies prove to be incorrect, our results of operations could be adversely affected.***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates in part on historical experience, market observable inputs, if available, and various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity, and the amount of net revenue and expenses that are not readily apparent from other sources. Assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition and accounting for share-based compensation. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock.

***We may require additional capital to support our business, and this capital might not be available on acceptable terms, if at all.***

We intend to continue to make investments to support our business and may require additional funds. In particular, we may seek additional funds to develop new products and enhance our Platform and existing products, expand our operations, including our sales and marketing organizations and our presence outside of the United States, improve our infrastructure or acquire complementary businesses, technologies, services, products, and other assets. In addition, we are using a portion of our cash to satisfy tax withholding and remittance obligations related to the vesting of RSUs. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A common stock and Class B common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, potentially making it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop product enhancements, and respond to business challenges could be significantly impaired, and our business, results of operations, and financial condition may be adversely affected.

***Acquisitions, strategic investments, partnerships, or alliances could be difficult to identify, divert the attention of key management personnel, disrupt our business, dilute stockholder value, and adversely affect our results of operations and financial condition. We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.***

We may seek to acquire or invest in businesses, products, or technologies that we believe could complement our Platform, products, and services or expand the breadth of our Platform, enhance our products and capabilities, expand our geographic reach or Customer base, or otherwise offer growth opportunities. The pursuit of potential investments or acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable opportunities, whether or not they are consummated. Any acquisition, investment, or business relationship may result in unforeseen operating difficulties and expenditures. In addition, we have limited experience in investing in and acquiring other businesses. If we acquire additional businesses, we may not be able to successfully integrate the acquired personnel, operations, and technologies, or effectively manage the combined business following the acquisition.

Specifically, we may not successfully evaluate or utilize the acquired technology or personnel or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

We may not be able to find and identify desirable acquisition targets or we may not be successful in entering into an agreement with any one target. We may be required to issue equity or debt securities to acquire businesses which could dilute our shareholders or adversely affect our results of operations. In addition, if an acquired business fails to meet our expectations, our business, results of operations, and financial condition may suffer.

We have made, and may in the future seek to make, strategic investments in early stage companies developing products or technologies that we believe could complement our Platform or expand its breadth, enhance our technical capabilities, or otherwise offer growth opportunities. These investments may be in early stage private companies for restricted stock. Such investments are generally illiquid and may never generate value. Further, we may invest in companies that do not succeed, and our investments may lose all or some of their value, which result in us recording impairment charges reflected in of results of operations.

***We may be subject to litigation for a variety of claims, which could harm our reputation and adversely affect our business, results of operations, and financial condition.***

In the ordinary course of business, we may be involved in and subject to litigation for a variety of claims or disputes and receive regulatory inquiries. These claims, lawsuits, and proceedings could include labor and employment, wage and hour, commercial, antitrust, alleged securities law violations or other investor claims, and other matters. The number and significance of these potential claims and disputes may increase as our business expands. Further, our general liability insurance may not cover all potential claims made against us or be sufficient to indemnify us for all liability that may be imposed. Any claim against us, regardless of its merit, could be costly, divert management's attention and operational resources, and harm our reputation. As litigation is inherently unpredictable, we cannot assure you that any potential claims or disputes will not have a material adverse effect on our business, results of operations, and financial condition.

## Risks Relating to Regulation

***Our business is subject to extensive regulation and oversight in a variety of areas, directly and indirectly through our relationships with Issuing Banks and Card Networks, which regulations are subject to change and to uncertain interpretation.***

We, our vendors, our partners, and our Customers are subject to a wide variety of state, federal, and international laws, regulations, and industry standards in the United States and in other countries where we operate both directly and indirectly through our relationships with Issuing Banks and Card Networks. These laws, regulations, industry standards, and rules govern numerous areas important to our business. While we currently operate our business in an effort to ensure our business itself is not subject to extensive regulation, the Issuing Banks and Card Networks that we partner with operate in a highly regulated landscape, and there is a risk that those regulations could become applicable to us. We are directly subject to regulation in areas including privacy, data security, data protection, and anti-bribery, and our contractual relationships with Issuing Banks and Card Networks subject us to additional regulations including those relating to payments services (such as payment processing and settlement services), consumer protection, anti-money laundering, anti-bribery, escheatment, international sanctions regimes, data privacy and security, intellectual property, and compliance with the PCI DSS, a data security standard obligating companies that process, store, or transmit payment card information to maintain security measures designed to protect cardholder data.

The laws, rules, regulations, and standards applicable to our business are enforced by multiple authorities and governing bodies in the United States, including federal agencies, self-regulatory organizations, and numerous state agencies. Outside of the United States, we may be subject to additional regulators. As we expand into new jurisdictions, or expand our Platform and product offerings in existing jurisdictions, the number of foreign regulations and regulators governing our business will expand as well.

In addition, as our business and Platform continue to develop and expand, we may become subject to additional rules, regulations, and industry standards. We may not always accurately predict the scope or applicability of certain regulations to our business, particularly as we expand into new areas of operations, which could have a significant negative effect on our existing business and our ability to pursue future plans.

In addition to laws and regulations that apply directly to us, we are contractually subject to certain laws and regulations through our relationships with Issuing Banks and Card Networks, which operate in a highly regulated industry. Additionally, as a program manager, we are responsible for ensuring compliance with Issuing Banks' requirements and Card Network rules, and we help create regulatory compliant card programs for our Customers. In some cases, our inability to ensure such compliance could expose us to liability or indemnification claims from our Customers or partners. Furthermore, legislative and regulatory changes could prompt our Issuing Banks to alter the extent or the terms of their dealings with us in ways that may have adverse consequences for our business. For example, due to our relationships with certain Issuing Banks and Card Networks, we may be subject to indirect supervision and examination by the CFPB, which is engaged in rulemaking and regulation of the payments industry, including, among other things, the regulation of prepaid cards, buy now, pay later financing programs, and the enforcement of certain protections under applicable regulations. While reform in the payment industry, such as the formation of the CFPB, has focused on individual consumer protection, legislatures continue to consider whether to include business customers, especially smaller business customers, within the scope of these regulations. As a result, new or expanded regulation focusing on business customers or changes in interpretation or enforcement of regulations may have an adverse effect on our business, results of operations, and financial condition due to increased compliance costs and new restrictions affecting the terms we offer our Platform or our products and services under.

A majority of our net revenue is derived from Interchange Fees and we expect Interchange Fees to continue to represent a significant percentage of our net revenue in the near term. The amount of Interchange Fees we earn is highly dependent on the interchange rates that the Card Networks set and adjust. From time to time, Card Networks change the Interchange Fees and assessments they charge for transactions processed using their networks. Interchange Fees or assessments are also subject to change from time to time due to government regulation. Interchange Fees are the subject of intense legal and regulatory scrutiny and competitive pressures in the electronic payments industry. For example, the Durbin Amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which limits Interchange Fees, may restrict or otherwise impact the way we do business or limit our ability to charge certain fees to Customers. Issuing Banks that are exempt from the Durbin Amendment are able to access higher interchange rates. As a result, to maximize our Interchange Fees, we currently only contract with Issuing Banks that are exempt from the Durbin Amendment when we provide program management services. Changes in regulation or additional rulemaking may adversely affect the way we conduct our business or result in additional compliance obligations and expense for our business and limitations on net revenue. For example, the Board of Governors of the Federal Reserve System recently proposed a change to the regulations implemented pursuant to the Electronic Fund Transfer Act to clarify that e-commerce transactions can be routed over secondary, unaffiliated debit card networks that generally set lower Interchange Fees. If implemented, we may experience a reduction in net revenue derived from Interchange Fees. Interchange Fee regulation also exists in other countries where our Customers use payment cards and such regulation could adversely affect our business in other foreign regions. Any changes in the Interchange Fees associated with our Customers' card transactions could adversely affect our business, results of operations, and financial condition.

Many of these laws and regulations are evolving, unclear, and inconsistent across jurisdictions, and ensuring compliance with them is difficult and costly. With increasing frequency, federal and state regulators are holding businesses in the payments industry to higher standards of training, monitoring, and compliance, including monitoring for possible violations of laws by our Customers and people who do business with our Customers while using our Platform or products. If we fail to comply with laws and regulations applicable to our business in a timely and appropriate manner, we may be subject to litigation or regulatory proceedings, we may have to pay fines and penalties, and our client relationships and reputation may be adversely affected, which could have a material adverse effect on our business, results of operations, and financial condition.

Further, while we do not handle or interact with cryptocurrency and we only process transactions on our Platform in fiat currencies, certain cryptocurrency businesses use our Platform to provide card products to their customers and end users. The regulation of cryptocurrency is rapidly evolving and varies significantly among international, federal, state, and local jurisdictions and is subject to substantial uncertainty. Various legislative and executive bodies in the U.S. and other countries may adopt laws, regulations, or guidance, or take other actions, which may impact our Issuing Banks and restrain the growth of cryptocurrency businesses and in turn impact the net revenue associated with our cryptocurrency business Customers.

***Regulations and industry standards related to privacy and data protection could adversely affect our ability to effectively provide our services.***

Governmental bodies and industry organizations in the United States and abroad have adopted, or are considering adopting, laws and regulations restricting the use of, and requiring safeguarding of, personal information. For example, in the United States, all financial institutions must undertake certain steps to ensure the privacy and security of consumer financial information. Further, the California Consumer Privacy Act became effective on January 1, 2020 and imposes additional restrictions on the collection, processing, and disclosure of personal information, including imposing increased penalties on data privacy incidents. Additionally, a new privacy law, the California Privacy Rights Act, or the CPRA, creates additional obligations relating to personal information that take effect on January 1, 2023 (with certain provisions having retroactive effect to January 1, 2022). The CPRA's implementing regulations are expected on or before July 1, 2022, and enforcement is scheduled to begin July 1, 2023. We will continue to monitor developments related to the CPRA and anticipate additional costs and expenses associated with CPRA compliance. Other U.S. states also are considering omnibus privacy legislation and industry organizations regularly adopt and advocate for new standards in these areas. Many obligations under these other laws and legislative proposals remain uncertain, and we cannot fully predict their impact on our business. If we fail to comply with any of these laws or standards, we may be subject to investigations, enforcement actions, civil litigation, fines and other penalties, all of which may generate negative publicity and have a negative impact on our business.

In the European Economic Area, the GDPR, which became effective in 2018, extends the scope of European Union data protection law to all companies processing personal data of European Union residents, regardless of the company's location, and requires companies to meet stringent requirements regarding the handling of personal data. The GDPR also imposes some limitations on international transfers of personal data. The GDPR imposes substantial obligations and risk upon our business and provides for significant penalties in the event of any non-compliance. Administrative fines under the GDPR can amount up to 20 million Euros or four percent of a company group's annual global turnover, whichever is higher. Further, following the exit of the U.K. from the European Union, it remains unclear how the U.K. Data Protection Act, which implemented the GDPR in the U.K., and other U.K. data protection laws or regulations will develop in the medium to longer term and how data transfers to and from the U.K. will be regulated. We have incurred substantial expense in complying with new data protection legal frameworks and we may be required to make additional, significant changes in our business operations, all of which may adversely affect our net revenue and our business overall. Additionally, because these new regimes lack a substantial enforcement history, we are unable to predict how emerging standards may be applied to us.

Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. On July 16, 2020, the Court of Justice of the European Union invalidated the EU-U.S. Privacy Shield, eliminating one of the mechanisms we had relied on to legitimize EU-U.S. data transfers. The court, however, approved an alternative transfer mechanism that we rely on known as the standard contractual clauses provided additional safeguards are in place. We are in the process of assessing this decision and its impact on our data transfer mechanisms. It is possible that the decision will restrict the ability to transfer personal data from the European Union to the United States. We (and many other companies) may need to implement different or additional measures to establish or maintain legitimate means for the transfer and receipt of personal data from the European Union to the United States, and we may, in addition to other impacts, experience additional costs associated with increased compliance burdens, and we and our Customers face the potential for regulators to apply different standards to the transfer of personal data from the European Union and Switzerland to the United States, and to block, or require ad hoc verification of measures taken with respect to, certain personal data transfers from the European Union and Switzerland to the United States. Any inability to transfer personal data from the European Union to the United States in compliance with data protection laws or otherwise comply with requirements in this rapidly changing environment may impede our ability to attract and retain Customers unless and until we build out an EU-compliant data processing center. These restrictions may adversely affect our business and financial position.

Some countries are also considering or have passed legislation requiring local storage and processing of data, or similar requirements, potentially increasing the cost and complexity of our operations.

In connection with providing services to our Customers, we are required by certain self-regulatory frameworks and contractual arrangements with Card Networks and Issuing Banks to provide assurances regarding the confidentiality and security of non-public consumer information, including the PCI DSS. Further, certain Customers increasingly expect us to comply with more stringent privacy, data protection and information security requirements than those imposed by laws, regulations or self-regulatory requirements, and we may be obligated contractually to comply with additional or different standards relating to our handling or protection of data on or by our offerings. The compliance standards relate to our infrastructure, components, and operational procedures designed to safeguard the confidentiality and security of non-public consumer personal information received from our Customers in the course of providing services. Our ability to maintain compliance with these standards and meet our Customers' requirements may affect our ability to attract and maintain business in the future.

If we fail to comply with these standards or Customer requirements, or are alleged to have done so, we could be exposed to suits for breach of contract, potentially in addition to governmental proceedings. In addition, our Customer relationships and reputation could be adversely affected, and we could be inhibited in our ability to obtain new Customers. If more restrictive or burdensome laws, rules, or regulations related to privacy, data protection, or information security are adopted by authorities in the future on the federal or state level or internationally, or if existing laws, rules, or regulations become subject to new or differing interpretations or enforcement, or if we become bound by additional obligations to our Customers relating to privacy, data protection, or information security, including any additional compliance standards relating to non-public consumer personal information, our compliance and operational costs may increase, our opportunities for growth may be curtailed by our compliance capabilities or reputational harm, we may find it necessary or appropriate to modify our data processing practices or policies or otherwise restrict our operations, and our potential liability in connection with breaches or incidents relating to privacy, data protection, and information security may increase, all of which could have a material adverse effect on our business, results of operations, and financial condition.

There may continue to be changes in interpretations of existing laws and regulations, or new proposed laws, regulations, industry standards, and other obligations concerning privacy, data protection and information security, which could impair our or our Customers' ability to collect, use or disclose information relating to consumers, which could decrease demand for our offerings, increase our costs and impair our ability to maintain and grow our Customer base and increase our net revenue. Because the interpretation and application of many existing and emerging laws and regulations relating to privacy, data protection and information security, along with industry standards, are uncertain, it is possible that these laws and regulations may be interpreted and applied in new ways that are, or are alleged to be, inconsistent with our data management practices or the features of our products, and we could face fines, lawsuits, regulatory investigations and other claims and penalties, and we could be required to fundamentally change our products or our business practices, any of which could have an adverse effect on our business. Any inability to adequately address privacy, data protection and information security concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy, data protection or information security laws, regulations, standards and other obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, standards and policies that are applicable to the businesses of our Customers may limit the use and adoption of, and reduce the overall demand for, our Platform and our products and services.

Additionally, if third parties we work with, such as our partners or vendors, violate applicable laws or our policies, such violations may also put information we process at risk and could in turn adversely affect our business, reputation, financial condition, or results of operations.

***We are subject to anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and adversely affect our business and reputation.***

We are subject to anti-corruption and anti-bribery and similar laws, such as the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, and other anti-corruption, anti-bribery, and anti-money laundering laws in countries where we conduct activities. Anti-corruption and anti-bribery laws have been interpreted broadly and enforced aggressively in recent years, and prohibit companies and their employees and agents from promising, authorizing, making, or offering improper payments or other benefits to government officials and others in the private sector to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. As we increase our international sales and business, our risks under these laws may increase.

In addition, in the future we may use third parties to conduct business on our behalf abroad. We or such future third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we can be held liable for the corrupt or other illegal activities of such future third-party intermediaries and our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We have implemented an anti-corruption compliance program but cannot assure you that all our employees and agents, as well as those companies we outsource certain of our business operations to, will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Any violation of the FCPA, other applicable anti-corruption laws, or anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, prosecutions, loss of export privileges, suspension or debarment from U.S. government contracts, substantial diversion of management's attention, significant legal fees and fines, settlements, damages, severe criminal or civil sanctions, penalties or injunctions against us, our officers or our employees, disgorgement of profits, and other sanctions, enforcement actions and remedial measures, and prohibitions on the conduct of our business, any of which could have a materially adverse effect on our reputation, business, trading price, results of operations, financial condition and prospects.

***We may be subject to governmental export controls and economic sanctions regulations that could impair our ability to compete in international markets and could subject us to liability if we are not in compliance with applicable laws.***

Certain of our products and services may be subject to export control and economic sanctions regulations, including the U.S. Export Administration Regulations, and various economic and trade sanctions regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. Exports of our products and the provision of our services must be made in compliance with these laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including: the possible loss of export privileges; fines imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers.

In addition, changes in applicable export or economic sanctions regulations may create delays in the introduction and deployment of our Platform, products, and services in international markets, or, in some cases, prevent the use of our Platform and products or provision of our services in certain countries or with certain end users. Any change in export or economic sanctions regulations, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons, or technologies targeted by such regulations, could also result in decreased use of our Platform, products, and services or in our decreased ability to provide our products and services to existing or prospective Customers with international operations. Any decreased use of our Platform, products, or services or limitation on our ability to provide our Platform, products, or services could adversely affect our business, results of operations, and financial condition.

Further, we incorporate encryption technology into certain of our products. Various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our Customers' ability to use our products in those countries if our products are subject to such laws and regulations. While we believe our encryption products meet certain exceptions that reduce the scope of export control restrictions applicable to such products, these exceptions may be determined not to apply to our encryption products and our products and underlying technology may become subject to export control restrictions.

Governmental regulation of encryption technology and regulation of exports of encryption products, or our failure to obtain required approval for our products, when applicable, could adversely affect our international sales and net revenue. If we were required to comply with regulatory requirements regarding the export of our Platform and products and provision of our services, including with respect to new releases of our products and services, we may experience delays introducing our Platform in international markets, our Customers with international operations may experience difficulty deploying our Platform and products and using our services, or, in some cases, we may be prevented from exporting our Platform or products or providing our services to some countries altogether.

***If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. For example, we have worked to improve the controls around our key accounting processes and our quarterly close process, we have implemented a number of new systems to supplement our core enterprise resource planning system as part of our control environment, and we have hired additional accounting and finance personnel to help us implement these processes and controls.

Furthermore, in 2019, we identified a material weakness in our internal control over financial reporting relating to the reconciliation of certain customer-related settlement bank accounts. While management deems this material weakness remediated as of the date of the filing of this Form 10-K, and no further material weaknesses in our disclosure controls or controls over financial reporting were identified in 2021, we could identify additional material weaknesses in the future.

To maintain and improve the effectiveness of our disclosure controls and procedures and our internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may experience material weaknesses in our controls.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, additional deficiencies in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could adversely affect our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods.

We are in the early stages of the costly and challenging process of compiling the system and documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing, and any required remediation in a timely fashion. During the evaluation and testing process, if we identify material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective.

Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq Global Select Market, or Nasdaq. We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. In addition, as an emerging growth company, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following the filing of this Annual Report on Form 10-K or the date we are no longer an emerging growth company. If our internal control over financial reporting is not effective, our independent registered public accounting firm may issue an adverse report. As a public company, we are required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second Annual Report on Form 10-K.

***Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our results of operations.***

A change in accounting standards or practices may have a significant effect on our results of operations or financial condition and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or practices may adversely affect our reported results of operations or the way we conduct our business.

Adoption of these types of accounting standards and any difficulties in implementation of changes in accounting principles, including the ability to modify our accounting systems, could cause us to fail to meet our financial reporting obligations, potentially resulting in regulatory discipline and weakening investors' confidence in us.

***We could be required to collect additional sales, value added or similar taxes or be subject to other tax liabilities that may increase the costs our Customers would have to pay for our solutions and adversely affect our results of operations.***

We have not collected sales, value added or similar indirect taxes in most jurisdictions in which we have sales. One or more jurisdictions may seek to impose incremental or new sales, value added or other indirect tax collection obligations on us. Additionally, the Supreme Court of the United States ruled in *South Dakota v. Wayfair, Inc. et al.*, or *Wayfair*, that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state.

In response to *Wayfair*, or otherwise, states or local governments may adopt, or begin to enforce, laws requiring us to calculate, collect and remit taxes on sales in their jurisdictions. A successful assertion by one or more states, or foreign jurisdictions, requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The requirement to collect sales, value added or similar indirect taxes by foreign, state or local governments for sellers that do not have a physical presence in the jurisdiction could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could have a material adverse effect on our business and results of operations.

***Changes in tax laws or regulations could have a material adverse effect on our business, results of operations, and financial conditions.***

The rules dealing with taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service, the U.S. Department of the Treasury, and state, local and non-U.S. tax authorities. For example, the current administration has proposed numerous modifications to key provisions of the existing U.S. corporate income tax regime, including increased corporate tax rates (which may have retroactive application), promotion of a global minimum tax, and other changes that address taxes on profits from intangible assets and activities of foreign subsidiaries. Further, the Organization for Economic Co-operation and Development has proposed, and over 130 countries have agreed to back, a new global minimum tax rate that would apply regardless of the location of a company's headquarters. Although it is uncertain if some or all of these proposals will be enacted and applicable to us, they could materially increase the amount of taxes we owe, thereby negatively impacting our results of operations as well as our cash flows from operations. Furthermore, our implementation of new practices and processes designed to comply with changing tax laws and regulations could require us to make substantial changes to our business practices, allocate additional resources, and increase our costs, potentially negatively affecting our business, results of operations, and financial condition. As we grow internationally, we may also be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax rules, including increased tax rates, new tax laws, or revised interpretations of existing tax laws and precedents, potentially adversely affecting our liquidity and results of operations. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest, and penalties, and the authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could adversely affect us and our results of operations.

***We may have exposure to greater-than-anticipated tax liabilities, which may materially and adversely affect our business, results of operations, and financial condition.***

The determination of our worldwide provision for income taxes, value-added taxes, and other tax liabilities requires estimation and significant judgment, and there are many transactions and calculations where the ultimate tax determination is uncertain. Like many other multinational corporations, we are subject to tax in multiple U.S. and foreign tax jurisdictions. Our determination of our tax liabilities is always subject to audit and review by applicable domestic and foreign tax authorities. Any adverse outcome of any such audit or review could have a negative effect on our business and the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our results of operations and financial condition in the periods for which such determination is made. While we have established reserves based on assumptions and estimates that we believe are reasonable to cover such eventualities, these reserves may prove to be insufficient.

In addition, our future income taxes could be adversely affected by earnings being lower than anticipated, or by the incurrence of losses, in jurisdictions that have lower statutory tax rates and higher than anticipated in jurisdictions that have higher statutory tax rates; by changes in the valuation of our deferred tax assets and liabilities, as a result of gains on our foreign exchange risk management program; or changes in tax laws, regulations, or accounting principles, as well as certain discrete items.

Various levels of government, such as U.S. federal and state legislatures, and international organizations, such as the Organization for Economic Co-operation and Development, are increasingly focused on tax reform and other legislative or regulatory action to increase tax revenue. Any such tax reform or other legislative or regulatory actions could increase our effective tax rate, which may materially and adversely affect our business, financial condition, and results of operations.

***Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.***

We have incurred substantial net operating losses, or NOLs, during our history. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change” (generally defined as a greater than 50-percentage-point cumulative change (by value) in the equity ownership of certain stockholders over a rolling three-year period) is subject to limitations on a company’s ability to utilize its NOLs to offset taxable income. We do not believe our existing NOLs are subject to limitation; however, if we have undergone previous ownership changes, or if we undergo an ownership change in the future, our ability to utilize NOLs could be limited by Section 382 of the Code and/or analogous provisions of applicable state tax law in states where we have incurred NOLs for state income tax purposes. Future changes in our stock ownership, some of which may be outside of our control, could result in an ownership change under these rules.

In addition, the amount of NOLs arising in taxable years beginning after December 31, 2017 that we are permitted to deduct in a taxable year beginning after December 31, 2020 is limited to 80% of our taxable income in each such year to which the NOLs are applied, where taxable income for such year is determined without regard to the NOL deduction itself, and such NOLs may be carried forward indefinitely. NOLs generated in taxable years beginning on or prior to December 31, 2017, however, may be carried forward for only 20 years, but are not subject to the 80% limitation. Our NOLs may also be subject to limitations under state law. For example, California recently enacted legislation suspending the use of NOLs for taxable years 2020, 2021 and 2022 for many taxpayers. There is a risk that due to legislative or regulatory changes, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

Furthermore, our ability to utilize our NOLs is conditioned upon our becoming profitable in the future and generating U.S. federal taxable income. Since we do not know whether or when we will generate the U.S. federal taxable income necessary to utilize our remaining NOLs, the portion of our NOLs that was generated in taxable years beginning on or prior to December 31, 2017 could expire unused.

**Risks Relating to Intellectual Property**

***If we fail to adequately protect our proprietary rights, our competitive position could be impaired and we may lose valuable assets, generate reduced net revenue, and incur costly litigation to protect our rights.***

Our success depends, in part, upon protecting our proprietary information and technology. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws, and contractual restrictions to establish and protect our proprietary rights. The steps we take to protect our intellectual property, however, may be inadequate. We cannot assure you that any patents or trademarks will be issued with respect to our currently pending patent and trademark applications in a manner that gives us adequate defensive protection or competitive advantages, if at all, or that any patents or trademarks issued to us will not be challenged, invalidated, or circumvented. Our currently issued patents and trademarks and any patents or trademarks that may be issued in the future with respect to pending or future applications may not provide sufficiently broad protection, or they may not prove to be enforceable in actions against alleged infringers. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property.

Despite our precautions, it may be possible for unauthorized third parties to copy our Platform, or certain aspects of our Platform, and use information that we regard as proprietary to create products that compete with our Platform. Some license provisions protecting against unauthorized use, copying, transfer, and disclosure of our Platform, or certain aspects of our Platform, may be unenforceable under the laws of certain jurisdictions and foreign countries.

Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and mechanisms for enforcement of intellectual property rights in some foreign countries may be inadequate. To the extent we continue to expand our international activities, our exposure to unauthorized copying and use of our Platform, or certain aspects of our Platform, and proprietary information may increase. Further, competitors, foreign governments, foreign government-backed actors, criminals, or other third parties may gain unauthorized access to our proprietary information and technology. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our technology and intellectual property.

We also rely in part on trade secrets, proprietary know-how, and other confidential information to maintain our competitive position. Although we enter into confidentiality and invention assignment agreements with our employees, consultants, and contractors and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to and distribution of our Platform, or certain aspects of our Platform, and proprietary information. Further, these agreements do not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our Platform.

To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights, and we may not be able to detect infringement by third parties. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Such litigation could be costly, time consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our Platform, impair the functionality of our Platform, delay introductions of new capabilities, result in our substituting inferior or more costly technologies into our Platform, or injure our reputation. In addition, we may be required to license additional technology from third parties to develop and market new capabilities, and we cannot assure you that we could license that technology on commercially reasonable terms or at all, and our inability to license such technology could impair our ability to compete.

***Our use of open source software could negatively affect our ability to sell our products and subject us to possible litigation.***

Our Platform incorporates open source software, and we expect to continue to incorporate open source software in our products and Platform in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products and Platform. If we fail to comply with open source licenses, we may be subject to certain requirements, including requirements that we offer our products that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating, or using the open source software and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from generating net revenue from Customers using products that contained the open source software, and required to comply with onerous conditions or restrictions on these products. In any of these events, we and our Customers could be required to seek licenses from third parties to continue offering our products and operating our Platform and to re-engineer our products or Platform or discontinue offering our products to Customers in the event re-engineering cannot be accomplished on a timely basis. Any of the foregoing could require us to devote additional research and development resources to re-engineer our products or Platform, could result in Customer dissatisfaction, and may adversely affect our business, results of operations, and financial condition.

***We may be accused of infringing the intellectual property rights of third parties.***

We may be accused of infringing intellectual property or other proprietary rights of third parties, including their copyrights, trademarks, or patents, or improperly using or disclosing their trade secrets, or otherwise infringing or violating their proprietary rights. The costs of supporting any litigation or disputes related to such claims can be considerable, and we cannot assure you that we will achieve a favorable outcome of any such claim. If any such claim is valid, we may be compelled to cease our use of such intellectual property or other proprietary rights and pay damages, potentially adversely affecting our business. Even if such claims were not valid, defending them could be expensive and distract our management team, adversely affecting our results of operations.

Although we require our employees to not use the proprietary information or know-how of others in their work for us and we are not currently subject to any claims that they have done so, we may in the future become subject to claims that these employees have divulged, or we have used, proprietary information of these employees' former employers. Litigation may be necessary to defend against these claims. If we are unable to successfully defend any such claims, we may be required to pay monetary damages and to discontinue our commercialization of certain solutions. In addition, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper our ability to develop new solutions and features for our existing solutions, which could severely weaken our business. Even if we are successful in defending against these claims, litigation efforts are costly, time-consuming and a significant distraction to management.

We currently have a number of agreements in effect pursuant to which we have agreed to defend, indemnify, and hold harmless our Customers and other partners from damages and costs arising from the infringement or claimed infringement by our solutions of third-party patents or other intellectual property rights, which may include patents, copyrights, trademarks, or trade secrets. The scope of these indemnity obligations varies, but may, in some instances, include indemnification for damages and expenses, including attorneys' fees. Our insurance may not cover all intellectual property infringement claims. A claim that one of our solutions infringes a third party's intellectual property rights, even if untrue, could damage our relationships with our Customers, may deter future Customers from purchasing our solutions, and could expose us to costly litigation and settlement expenses. Even if we are not a party to any litigation between a Customer and a third party relating to infringement by our solutions, an adverse outcome in any such litigation could make it more difficult for us to defend our solutions against intellectual property infringement claims in any subsequent litigation where we are a named party. Any of these results could harm our brand and adversely affect our results of operations.

**Risks Relating to Ownership of Our Class A Common Stock**

***The trading price of our Class A common stock has been and is likely to continue to be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the price at which you purchased such shares.***

The market prices of the securities of other newly public companies have historically been highly volatile and markets in general have been highly volatile in light of the COVID-19 pandemic. The trading price of our Class A common stock may continue to fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets and/or publicly-listed technology and fintech companies;
- actual or anticipated fluctuations in our net revenue or other operating metrics;
- our actual or anticipated operating performance and the operating performance of our competitors;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet the estimates or the expectations of investors;
- the economy as a whole and market conditions in our industry;

- changes to monetary policy, including the federal funds rate, set by the U.S. Federal Open Market Committee;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services, or capabilities, acquisitions, strategic partnerships or investments, joint ventures, or capital commitments;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business, including those related to data privacy and cybersecurity in the United States or globally;
- lawsuits threatened or filed against us;
- actual or perceived privacy or data security incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, products, services, or technologies by us or our competitors;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- changes in our board of directors, management, or key personnel;
- other events or factors, including those resulting from war (including the significant military action against Ukraine launched by Russia and any related political or economic responses and counter-responses or otherwise by various global actors or general effect on the global economy), incidents of terrorism, pandemics (including the COVID-19 pandemic), or elections, or responses to these events; and
- sales of additional shares of our Class A common stock by us or our stockholders.

In addition, stock markets, and the market for technology and fintech companies in particular, have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Often, trading prices of many companies have fluctuated in ways unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business, results of operations, and financial condition.

Moreover, because of these fluctuations, comparing our results of operations on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our net revenue or results of operations fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the trading price of our Class A common stock could decline substantially. Such a trading price decline could occur even when we have met any previously publicly stated net revenue or earnings forecasts that we may provide.

***The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who hold shares of our Class B common stock, including our directors, executive officers, and their respective affiliates. This ownership limits or precludes your ability to influence corporate matters, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval, and that may depress the trading price of our Class A common stock.***

Our Class B common stock has 10 votes per share, and our Class A common stock has one vote per share. Our directors, executive officers, and their affiliates, beneficially own in the aggregate 68.0% of the voting power of our capital stock as of December 31, 2021. Because of the ten-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively continue to control a majority of the combined voting power of our common stock and therefore control all matters submitted to our stockholders for approval and may continue to control such matters until the tenth anniversary of our initial public offering, when all outstanding shares of Class A common stock and Class B common stock will convert automatically into shares of a single class of common stock.

This concentrated control limits or precludes your ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this concentrated control may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that you may believe are in your best interest as one of our stockholders.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. As a result, it is possible that one or more of the persons or entities holding our Class B common stock could gain significant voting control as other holders of Class B common stock sell or otherwise convert their shares into Class A common stock.

***We cannot predict the effect our dual class structure may have on the trading price of our Class A common stock.***

We cannot predict whether our dual class structure will result in a lower or more volatile trading price of our Class A common stock, adverse publicity, or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. In July 2017, FTSE Russell announced that it would require new constituents of its indices to have greater than 5% of the company's voting rights in the hands of public stockholders, and S&P Dow Jones announced that it would no longer admit companies with multiple-class share structures to certain of its indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400, and S&P SmallCap 600, which together make up the S&P Composite 1500. Under such announced policies, the dual class structure of our common stock would make us ineligible for inclusion in certain indices and, as a result, mutual funds, exchange-traded funds, and other investment vehicles that attempt to passively track those indices may not invest in our Class A common stock. These policies are relatively new and it is unclear what effect, if any, they will have or continue to have on the valuations of publicly traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. Because of the dual class structure of our common stock, we will likely be excluded from certain indices and we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the trading price of our Class A common stock could be adversely affected.

***We are an emerging growth company, and any decision on our part to comply only with certain reduced reporting and disclosure requirements applicable to emerging growth companies could make our Class A common stock less attractive to investors.***

We are an emerging growth company, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “emerging growth companies,” including:

- not being required to have our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and Annual Report on Form 10-K; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We could be an emerging growth company for up to five years following the completion of our IPO. Our status as an emerging growth company will end as soon as any of the following takes place:

- the last day of the fiscal year in which we have more than \$1.07 billion in annual revenue;
- the date we qualify as a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates;
- the date on which we have issued, in any three-year period, more than \$1.0 billion in non-convertible debt securities; or
- the last day of the fiscal year ending after the fifth anniversary of the completion of our IPO.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on the exemptions afforded emerging growth companies. If some investors find our Class A common stock less attractive because we rely on any of these exemptions, there may be a less active trading market for our Class A common stock and the trading price of our Class A common stock may be more volatile.

Under the Jumpstart our Business Startups Act, or JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

***If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the trading price of our Class A common stock and trading volume could be adversely affected.***

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If few securities analysts cover us, or if industry analysts cease coverage of us, the trading price for our Class A common stock would be negatively affected. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our Class A common stock trading price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us on a regular basis, demand for our Class A common stock could decrease, potentially causing our Class A common stock trading price and trading volume to decline.

***Sales of substantial amounts of our Class A common stock in the public markets, or the perception that sales might occur, could cause the trading price of our Class A common stock to decline.***

Sales of a substantial number of shares of our Class A common stock into the public market, particularly sales by our directors, executive officers, and principal stockholders, or the perception that these sales might occur, could cause the trading price of our Class A common stock to decline. While shares held by directors, executive officers, and other affiliates are subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended, or the Securities Act, and various vesting agreements, we are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our common stock.

In addition, as of December 31, 2021, we had 44,185,488 option shares outstanding that, if fully vested and exercised, would result in the issuance of an equal number of shares of Class B common stock or Class A common stock, as well as 9,001,949 total shares of Class B or Class A common stock subject to RSU awards. All of the shares of Class B common stock issuable upon the exercise of stock options, and the shares reserved for future issuance under our equity incentive plans are registered for public resale under the Securities Act following conversion to shares of Class A common stock. Accordingly, these shares will be able to be freely sold in the public market upon issuance, subject to volume limitations under Rule 144 for our executive officers and directors and applicable vesting requirements.

Certain holders of our Class B common stock have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for us or other stockholders. Any registration statement we file to register additional shares, whether as a result of registration rights or otherwise, could cause the trading price of our Class A common stock to decline or be volatile.

***Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders and could negatively affect our results of operations.***

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors, and consultants under our stock incentive plan. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline. Any additional grants of equity awards under our stock incentive plans will also increase share-based compensation expense and negatively affect our results of operations.

As of December 31, 2021, unrecognized compensation costs related to unvested RSUs and unvested outstanding stock options, excluding the CEO Long-Term Performance Award, were \$136.1 million and \$90.4 million, respectively. These costs are expected to be recognized over a weighted-average period of 3.0 years and 2.5 years, respectively.

In April and May 2021, our board of directors granted our Chief Executive Officer equity incentive awards in the form of performance-based stock options covering 19,740,923 and 47,267 shares of our Class B common stock with an exercise price of \$21.49 and \$23.40 per share, respectively, or, collectively, the CEO Long-Term Performance Award. The CEO Long-Term Performance Award vests upon the satisfaction of a service condition and the achievement of certain stock price goals.

As of December 31, 2021, the aggregate unrecognized compensation cost related to the CEO Long-Term Performance Award was \$170.2 million, which is expected to be recognized over the remaining derived service period of 4.1 years.

***We do not intend to pay dividends on our Class A common stock in the foreseeable future and, consequently, the ability of Class A common stockholders to achieve a return on investment will depend on appreciation in the trading price of our Class A common stock.***

We have never declared or paid any cash dividends on our capital stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

***Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current board of directors, and limit the trading price of our Class A common stock.***

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- provide that our board of directors will be classified into three classes of directors with staggered three-year terms;
- permit our board of directors to establish the number of directors and fill any vacancies and newly-created directorships;
- require super-majority voting to amend some provisions in our amended and restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- provide that only the Chairperson of our board of directors, our Chief Executive Officer, or a majority of our board of directors will be authorized to call a special meeting of stockholders;
- provide for a dual class common stock structure where holders of our Class B common stock are able to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class A and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets;
- prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws; and
- contain advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

Moreover, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock.

***Our amended and restated bylaws designate state or federal courts located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, potentially limiting stockholders’ ability to obtain a favorable judicial forum for disputes with us.***

Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any state law claims for:

- any derivative action or proceeding brought on our behalf;

- any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders;
- any action asserting a claim arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or
- any action asserting a claim that is governed by the internal affairs doctrine, or the Delaware Forum Provision.

The Delaware Forum Provision does not apply to any causes of action arising under the Securities Act or the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Delaware shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or the Federal Forum Provision, as we are incorporated in the State of Delaware.

In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, these forum selection clauses may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, or employees, potentially discouraging the filing of lawsuits against us and our directors, officers, and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the District of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

### General Risk Factors

***Our business is subject to the risks of earthquakes, fire, floods, and other natural catastrophic events, and to interruption by man-made problems such as power disruptions, computer viruses, data security breaches, or terrorism.***

Our corporate headquarters are located in the San Francisco Bay Area, a region known for seismic activity and wildfires. A significant natural disaster, such as an earthquake, fire, or flood, occurring at our headquarters, at one of our other facilities, or where a vendor is located, could adversely affect our business, results of operations, and financial condition. Further, if a natural disaster or man-made problem were to affect our vendors, this could adversely affect the ability of our Customers to use our Platform. In addition, natural disasters and acts of terrorism or war (including the significant military action against Ukraine launched by Russia and any related political or economic responses and counter-responses or otherwise by various global actors or general effect on the global economy) could cause disruptions in our or our Customers' businesses, national economies, or the world economy as a whole. Health concerns or political or governmental developments in countries where we or our Customers and vendors operate could result in economic, social, or labor instability and could have a material adverse effect on our business, results of operations, and financial condition.

We also rely on our network and third-party infrastructure and enterprise applications and internal technology systems for our engineering, sales and marketing, and operations activities. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations in part or in full and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations, and financial condition.

In addition, computer malware, viruses, computer hacking, fraudulent use attempts, and phishing attacks have become more prevalent generally and in our industry, have occurred on our Platform in the past, and may occur on our Platform in the future, including as retaliation against financial institutions for sanctions imposed against Russia as a result of the significant military action against Ukraine launched by Russia. Though it is difficult to determine fully what, if any, harm may directly result from any specific interruption or attack, any failure to maintain performance, reliability, security, integrity, and availability of our products and technical infrastructure to the satisfaction of our Customers may harm our reputation and our ability to retain existing Customers and attract new Customers.

***The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems, and resources. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations.

As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, potentially adversely affecting our business, results of operations, and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants or contractors, which will increase our operating expenses.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, potentially resulting in continued uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

Being a public company and being subject to these new rules and regulations makes it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from our management and could divert their attention away from the day-to-day management of our business, potentially adversely affecting our business, results of operations, and financial condition.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

Our corporate headquarters is located in Oakland, California, where we currently lease approximately 63,284 square feet pursuant to a lease agreement that expires in 2026. We also lease and purchase service memberships to additional facilities in London and Manchester, United Kingdom as well as Melbourne, Australia.

We believe that our facilities are suitable to meet our current needs. We intend to expand our facilities or add new facilities as we grow, and we believe that suitable additional or alternative space will be available as needed to accommodate any such growth.

**Item 3. Legal Proceedings**

We are not currently a party to any legal proceedings that we believe to be material to our business or financial condition. From time to time, we may be subject to legal proceedings and claims arising in the ordinary course of business.

**Item 4. Mine Safety**

Not applicable.

**PART II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

**Market Information for Common Stock**

Our Class A common stock has traded on the Nasdaq Global Select Market under the symbol "MQ" since our initial public offering on June 9, 2021. Prior to that date, there was no public market for our common stock. There is no public trading market for our Class B common stock.

**Stockholders**

As of March 4, 2022, we had 63 holders of record of our Class A common stock and 93 holders of record of our Class B common stock. Because many of the shares of our Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial owners of our Class A common stock represented by the record holders.

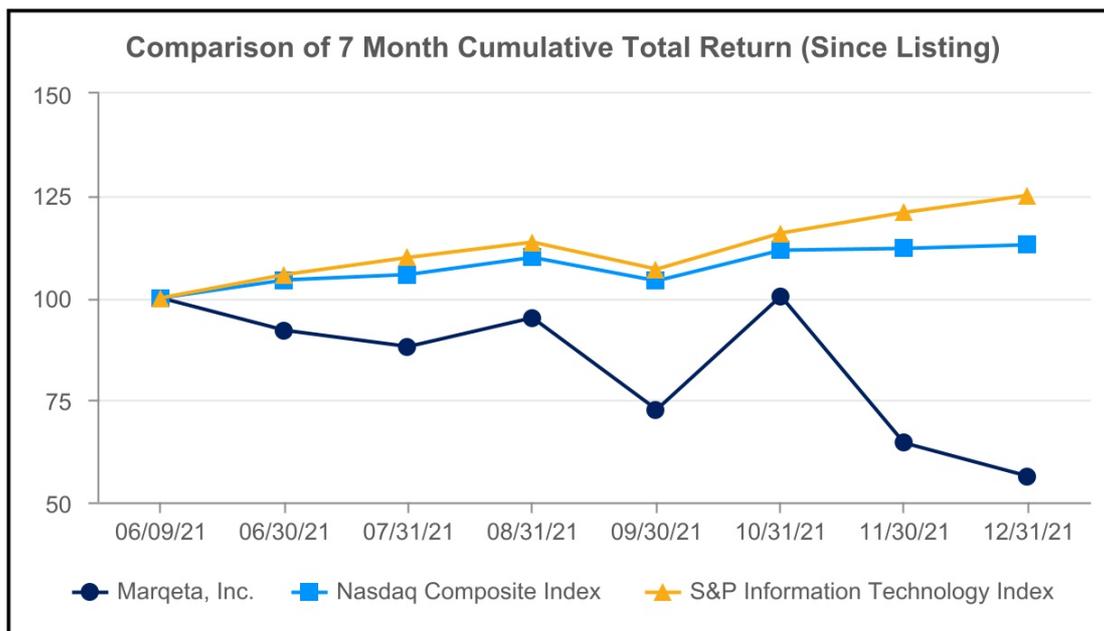
**Dividend Policy**

We have never declared or paid any cash dividend on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, any contractual restrictions, general business conditions, and other factors that our board of directors may deem relevant.

**Stock Performance Graph**

*The following performance graph shall not be deemed "soliciting material" or deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of Section 18 of the Exchange Act, and shall not be deemed to be incorporated by reference into any of our filings under the Exchange Act or the Securities Act.*

The following stock performance graph compares the cumulative total return on our Class A common stock to the cumulative total returns of the Nasdaq Composite Index and the S&P Information Technology Index during each monthly period from June 9, 2021 (the date our Class A common stock began trading on the NASDAQ Global Select Market) through December 31, 2021. All values assume a \$100 initial investment and reinvestment of dividends. The returns shown are based on historical results and are not intended to suggest future performance.



Company/Index <sup>(1)</sup>	06/09/21	06/30/21	07/31/21	08/31/21	09/30/21	10/31/21	11/30/21	12/31/21
Marqeta, Inc.	\$ 100.00	\$ 91.97	\$ 87.91	\$ 95.15	\$ 72.48	\$ 100.26	\$ 64.42	\$ 56.26
Nasdaq Composite Index	\$ 100.00	\$ 104.29	\$ 105.53	\$ 109.84	\$ 104.05	\$ 111.64	\$ 112.01	\$ 112.84
S&P Information Technology Index	\$ 100.00	\$ 105.62	\$ 109.70	\$ 113.61	\$ 107.03	\$ 115.78	\$ 120.81	\$ 124.90

(1) Prepared by Zacks Investment Research, Inc. Used with permission. All rights reserved.

Index Data: Copyright NASDAQ OMX, Inc. Used with permission. All rights reserved.

Copyright Standard and Poor's, Inc. Used with permission. All rights reserved.

## Issuer Purchase of Equity Securities

The following table contains information relating to the repurchases of our common stock made by us in the three months ended December 31, 2021:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
October 1 - October 31, 2021	3,500	\$ 0.94	—	—
November 1 - November 30, 2021	15,376	\$ 1.73	—	—
December 1 - December 31, 2021	909	\$ 1.21	—	—
Total	19,785	\$ 1.18	—	—

<sup>(1)</sup> Represents shares of unvested common stock previously issued upon early exercise of unvested stock options that were repurchased by us from former employees upon their termination in accordance with the terms of their stock option agreements. We purchased the shares from the former employees at the respective original exercise prices.

## Use of Proceeds

On June 11, 2021, we closed our initial public offering, or the IPO, of 52,272,727 shares of our Class A common stock at an offering price of \$27.00 per share, including 6,818,181 shares pursuant to the exercise of the underwriters' option to purchase additional shares of our Class A common stock, resulting in aggregate net proceeds to us of \$1.3 billion after deducting underwriting discounts and commissions of \$91.6 million, and offering costs of \$7.5 million. All of the shares issued and sold in our IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-256154), which was declared effective by the SEC on June 8, 2021. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC acted as representatives of the underwriters for the offering.

We also used \$10.9 million of the net proceeds from our IPO to satisfy the tax withholding and remittance obligations related to the settlement of our outstanding restricted stock units in connection with the offering.

No payments were made to our directors or officers or their associates, holders of 10% or more of any class of our equity securities, or to our affiliates in connection with the issuance and sale of the securities registered.

There has been no material change in the planned use of the IPO proceeds as discussed in our final prospectus filed with the SEC on June 10, 2021, pursuant to Rule 424(b) of the Securities Act.

## Item 6. Reserved

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. As discussed in the section titled "Note About Forward Looking Statements," our actual results may differ materially from those discussed in these forward-looking statements as a result of various factors, including those set forth under the section titled "Risk Factors" under Part I, Item 1A.*

*A discussion regarding our liquidity, financial condition and results of operations for the fiscal year ended December 31, 2021 compared to the fiscal year ended December 31, 2020 is presented below. A discussion regarding our liquidity, financial condition and results of operations for the fiscal year ended December 31, 2020 compared to the fiscal year ended December 31, 2019 can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Prospectus dated June 8, 2021 and filed with the SEC pursuant to Rule 424(b)(4) on June 10, 2021, which is hereby incorporated by reference.*

### **Overview**

Marqeta's modern card issuing platform, or our Platform, empowers our customers, or our Customers - which include businesses like Affirm, Block, DoorDash, Instacart, and Klarna - to create customized payment cards that provide innovative payment experiences for their customers, shoppers, and end users. Before the rise of modern card issuing, creating cards was slow, complex, and subject to mistakes. Marqeta helps solve these problems. Our Platform, powered by open APIs, enables businesses to develop modern, frictionless payment card experiences for consumer and commercial use cases that are either the core of, or in support of, their core business.

Our modern architecture allows for flexibility, a high degree of configurability, and accelerated product development, democratizing access to card issuing technology. Marqeta's open APIs provide instant access to our highly scalable, cloud-based, and configurable payment infrastructure that enables our Customers to launch and manage their own card programs, issue cards, and authorize and settle payments transactions.

### **Initial Public Offering**

In June 2021, we completed our initial public offering, or the IPO, in which we issued and sold an aggregate of 52,272,727 shares of newly authorized Class A common stock, which included 6,818,181 shares that were offered and sold pursuant to the full exercise of the underwriters' option to purchase additional shares, at a public offering price of \$27.00 per share. Our shares of Class A common stock began trading on the Nasdaq Global Select Market, or Nasdaq, on June 9, 2021. We received aggregate net proceeds of \$1.3 billion from the IPO less underwriting discounts and commissions of \$91.6 million, and offering costs of \$7.5 million. Immediately prior to the completion of the IPO, we filed our Amended and Restated Certificate of Incorporation which authorized a total of 1,500,000,000 shares of Class A common stock, 600,000,000 shares of Class B common stock, and 100,000,000 shares of undesignated preferred stock. All shares of common stock then outstanding were reclassified as Class B common stock and all shares of redeemable convertible preferred stock then outstanding were converted into 351,844,340 shares of common stock on a one-for-one basis and then reclassified into Class B common stock. Warrants exercisable for 2,569,528 shares of common stock were converted to an equivalent number of shares of warrants exercisable for Class B common stock and 203,610 shares of warrants exercisable for convertible preferred stock were converted to an equivalent number of warrants exercisable for shares of Class B common stock.

## Key Factors Affecting Our Performance

We believe Marqeta's growth, future success, and performance are dependent upon a number of factors, including those listed below. While these factors present significant opportunities for us, they also represent challenges we must successfully address to grow the adoption and use of the Marqeta Platform and improve our results of operations.

**Our growth is aligned with our Customers' growth.** We believe our growth, future success, and performance is closely aligned with that of our Customers. We employ a usage-based model, based on processing volume, and derive the majority of our revenue from Interchange Fees generated by card transactions through our Platform. As our Customers' processing volumes grow, they may earn an increased percentage of Revenue Share. Sharing an increased percentage of Interchange Fees with our Customers aligns our interests with our Customers' growth and builds deeper Customer relationships.

**Revenue model.** We derive the majority of our revenue from Interchange Fees generated by processing payment transactions through our Platform. Interchange Fees are established by the Card Networks and the total Interchange Fees we collect are dependent on various factors including processing volume, merchant category code, transaction size, and other transaction attributes. For Customers under certain contracts, their percentage of Revenue Share increases as their respective processing volumes increase. Our gross margin percentage may decrease as a result of this dynamic. However, we remain strategically focused on growing incremental gross profit dollars and have the ability to partially offset margin declines with better pricing that we achieve with Issuing Banks and Card Networks. Changes in transaction mix, such as the proportion of signature debit versus PIN debit transactions and consumer versus commercial debit cards that make up our TPV, and changes in TPV as a result of the COVID-19 pandemic, could result in fluctuations to our net revenue. Further, certain Customers' processing volumes are subject to seasonal fluctuations that could cause varied net revenue results across the quarters.

**Ecosystem of key vendor partners.** We partner with Card Networks who oversee their global payment networks, through which debit, credit, and prepaid card payments are authorized, processed, and settled. We incur fees charged by the Card Networks to route our Customers' transactions within the payments ecosystem. These fees are reflected in our costs of revenue. Given our ability to direct processing volume to specific Card Networks, we are able to negotiate certain incentive rebates that effectively reduce the overall network fees. With the scale of the transactions we process on behalf of our Customers, we believe we can continue to negotiate favorable incentive rebates. However, if these fees increase, our gross margins will decrease.

We partner with Issuing Banks to facilitate the issuance of payment cards to our Customers and to sponsor our Customers' card programs on Card Networks because we do not have regulatory authority to perform these activities ourselves. We pay volume-based and transaction-based fees to the Issuing Banks. The fees are typically structured based on volume tiers; as our processing volumes grow, these fees as a percentage of processing volume decline. These fees are reflected in our costs of revenue.

**Continued investment in our Platform.** We make significant investments in both new product development and platform enhancements. Further, we will continue to invest in operational support to maintain service levels expected by our Customers. We believe these investments in product development and operational efficiency will lead to long-term growth and profitability.

## Impact of COVID-19

The COVID-19 pandemic has had, and continues to have, a significant impact on the U.S. economy and the markets in which we operate. While the rate of vaccinations continues to improve, the emergence of, and response to new variants has shown that the COVID-19 virus continues to be a public health concern worldwide.

In response to the COVID-19 pandemic, we implemented measures to focus on employee safety and Customer support, while at the same time seeking to mitigate any negative impact on our financial position and operations. We implemented remote working capabilities for our entire company and, to date, there has been minimal disruption to our operations.

We believe the COVID-19 pandemic intensified the consumer need for virtual and contactless forms of payments, the need for greater flexibility with purchases, and for easy online financing options. Many of the providers of these services are our Customers and they are experiencing accelerated adoption of technologies that enable such payment experiences. However, we experienced a slowdown of on-demand delivery processing volume in the second half of 2021, likely due to the reopening that occurred in the United States.

Further, in March 2021, the American Rescue Plan, among other things, provided individuals affected by the COVID-19 pandemic with cash stimulus payments. While we cannot reasonably estimate the actual effect on our TPV, and net revenue, we believe these stimulus payments contributed to the increase in our TPV and net revenue for the year ended December 31, 2021 compared to the year ended December 31, 2020.

The Card Networks publish changes to interchange rates in April and October of each year. Visa and Mastercard postponed nearly all of their interchange rate updates for April and October 2020, and in March 2021 again announced further postponements in interchange rate changes through April 2022 as a result of COVID-19's impact on the U.S. economy. The Interchange Fees we earn are affected by multiple factors including changes to the published interchange rates, the size of the individual transaction, and the mix of transactions between signature-based and PIN-based consumer card and commercial card product types, and merchant categories, and Card Network-negotiated merchant rates. Although the Card Networks have announced some expected interchange rate changes for April 2022, it is uncertain if more changes will be implemented after lifting the current postponements. Additionally, in the normal course of updating interchange rates, the Card Networks continually assess the influence of improved payments technology, industry trends, and the ongoing need to maintain balance of the payments ecosystem. All these factors combined can affect how future changes in interchange rates will impact our net revenue.

There remains uncertainty about the pace of economic recovery, including uncertainty related to the labor market, inflation and fiscal and monetary policy responses from the federal government. Businesses continue to face difficulty in hiring and meeting consumer demand, and certain portions of the global supply chain remain challenged by shortages and delays that first occurred due to the initial COVID-19 outbreak.

It is uncertain how the COVID-19 pandemic will evolve and what effect the lifting of pandemic-related restrictions, and the levels of infection, will have on our processing volumes, and on our future results of operations. While our business has not been adversely affected by the COVID-19 pandemic to date, we continue to monitor the situation and may take actions that alter our operations and business practices as may be required by federal, state, or local authorities or that we determine are in the best interests of our Customers, vendors, and employees.

### Key Operating Metric and Financial Measures

We review a number of operating and financial metrics, including the key operating metric set forth below, to help us evaluate our business and growth trends, establish budgets, evaluate the effectiveness of our investments, and assess operational efficiencies. In addition to the results determined in accordance with GAAP, the following table sets forth a key operating metric and non-GAAP financial measures that we consider useful in evaluating our operating performance.

	Year Ended December 31,		
	2021	2020	2019
Total Processing Volume (TPV) (in millions)	\$ 111,133	\$ 60,075	\$ 21,674
Net revenue (in thousands)	\$ 517,175	\$ 290,292	\$ 143,267
Gross profit (in thousands)	\$ 231,705	\$ 117,907	\$ 60,453
Gross margin	45 %	41 %	42 %
Net loss (in thousands)	\$ (163,929)	\$ (47,695)	\$ (58,200)
Net loss margin	(32)%	(16)%	(41)%
Adjusted EBITDA (in thousands)	\$ (12,767)	\$ (15,378)	\$ (34,026)
Adjusted EBITDA margin	(2)%	(5)%	(24)%

**Total Processing Volume (TPV)** - TPV represents the total dollar amount of payments processed through our Platform, net of returns and chargebacks. We believe that TPV is a key indicator of the market adoption of our Platform, growth of our brand, growth of our Customers' businesses and scale of our business.

**Adjusted EBITDA** - Adjusted EBITDA is a non-GAAP financial measure that is calculated as net income (loss) adjusted to exclude depreciation and amortization; share-based compensation expense; payroll tax related to share-based compensation; legal, financial, and tax due diligence costs related to potential acquisitions; income tax expense (benefit); and other expense (income) net, which consists of changes in the fair value of redeemable convertible preferred stock warrant liabilities (for periods prior to the IPO), realized foreign currency gains and losses, interest income from our marketable securities, impairment of equity method investments or other financial instruments, and interest expense from a bank loan. We believe that adjusted EBITDA is an important measure of operating performance because it allows management and our board of directors to evaluate and compare our core operating results, including our operating efficiencies, from period to period. Additionally, we utilize adjusted EBITDA as a performance measure used to calculate payments under our annual employee bonus plans. See the section below titled "Use of Non-GAAP Financial Measures" for a discussion of the use of non-GAAP measures and a reconciliation of net loss to Adjusted EBITDA.

**Adjusted EBITDA Margin** - Adjusted EBITDA Margin is a non-GAAP financial measure that is calculated as Adjusted EBITDA divided by net revenue. This measure is used by management and our board of directors to evaluate our operating efficiency. See the section below titled "Use of Non-GAAP Financial Measures" for a discussion of the use of non-GAAP measures and a reconciliation of net loss to Adjusted EBITDA Margin.

## Components of Results of Operations

### **Net Revenue**

We have two components of net revenue: platform services revenue, net and other services revenue.

*Platform services revenue, net.* Platform services revenue includes Interchange Fees, net of Revenue Share, and other service-level payments to Customers. Platform services revenue also includes processing and other fees. Interchange Fees are earned on card transactions we process for our Customers and are based on a percentage of the transaction amount plus a fixed amount per transaction. Interchange Fees are recognized when the associated transactions are settled.

Revenue Share payments are incentives to Customers to increase processing volumes on our Platform. Revenue Share is generally computed as a percentage of the Interchange Fees earned or processing volume and is paid to Customers monthly. Revenue Share payments are recorded as a reduction to revenue. As Customers' processing volumes increase, they may earn an increased percentage of Revenue Share.

Processing and other fees include fees earned when end users use payment cards at automated teller machines and minimum processing fees if Customers' processing volumes fall below certain thresholds.

*Other services revenue.* Other services revenue primarily consists of revenue earned for card fulfillment services. Card fulfillment fees are generally billed to Customers upon ordering card inventory and recognized as revenue when the cards are shipped to the Customers.

### **Costs of Revenue**

Costs of revenue consist of Card Network costs, Issuing Bank costs, and card fulfillment costs. Card Network costs are equal to a specified percentage of processing volume or a fixed amount per transaction routed through the respective Card Network. Issuing Bank costs compensate our Issuing Banks for issuing cards to our Customers and sponsoring our card programs with the Card Networks and are equal to a specified percentage of processing volume or a fixed amount per transaction. Card fulfillment costs include physical cards, packaging, and other fulfillment costs.

We have separate marketing and incentive arrangements with Card Networks that provide us with monetary incentives for establishing Customer card programs with, and routing volume through, the respective Card Network. The amount of the incentives is determined based on a percentage of the processing volume or the number of transaction routed over the Card Network. We record these incentives as a reduction of Card Network fees included in costs of revenue. Generally, as processing volumes increase we earn a higher rate of monetary incentives from these arrangements, subject to attaining certain volume thresholds during a six-month or annual measurement period. For certain incentive arrangements with an annual measurement period, the one-year period may not align with our fiscal year. Additionally, unusual fluctuations in Card Network fees can occur in the quarter in which volume thresholds are attained as higher incentive rates are applied to volumes over the entire measurement periods, which can span six or twelve months.

### **Operating Expenses**

*Compensation and Benefits.* Compensation and benefits consist primarily of salaries, employee benefits, incentive compensation, contractors' cost and share-based compensation.

*Professional Services.* Professional services consist primarily of consulting, legal, and recruiting fees.

*Technology.* Technology consists primarily of third-party hosting fees, software licenses, and hardware purchases below our capitalization threshold, and support and maintenance costs.

*Occupancy.* Occupancy consists primarily of rent expense, repairs, maintenance, and other building related costs.

*Depreciation and Amortization.* Depreciation and amortization consist primarily of depreciation of our fixed assets.

*Marketing and Advertising.* Marketing and advertising consist primarily of costs of general marketing activities and promotional activities.

*Other Operating Expenses.* Other operating expenses consist primarily of indirect state and local taxes, insurance costs, employee travel-related expenses, employee training, charitable donations, and other general office expenses.

We expect our operating expenses to increase in absolute dollars as our business grows. We also expect to continue to incur increased expenses to operate as a public company including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, and costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, including regarding internal control over financial reporting under Section 404 of the Sarbanes Oxley Act.

***Other Income (Expense), net***

Other income (expense), net consists primarily of changes in the fair value of the redeemable convertible preferred stock warrant liabilities (for periods prior to the IPO), realized foreign currency gains and losses, equity method investment share of loss, and interest income from our marketable securities.

***Income Tax Expense***

Income tax expense consists of U.S. federal and state income taxes and U.K. income taxes. We maintain a full valuation allowance against our U.S. federal and state net deferred tax assets as we have concluded that it is not more likely than not that we will realize our net deferred tax assets.

## Results of Operations

The following table sets forth our results of operations for the periods presented:

<i>(dollars in thousands)</i>	Year Ended December 31,		
	2021	2020	2019
Net revenue	\$ 517,175	\$ 290,292	\$ 143,267
Costs of revenue	285,470	172,385	82,814
Gross profit	231,705	117,907	60,453
Operating expenses:			
Compensation and benefits	318,116	129,802	88,309
Professional services	18,443	7,188	7,157
Technology	33,637	13,239	7,796
Occupancy	4,181	4,337	3,777
Depreciation and amortization	3,534	3,498	3,080
Marketing and advertising	2,284	1,670	2,080
Other operating expenses	13,516	5,260	7,117
Total operating expenses	393,711	164,994	119,316
Loss from operations	(162,006)	(47,087)	(58,863)
Other income (expense), net	(2,563)	(521)	698
Loss before income tax expense	(164,569)	(47,608)	(58,165)
Income tax expense (benefit)	(640)	87	35
Net loss	\$ (163,929)	\$ (47,695)	\$ (58,200)

## Comparison of the Fiscal Years Ended December 31, 2021 and 2020

### Net Revenue

<i>(dollars in thousands)</i>	Year Ended December 31,		\$ Change	% Change
	2021	2020		
<b>Net revenue:</b>				
Total platform services, net	\$ 502,296	\$ 283,305	\$ 218,991	77 %
Other services	14,879	6,987	7,892	113 %
Total net revenue	\$ 517,175	\$ 290,292	\$ 226,883	78 %
Total Processing Volume (TPV) (in millions)	\$ 111,133	\$ 60,075	\$ 51,058	85 %

Total net revenue increased by \$226.9 million, or 78%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, of which increase \$152.6 million was attributable to Block. The increase in net revenue was primarily driven by an 85% increase in TPV, partially offset by a decreased average interchange rate earned on transactions processed and by a 2% increase in Revenue Share payments attributable to increased average Revenue Share rates, compared to the same period in 2020. Interchange rates may vary due to changes in rates published by the Card Networks as well as the mix of transaction types, average transaction size, merchant classifications, and consumer versus commercial card classifications. Revenue Share rates may vary due to customers' earning an increased percentage of Revenue Share as they increase processing volumes on our Platform. Sharing an increased percentage of Interchange Fees with our Customers aligns our interests with our Customers' growth and builds deeper customer relationships.

The increase in TPV was mainly driven by increases in processing volume from our digital banking and BNPL Customers. TPV for our top five Customers, measured by TPV in each respective period, grew by 70% for the year ended December 31, 2021 compared to the year ended December 31, 2020, while TPV from all other Customers, as a group, grew 230% for the year ended December 31, 2021 compared to the year ended December 31, 2020.

### Costs of Revenue and Gross Margin

<i>(dollars in thousands)</i>	Year Ended December 31,		\$ Change	% Change
	2021	2020		
<b>Costs of revenue:</b>				
Card Network fees, net	\$ 244,387	\$ 145,617	\$ 98,770	68 %
Issuing Bank fees	27,282	19,785	7,497	38 %
Other	13,801	6,983	6,818	98 %
Total costs of revenue	\$ 285,470	\$ 172,385	\$ 113,085	66 %
Gross profit	\$ 231,705	\$ 117,907	\$ 113,798	97 %
Gross margin	45 %	41 %		

Costs of revenue increased by \$113.1 million, or 66%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily due to increased Card Network fees as the result of the 85% increase in TPV and 70% increase in the number of corresponding transactions.

Network fees increased \$98.8 million, or 68% in the year ended December 31, 2021 compared to the year ended December 31, 2020. This increase was due to a 85% increase in TPV, partially offset by the effect of \$14.8 million of additional Card Network incentives resulting from reaching specified volume tiers and other discounts during the year ended December 31, 2021. The higher volume tiers were not reached in the year ended December 31, 2020. Certain of our network incentive arrangements have 6-month or annual measurement periods that do not correspond to our fiscal year and we can earn additional rates of incentives when specified volume tiers are met. As such, additional incentives can be earned on volume processed in a prior fiscal year and multiple incentive tiers can be met in the same fiscal year.

Issuing Bank fees increased \$7.5 million, or 38%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, which was lower than the percentage of increase in TPV as a result of volume tiers being met at Sutton Bank, and reduced Issuing Bank fees for certain of our processing volume, as a result of amending our contract with Sutton Bank. Issuing Bank fees are typically determined based on volume tiers; as our processing volumes grow, these fees as a percentage of processing volume decline.

As a result of the increases in net revenue and costs of revenue discussed above, our gross profit increased by \$113.8 million, or 97%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. Our gross margin increased to 45% during the year ended December 31, 2021 - including the benefit of the monetary incentives mentioned above - from 41% during the year ended December 31, 2020.

### Operating Expenses

<i>(dollars in thousands)</i>	Year Ended December 31,		\$ Change	% Change
	2021	2020		
<b>Operating expenses:</b>				
Salaries, bonus, benefits and payroll taxes	\$ 175,456	\$ 101,591	\$ 73,865	73 %
Share-based compensation	142,660	28,211	114,449	406 %
Total compensation and benefits	318,116	129,802	188,314	145 %
<i>Percentage of net revenue</i>	62 %	45 %		
Professional services	18,443	7,188	11,255	157 %
<i>Percentage of net revenue</i>	4 %	2 %		
Technology	33,637	13,239	20,398	154 %
<i>Percentage of net revenue</i>	7 %	5 %		
Occupancy	4,181	4,337	(156)	(4)%
<i>Percentage of net revenue</i>	1 %	1 %		
Depreciation and amortization	3,534	3,498	36	1 %
<i>Percentage of net revenue</i>	1 %	1 %		
Marketing and advertising	2,284	1,670	\$ 614	37 %
<i>Percentage of net revenue</i>	— %	1 %		
Other operating expenses	13,516	5,260	8,256	157 %
<i>Percentage of net revenue</i>	3 %	2 %		
Total operating expenses	\$ 393,711	\$ 164,994	\$ 228,717	

Compensation and benefits expenses increased by \$188.3 million, or 145%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. Salaries, bonus, benefits, and payroll taxes increased by \$73.9 million predominately due to a \$46.2 million increase in salaries due to the 47% increase in the average full time employees from 427 in the year ended December 31, 2020 to 629 in the year ended December 31, 2021, a \$18.7 million increase in bonus expense, and a \$8.9 million increase in contractors' costs, due to the 162% increase in the average number of contractors from 27 in the year ended December 31, 2020 to 70 in the year ended December 31, 2021. Additionally, bonus expense increased \$18.7 million during the year ended December 31, 2021 compared to the year ended December 31, 2020 due to the increase in full time employees, the broadening of our corporate bonus plan to cover more employees, and higher bonus payout for the year ended December 31, 2021. We expect rates of compensation to increase in the future in part due the labor market shortage that is currently prevalent in the U.S. economy and increases in rates of inflation observed in 2021.

Compensation and benefits expenses also increased in the year ended December 31, 2021 compared to the year ended December 31, 2020 due to a \$114.4 million increase in share-based compensation expense, mainly because of the increase in our employees base and the CEO Long-Term Performance Award as detailed in the table below:

	Year Ended December 31,		\$ Change	% Change
	2021	2020		
<i>(dollars in thousands)</i>				
<b>Share-based compensation</b>				
Restricted stock units <sup>(1)</sup>	\$ 59,652	\$ —	\$ 59,652	n/m
Stock options	31,231	10,895	20,336	187 %
CEO Long-Term Performance Award	38,189	—	38,189	n/m
Employee Stock Purchase Plan	1,946	—	1,946	n/m
Secondary sales of common stock	11,642	17,316	(5,674)	(33)%
<b>Total share-based compensation</b>	<b>\$ 142,660</b>	<b>\$ 28,211</b>	<b>\$ 114,449</b>	<b>406 %</b>

n/m = not meaningful

<sup>(1)</sup> Includes \$23.1 million of expense recognized for cumulative prior service as of the IPO completion date for RSUs with both a service and liquidity vesting condition.

Professional services expenses increased by \$11.3 million, or 157%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was due to a \$9.5 million increase in accounting, consulting, and legal fees, and a \$1.8 million increase in recruiting fees.

Technology expenses increased by \$20.4 million, or 154%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was due to a \$12.7 million increase in third-party hosting costs to support our continued growth and increase in TPV, increasing the resiliency of our Platform and continued migration to the cloud from third-party data centers, and a \$7.6 million increase in software licensing costs as we continue implementing new systems and tools and increasing the number of licenses for existing systems.

Occupancy expense decreased by \$0.2 million for the year ended December 31, 2021 compared to the year ended December 31, 2020 as a result of a lease cost credit received due to the reduced use of our office space during shelter-in-place orders. As most of our employees and service providers continue to work remotely, we will continue to evaluate the need for additional office space.

Depreciation and amortization remained consistent for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Marketing and advertising expenses increased by \$0.6 million, or 37%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily related to conferences, trade shows, and brand awareness investments to further grow our Customer base.

Other operating expenses increased by \$8.3 million, or 157%, for the year ended December 31, 2021 compared to the year ended December 31, 2020 as a result of an increase in insurance costs of \$4.9 million, an increase in various state and local non-income taxes of \$1.3 million, and an increase in general office operating expenses of \$2.1 million.

#### **Other Income (Expense), Net**

	Year Ended December 31,		\$ Change	% Change
	2021	2020		
<i>(dollars in thousands)</i>				
Other income (expense), net	\$ (2,563)	\$ (521)	\$ (2,042)	392 %
Percentage of net revenue	— %	— %		

Other income (expense), net decreased by \$2.0 million, or 392%, for the year ended December 31, 2021 compared to the year ended December 31, 2020 primarily due to a \$1.0 million increase in the expense related to the change in the fair value of the redeemable convertible preferred stock warrant liabilities, a \$0.7 million decrease in interest income from our marketable securities portfolio, and \$0.3 million increase in realized foreign currency exchange loss. The redeemable convertible preferred stock warrants were exercised during 2021 and therefore we do not expect to record additional changes in the fair value of these warrants.

#### **Customer Concentration**

We generated 69% and 70% of our net revenue from our largest Customer, Block, during the years ended December 31, 2021 and 2020, respectively.

## Quarterly Results of Operations

The following tables set forth selected unaudited consolidated quarterly statements of operations data for each of the eight fiscal quarters ended December 31, 2021. The information for each of these quarters has been prepared on the same basis as the audited annual consolidated financial statements included elsewhere in this Annual Report on Form 10-K and, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods. In the fourth quarter of 2021, we reclassified contractor costs from professional services to compensation and benefits and all statements of operations below have been adjusted to conform to this new presentation. This data should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our results of operations to be expected for any future period.

	Three Months Ended							
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
	(in thousands)							
Net revenue	\$ 155,414	\$ 131,512	\$ 122,266	\$ 107,983	\$ 88,196	\$ 84,307	\$ 69,402	\$ 48,389
Costs of revenue	79,615	72,438	75,291	58,126	51,750	49,024	41,785	29,826
Gross profit	75,799	59,074	46,975	49,857	36,446	35,283	27,617	18,563
Operating expenses:								
Compensation and benefits	88,995	84,462	97,755	46,904	38,964	38,816	26,449	25,574
Professional services	5,712	4,704	3,831	4,196	1,955	1,547	1,931	1,753
Technology	11,143	9,299	7,569	5,626	4,708	3,432	2,660	2,439
Occupancy	1,097	1,091	907	1,086	1,070	1,100	1,080	1,087
Depreciation and amortization	967	786	874	907	890	901	850	857
Marketing and advertising	804	490	495	495	618	371	343	338
Other operating expenses	4,811	3,880	3,530	1,295	1,346	1,287	1,101	1,526
Total operating expenses	113,529	104,712	114,961	60,509	49,551	47,454	34,414	33,574
Loss from operations	(37,730)	(45,638)	(67,986)	(10,652)	(13,105)	(12,171)	(6,797)	(15,011)
Other income (expense), net	142	(57)	(481)	(2,167)	(638)	(83)	(295)	495
Loss before income tax expense	(37,588)	(45,695)	(68,467)	(12,819)	(13,743)	(12,254)	(7,092)	(14,516)
Income tax expense (benefit)	(781)	35	87	19	17	43	15	12
Net loss	\$ (36,807)	\$ (45,730)	\$ (68,554)	\$ (12,838)	\$ (13,760)	\$ (12,297)	\$ (7,107)	\$ (14,528)

### Use of Non-GAAP Financial Measures

Our non-GAAP measures have limitations as analytical tools and you should not consider them in isolation. These non-GAAP measures should not be viewed as a substitute for, or superior to, measures prepared in accordance with GAAP. In evaluating these non-GAAP measures, you should be aware that in the future we will incur expenses similar to the adjustments in the presentation of our non-GAAP measures set forth under "Key Operating Metric and Non-GAAP Financial Measures". There are a number of limitations related to the use of these non-GAAP measures versus their most directly comparable GAAP measures, including the following:

- other companies, including companies in our industry, may calculate adjusted EBITDA differently than how we calculate this measure or not at all; this reduces its usefulness as a comparative measure;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditures; and
- adjusted EBITDA does not reflect the effect of income taxes that may represent a reduction in cash available to us.

We encourage investors to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures.

A reconciliation of net loss to adjusted EBITDA for the periods presented is as follows:

	Year Ended December 31,		
	2021	2020	2019
<i>(dollars in thousands)</i>			
Net revenue	\$ 517,175	\$ 290,292	\$ 143,267
Net loss	\$ (163,929)	\$ (47,695)	\$ (58,200)
Net loss margin	(32)%	(16)%	(41)%
Net loss	\$ (163,929)	\$ (47,695)	\$ (58,200)
Depreciation and amortization expense	3,534	3,498	3,080
Share-based compensation expense	142,660	28,211	21,757
Payroll tax expense related to share-based compensation	1,956	—	—
Due diligence costs related to potential acquisitions	1,089	—	—
Other expense (income), net	2,563	521	(698)
Income tax expense (benefit)	(640)	87	35
Adjusted EBITDA	\$ (12,767)	\$ (15,378)	\$ (34,026)
Adjusted EBITDA Margin	(2)%	(5)%	(24)%

## Liquidity and Capital Resources

Since our inception through June 30, 2021, we financed our operations primarily through sales of equity securities and payments received from our Customers. In June 2021, we completed our IPO and we received aggregate net proceeds of \$1.3 billion after deducting underwriting discounts and commissions of \$91.6 million, and offering costs of \$7.5 million.

At December 31, 2021, our principal sources of liquidity included cash, cash equivalents, and marketable securities totaling \$1.7 billion, with such amounts held for working capital purposes. At December 31, 2021, our cash equivalents and marketable securities were comprised primarily of money market funds, U.S. government securities, commercial paper, asset-backed securities, and corporate debt securities. We have generated significant operating losses as reflected in our accumulated deficit. We expect to continue to incur operating losses for the foreseeable future.

We believe our existing cash and cash equivalents, and our marketable securities will be sufficient to meet our working capital and capital expenditure needs for more than the next 12 months. Our future capital requirements will depend on many factors, including our planned continuing investment in product development, platform infrastructure, and global expansion. We will use our cash for a variety of needs, including for ongoing investments in our business, potential strategic acquisitions, capital expenditures and investment in our infrastructure, including our non-cancellable purchase commitments with cloud-computing service providers and certain Issuing Banks.

At December 31, 2021, we had \$7.8 million in restricted cash which included a deposit held at an Issuing Bank to provide the Issuing Bank collateral in the event that our Customers' funds are not deposited at the Issuing Bank in time to settle our Customers' transactions with the Card Networks. Restricted cash also includes cash held at a bank to secure our payments under a lease agreement for our office space.

### Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended December 31,		
	2021	2020	2019
	(in thousands)		
Net cash provided by (used in) operating activities	\$ 56,972	\$ 50,273	\$ (15,428)
Net cash used in investing activities	(329,121)	(57,562)	(100,318)
Net cash provided by financing activities	1,299,297	167,378	139,049
Net increase in cash, cash equivalents, and restricted cash	<u>\$ 1,027,148</u>	<u>\$ 160,089</u>	<u>\$ 23,303</u>

### Operating Activities

Our largest source of cash provided by our operating activities is our net revenue. Our primary uses of cash in our operating activities are for Card Network and Issuing Bank fees, and employee-related compensation. The timing of settlement of certain operating liabilities, including Revenue Share payments and bonus payments, can affect the amounts reported as net cash provided by operating activities on the consolidated statement of cash flows.

Net cash provided by operating activities increased for the year ended December 31, 2021 compared to the year ended December 31, 2020 primarily due to the net impact of increases in net revenue and related cash collections and cash paid for costs of revenues and operating expenses, the majority of it related to employees compensation.

### Investing Activities

Net cash provided by investing activities consists primarily of maturities of our investments in marketable securities. Net cash used in investing activities consists primarily of purchases of marketable securities, purchases of property and equipment, and equity method investments.

Net cash used in investing activities increased for the year ended December 31, 2021 compared to the same period in December 31, 2020 primarily due to the increase in purchases of marketable securities, an equity method investment, and a purchase call option to acquire the remaining interest in the equity method investee, partially offset by the increase in maturities of marketable securities.

### **Financing Activities**

Net cash provided by financing activities consists primarily of proceeds from the sale of our equity securities. Net cash used in financing activities consists primarily of net payments related to tax withholdings for RSU settlements and payments of offering costs related to the IPO.

Net cash provided by financing activities increased for the year ended December 31, 2021 compared to the year ended December 31, 2020 primarily due to the proceeds received from our IPO, net of underwriters' commission and discounts, partially offset by the decrease in proceeds from the issuance of redeemable convertible preferred stock, and the payments made to satisfy the tax withholding and remittance obligations related to the settlement of our outstanding RSUs.

### **Obligations and Other Commitments**

Our principal commitments consist of obligations under our operating leases for office space and other non-cancellable purchase commitments. For additional information about our operating leases, see Note 7 to our Consolidated Financial Statements "Commitments and Contingencies — Operating Leases."

In connection with our corporate headquarters lease, we are required to provide the landlord a letter of credit in the amount of \$1.5 million. We have secured this letter of credit by depositing \$1.5 million with the issuing financial institution. This deposit is classified as restricted cash in the consolidated balance sheets.

As of December 31, 2021, we had non-cancellable purchase commitments with certain service providers and Issuing Banks of \$263.8 million, payable over the next 5 years. These purchase obligations include \$255.0 million related to minimum commitments as part of a cloud-computing service agreement. The remaining obligations are related to various service providers and Issuing Banks processing fees over the fixed, non-cancellable respective contract terms.

### **Critical Accounting Policies and Estimates**

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, discussed in Note 2 to our Consolidated Financial Statements "Summary of Significant Accounting Policies," the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Under the JOBS Act, "an emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an "emerging growth company" to delay the adoption of new or revised accounting standards that have different transition dates for public and private companies until those standards would otherwise apply to private companies. We meet the definition of an "emerging growth company" and have elected to use this extended transition period. As a result of this election, our timeline to comply with these standards will in many cases be delayed as compared to other public companies that are not eligible to take advantage of this election or have not made this election. Therefore, our financial statements may not be comparable to those of companies that comply with the public company effective dates for these standards.

### **Revenue Recognition**

We adopted Accounting Standards Codification, or ASC Topic 606, Revenue from Contracts with Customers, or ASC 606, effective as of January 1, 2019. We recognize revenue from contracts with Customers using the five-step method described in Note 2 to our Consolidated Financial Statements "Summary of Significant Accounting Policies." We generate revenue from providing Platform services, which includes Interchange Fees and processing fees, and other services, which includes card fulfillment revenue, to our Customers.

Our contracts with Customers typically include two performance obligations: (i) providing access to our payment processing Platform and (ii) providing card fulfillment services. Certain Customer contracts require us to allocate the transaction price of the contract based on the relative stand-alone selling price of the performance obligations which are estimated using an analysis of our historical contract pricing and costs incurred to fulfill services.

We satisfy our performance obligation to provide platform services over time as Customers have continuous access to our Platform, and we stand ready to process Customer transactions throughout their term of access. We allocate variable consideration to the distinct month in which our Platform services are delivered. When pricing terms are not consistent throughout the entire term of the contract, we estimate variable consideration in Customers' contracts primarily using the expected value method. We develop estimates of variable consideration on the basis of both historical information and current trends and do not expect or anticipate significant reversal of revenue in the future periods.

As the Issuer Processor for our Customers, we are the principal in providing services under our contracts with Customers. To deliver the services required by our Customers, we contract with Card Networks for transaction routing, reporting, and settlement services and with Issuing Banks for card issuing, Card Network sponsorship, and regulatory compliance approval services. We control these integrated services before delivery to our Customers, we are primarily responsible for the delivery of the services to Customers, and we have discretion in vendor selection. As such, we record fees paid to the Issuing Banks and Card Networks as costs of revenue.

For certain revenue contracts, we estimate variable consideration and material rights to record each period. This requires that we estimate the expected processing volume over the term of the contract, including any additional extension of the term associated with a material right. These estimates are predominantly derived by analysis of historical trends and are updated on a quarterly basis. Changes made to these assumptions during the year ended December 31, 2021 did not have a material impact to the net revenue recorded during the year ended December 31, 2021.

### **Share-Based Compensation**

We measure compensation expense for all share-based payment awards, including stock options and RSUs, granted to employees, directors, and other service providers, based on the estimated fair value of the awards on the date of grant. Prior to our IPO, the most significant input in determining the fair value of a stock option and RSUs was the estimated fair value of our common stock. Additionally, prior to our IPO, the determination of whether to recognize share-based compensation expense related to secondary sales of common stock by employees or former employees required a significant judgment.

Our methods to estimate the fair value of our common stock and to determine share-based compensation expense related to secondary sales of common stock prior to the completion of the IPO are discussed below.

*Fair Value of Common Stock:* Prior to our IPO, our board of directors considered numerous objective and subjective factors to determine the fair value of our common stock at each meeting in which awards were approved. The factors considered included, but were not limited to: (i) contemporaneous independent third-party valuations of our common stock; (ii) observed secondary sales of our common stock; (iii) rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock; (iv) our actual operating and financial performance; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the company, given prevailing market conditions; and (vii) precedent transactions involving our capital stock.

Subsequent to our IPO, we use the closing share price of our Class A common stock, which is traded on Nasdaq, on the grant date to measure share-based compensation.

*Secondary Sales of Common Stock.* During the years ended December 31, 2021, 2020 and 2019, and in all cases, prior to our IPO, certain stockholders acquired outstanding common stock from current or former employees for a purchase price greater than our estimated fair value of our common stock at the time of the respective transaction. The determination of whether the excess of purchase price over the estimated fair value represented share-based compensation was highly judgmental. We determined whether secondary sales of common stock by then current or former employees resulted in share-based compensation expense by evaluating the extent of our involvement in secondary sale transactions, whether the purchaser of the shares was an existing or new stockholder, and the extent the sale price per share exceeded our estimated fair value per share. For such transactions, we recorded share-based compensation expense as measured as the difference between the aggregate price paid by the stockholder and our estimated aggregate fair value on the date of the transaction, and recorded \$11.6 million, \$17.3 million and \$14.8 million during the years ended December 31, 2021, 2020 and 2019, respectively. Such amounts were recorded in compensation and benefits expense on the consolidated statements of operations.

After our IPO, we have not, and no longer expect to, record share-based compensation expense related to secondary sales of our common stock.

### ***Recent Accounting Pronouncements***

See Note 2 to our Consolidated Financial Statements “Summary of Significant Accounting Policies—Adoptions of New Accounting Standards” and “Summary of Significant Accounting Policies—New Accounting Standards Not Yet Adopted” for additional information.

## **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

We have operations within the United States, the United Kingdom, Australia, and Singapore, and we are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes and foreign currency fluctuations. Information relating to quantitative and qualitative disclosures about these market risks is described below.

### ***Interest Rate Risk***

We had cash, cash equivalents, and marketable securities totaling \$1.7 billion as of December 31, 2021. Such amounts included cash deposits, money market funds, U.S. government securities, commercial paper, asset-backed securities, and corporate debt securities. The fair value of our cash, cash equivalents, and marketable securities would not be significantly affected by either an increase or decrease in interest rates due to the short-term maturities of the majority of these instruments. Because we classify our marketable securities as “available-for-sale” and have not yet adopted ASU 2016-13 (See Note 2 to our Consolidated Financial Statements “Summary of Significant Accounting Policies—New Accounting Standards Not Yet Adopted” for additional information), no gains or losses are recognized in the consolidated statement of operations and comprehensive loss due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other-than-temporary. We have the ability to hold all marketable securities until their maturities. A hypothetical 100 basis point increase or decrease in interest rates would not have a material effect on our financial results.

### ***Foreign Currency Exchange Risk***

Most of our sales and expenses are denominated in U.S. dollars, and therefore our results of operations are not currently subject to significant foreign currency risk. As of December 31, 2021, a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our consolidated financial statements.

Item 8. Financial Statements and Supplementary Data

MARQETA, INC.  
FORM 10-K

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<b><u>Page</u></b>
<a href="#">Report of Registered Independent Public Accounting Firm</a> (PCAOB ID: 42)	<a href="#">86</a>
<a href="#">Consolidated Balance Sheets</a>	<a href="#">87</a>
<a href="#">Consolidated Statements of Operations and Comprehensive Loss</a>	<a href="#">88</a>
<a href="#">Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)</a>	<a href="#">89</a>
<a href="#">Consolidated Statements of Cash Flows</a>	<a href="#">90</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">92</a>

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Marqeta, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Marqeta, Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations and comprehensive loss, redeemable convertible preferred stock and stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021 in conformity with U.S. generally accepted accounting principles.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

Redwood City, California  
March 11, 2022

**Marqeta, Inc.**  
**Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	As of December 31,	
	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,247,581	\$ 220,433
Restricted cash	7,800	7,800
Marketable securities	452,875	149,903
Accounts receivable, net	13,187	8,420
Settlements receivable, net	11,266	12,867
Network incentives receivable	30,399	20,022
Prepaid expenses and other current assets	35,617	11,461
Total current assets	1,798,725	430,906
Property and equipment, net	9,687	9,477
Operating lease right-of-use assets, net	11,296	13,411
Equity method investment	8,384	—
Other assets	2,286	3,886
<b>Total assets</b>	<b>\$ 1,830,378</b>	<b>\$ 457,680</b>
<b>Liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)</b>		
Current liabilities:		
Accounts payable	\$ 2,693	\$ 2,362
Revenue share payable	121,179	78,191
Accrued expenses and other current liabilities	114,096	60,545
Total current liabilities	237,968	141,098
Redeemable convertible preferred stock warrant liabilities	—	2,517
Operating lease liabilities, net of current portion	12,427	15,449
Other liabilities	6,557	10,452
Total liabilities	256,952	169,516
Commitments and contingencies (Note 7)		
Redeemable convertible preferred stock, \$0.0001 par value; zero and 352,047,950 shares authorized; zero and 351,844,340 shares issued and outstanding; aggregate liquidation preference of zero and \$552,868 as of December 31, 2021 and December 31, 2020, respectively	—	501,881
Stockholders' equity (deficit):		
Preferred stock, \$0.0001 par value; 100,000,000 and zero shares authorized, no shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	—	—
Common stock, \$0.0001 par value: 1,500,000,000 and zero Class A shares authorized, 421,792,153 and zero shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively. 600,000,000 and 545,000,000 Class B shares authorized, 119,591,365 and 130,312,838 shares issued and outstanding as of December 31, 2021 and December 31, 2020, respectively	54	13
Additional paid-in capital	1,993,055	39,769
Accumulated other comprehensive income (loss)	(2,230)	25
Accumulated deficit	(417,453)	(253,524)
Total stockholders' equity (deficit)	1,573,426	(213,717)
<b>Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)</b>	<b>\$ 1,830,378</b>	<b>\$ 457,680</b>

See accompanying notes to consolidated financial statements.

**Marqeta, Inc.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2021	2020	2019
Net revenue	\$ 517,175	\$ 290,292	\$ 143,267
Costs of revenue	285,470	172,385	82,814
Gross profit	231,705	117,907	60,453
Operating expenses:			
Compensation and benefits	318,116	129,802	88,309
Professional services	18,443	7,188	7,157
Technology	33,637	13,239	7,796
Occupancy	4,181	4,337	3,777
Depreciation and amortization	3,534	3,498	3,080
Marketing and advertising	2,284	1,670	2,080
Other operating expenses	13,516	5,260	7,117
Total operating expenses	393,711	164,994	119,316
Loss from operations	(162,006)	(47,087)	(58,863)
Other income (expense), net	(2,563)	(521)	698
Loss before income tax expense	(164,569)	(47,608)	(58,165)
Income tax expense (benefit)	(640)	87	35
Net loss	\$ (163,929)	\$ (47,695)	\$ (58,200)
Deemed dividend to redeemable convertible preferred stockholders	—	—	(64,149)
Net loss attributable to common stockholders	\$ (163,929)	\$ (47,695)	\$ (122,349)
Other comprehensive income (loss), net of taxes:			
Change in foreign currency translation adjustment	\$ (14)	\$ (64)	\$ (22)
Change in unrealized gain (loss) on marketable securities	(2,241)	43	69
Net other comprehensive income (loss)	(2,255)	(21)	47
Comprehensive loss	\$ (166,184)	\$ (47,716)	\$ (58,153)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.45)	\$ (0.39)	\$ (1.07)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	362,756,466	122,932,556	113,851,714

See accompanying notes to consolidated financial statements.

**Marqeta, Inc.**  
**Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)**  
(in thousands, except share amounts)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
<b>Balance as of January 1, 2019</b>	287,216,434	\$ 114,842	121,411,803	\$ 12	\$ 2,870	\$ (1)	\$ (87,788)	\$ (84,907)
Issuance of Series E redeemable convertible preferred stock at \$3.89 per share, net of issuance costs of \$7,010	38,552,483	142,990	—	—	—	—	—	—
Exchange of common stock for Series E redeemable convertible preferred stock	11,074,661	13,767	(11,074,661)	—	(13,767)	—	—	(13,767)
Deemed dividend upon the exchange of Series A and Series C redeemable convertible preferred stock for Series E redeemable convertible preferred stock	—	64,149	—	—	(4,308)	—	(59,841)	(64,149)
Issuance of common stock upon exercise of vested options	—	—	7,767,038	—	515	—	—	515
Issuance of common stock upon early exercise of unvested options	—	—	762,440	—	—	—	—	—
Repurchase of early exercised stock options	—	—	(436,589)	—	—	—	—	—
Vesting of early exercised stock options	—	—	—	—	298	—	—	298
Share-based compensation expense	—	—	—	—	21,757	—	—	21,757
Change in other comprehensive income (loss)	—	—	—	—	—	47	—	47
Net loss	—	—	—	—	—	—	(58,200)	(58,200)
<b>Balance as of December 31, 2019</b>	336,843,578	\$ 335,748	118,430,031	\$ 12	\$ 7,365	\$ 46	\$ (205,829)	\$ (198,406)
Issuance of Series E-1 redeemable convertible preferred stock at \$8.34 per share, net of issuance costs of \$8,058	20,989,756	166,942	—	—	—	—	—	—
Conversion of Series A and Series C redeemable convertible preferred stock to common stock	(5,988,994)	(809)	5,988,994	1	808	—	—	809
Issuance of common stock upon exercise of vested options	—	—	5,236,999	—	2,472	—	—	2,472
Issuance of common stock upon early exercise of unvested options	—	—	847,184	—	—	—	—	—
Repurchase of early exercised stock options	—	—	(190,370)	—	—	—	—	—
Vesting of early exercised stock options	—	—	—	—	742	—	—	742
Vesting of common stock warrants	—	—	—	—	171	—	—	171
Share-based compensation expense	—	—	—	—	28,211	—	—	28,211
Change in other comprehensive income (loss)	—	—	—	—	—	(21)	—	(21)
Net loss	—	—	—	—	—	—	(47,695)	(47,695)
<b>Balance as of December 31, 2020</b>	351,844,340	501,881	130,312,838	13	39,769	25	(253,524)	(213,717)
Issuance of common stock upon initial public offering, net of issuance costs	—	—	52,272,727	7	1,312,331	—	—	1,312,338
Conversion of redeemable convertible preferred stock to common stock upon initial public offering	(351,844,340)	(501,881)	351,844,340	34	501,847	—	—	501,881
Reclassification of redeemable convertible preferred stock warrant liabilities to common stock and additional paid-in capital upon initial public offering	—	—	—	—	5,438	—	—	5,438
Issuance of common stock upon exercise of options	—	—	4,277,344	—	4,969	—	—	4,969
Issuance of common stock under employee stock purchase plan	—	—	153,905	—	3,201	—	—	3,201
Repurchase of early exercised stock options	—	—	(85,870)	—	—	—	—	—
Issuance of common stock upon net settlement of restricted stock units	—	—	1,736,212	—	(23,552)	—	—	(23,552)
Issuance of common stock upon exercise of common stock warrants	—	—	872,022	—	60	—	—	60
Vesting of common stock warrants	—	—	—	—	6,332	—	—	6,332
Share-based compensation expense	—	—	—	—	142,660	—	—	142,660
Change in other comprehensive income (loss)	—	—	—	—	—	(2,255)	—	(2,255)
Net loss	—	—	—	—	—	—	(163,929)	(163,929)
<b>Balance as of December 31, 2021</b>	—	\$ —	541,383,518	\$ 54	\$ 1,993,055	\$ (2,230)	\$ (417,453)	\$ 1,573,426

See accompanying notes to consolidated financial statements.

**Marqeta, Inc.**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	Year Ended December 31,		
	2021	2020	2019
<b>Cash flows from operating activities:</b>			
Net loss	\$ (163,929)	\$ (47,695)	\$ (58,200)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	3,534	3,498	3,080
Share-based compensation expense	142,660	28,211	21,757
Non-cash operating leases expense	2,115	2,029	1,487
Amortization of premium (accretion of discount) on marketable securities	1,162	543	(499)
Provision for doubtful accounts	173	39	370
Other	2,937	1,890	1,000
Changes in operating assets and liabilities:			
Accounts receivable	(4,940)	(4,485)	(2,812)
Settlements receivable	1,601	(2,961)	(4,000)
Network incentives receivable	(10,377)	(9,400)	(8,248)
Prepaid expenses and other assets	(7,742)	(2,481)	(5,363)
Accounts payable	190	(839)	1,613
Revenue share payable	42,988	48,442	18,631
Accrued expenses and other liabilities	49,372	34,997	17,407
Operating lease liabilities	(2,772)	(1,515)	(1,651)
Net cash provided by (used in) operating activities	<u>56,972</u>	<u>50,273</u>	<u>(15,428)</u>
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment	(2,743)	(2,375)	(4,908)
Purchases of marketable securities	(455,266)	(216,200)	(528,300)
Sales of marketable securities	—	71,981	—
Maturities of marketable securities	148,888	89,032	433,640
Purchase of equity method investment and purchase option	(20,000)	—	(750)
Net cash used in investing activities	<u>(329,121)</u>	<u>(57,562)</u>	<u>(100,318)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from initial public offering, net of underwriters' discounts and commissions	1,319,809	—	—
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	—	166,942	142,990
Payment of bank loan and related fees	—	—	(5,005)
Proceeds from exercise of stock options, including early exercised stock options, net of repurchase of early exercised unvested options	4,539	3,144	1,064
Proceeds from exercise of warrants	60	—	—
Proceeds from shares issued in connection with employee stock purchase plan	3,201	—	—
Taxes paid related to net share settlement of restricted stock units	(23,552)	—	—
Payment of deferred offering costs	(4,760)	(2,708)	—
Net cash provided by financing activities	<u>1,299,297</u>	<u>167,378</u>	<u>139,049</u>
Net increase in cash, cash equivalents, and restricted cash	<u>1,027,148</u>	<u>160,089</u>	<u>23,303</u>
Cash, cash equivalents, and restricted cash- Beginning of period	228,233	68,144	44,841
Cash, cash equivalents, and restricted cash - End of period	<u>\$ 1,255,381</u>	<u>\$ 228,233</u>	<u>\$ 68,144</u>

See accompanying notes to consolidated financial statements.

**Marqeta, Inc.**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	Year Ended December 31,		
	2021	2020	2019
<b>Reconciliation of cash, cash equivalents, and restricted cash</b>			
Cash and cash equivalents	\$ 1,247,581	\$ 220,433	\$ 60,344
Restricted cash	7,800	7,800	7,800
Total cash, cash equivalents, and restricted cash	<u>\$ 1,255,381</u>	<u>\$ 228,233</u>	<u>\$ 68,144</u>
<b>Supplemental disclosures of cash flow information:</b>			
Cash paid for interest	\$ —	\$ —	\$ 317
Cash paid for income taxes	\$ 201	\$ 109	\$ 1
<b>Supplemental disclosures of non-cash investing and financing activities:</b>			
Purchase of property and equipment accrued and not yet paid	\$ 1,190	\$ 159	\$ 73
Deemed dividend upon the exchange for Series A and Series C redeemable convertible preferred stock for Series E redeemable convertible preferred stock	\$ —	\$ —	\$ 64,149
Deferred offering costs not yet paid	\$ —	\$ 426	\$ —
Conversion of redeemable convertible preferred stock to common stock	\$ —	\$ 809	\$ —

See accompanying notes to consolidated financial statements.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

## **1. Business Overview and Basis of Presentation**

Marqeta, Inc., or the Company, creates digital payment technology for innovation leaders. The Company's modern card issuing platform, or the Platform, places control over payment transactions into the hands of its customers, or Customers, enabling them to develop modern state-of-the-art product experiences.

The Company provides all of its Customers issuer processor services and for most of its Customers it also acts as a card program manager. The Company primarily earns revenue from processing payment card transactions for its Customers.

The Company was incorporated in the state of Delaware in 2010 and is headquartered in Oakland, California, with offices in the United States, United Kingdom, and Australia, and a presence in Singapore.

### ***Initial Public Offering***

In June 2021, the Company completed an initial public offering, or the IPO, in which the Company issued and sold 52,272,727 shares of its newly authorized Class A common stock, which included 6,818,181 shares that were offered and sold pursuant to the full exercise of the underwriters' option to purchase additional shares at a price of \$27.00 per share. The Company received aggregate net proceeds of \$1.3 billion after deducting underwriting discounts and commissions of \$91.6 million and offering costs of \$7.5 million.

Immediately prior to the completion of the IPO, the Company filed its Amended and Restated Certificate of Incorporation authorizing 1,500,000,000 shares of Class A common stock which entitles holders to one vote per share, 600,000,000 shares of Class B common stock which entitles holders to 10 votes per share, and 100,000,000 shares of undesignated preferred stock. All shares of common stock then outstanding were reclassified as Class B common stock and all redeemable convertible preferred stock then outstanding were converted into 351,844,340 shares of common stock on a one-for-one basis and reclassified into Class B common stock. In addition, 2,569,528 shares of common stock warrants were converted to an equivalent number of shares of Class B common stock warrants and 203,610 shares of convertible preferred stock warrants were converted to an equivalent number of shares of Class B common stock warrants.

### ***Basis of Presentation***

The accompanying consolidated financial statements, which include the accounts of the Company and its wholly owned subsidiaries, have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP). All intercompany balances and transactions have been eliminated in consolidation.

Certain prior period amounts reported in our consolidated financial statements and the related notes have been reclassified to conform to the current period presentation.

### ***Use of Estimates***

The preparation of the financial statements requires management to make estimates and assumptions relating to reported amounts of assets and liabilities, disclosure of contingent liabilities, and reported amounts of revenue and expenses. Significant estimates and assumptions relate to the fair value of equity awards and warrants, share-based compensation, the estimation of variable consideration in contracts with Customers, the reserve for contract contingencies and processing errors, the fair value of equity method investments and a purchase call option to acquire the remaining interest in the equity method investee, the incremental borrowing rate used to determine operating lease liabilities, the useful lives of property and equipment, and the collectability of accounts receivable. Actual results could differ materially from these estimates.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Business Risks and Uncertainties**

The Company has incurred net losses since its inception. For the year ended December 31, 2021, the Company incurred a net loss of \$163.9 million and had an accumulated deficit of \$417.5 million as of December 31, 2021. The Company expects losses from operations to continue for the foreseeable future as it incurs costs and expenses related to creating new products for Customers, acquiring new Customers, developing its brand, expanding into new geographies and developing the existing Platform infrastructure. The Company believes that its cash and cash equivalents of \$1.2 billion and marketable securities of \$452.9 million as of December 31, 2021 are sufficient to fund its operations through at least the next twelve months from the issuance of these financial statements.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. Since then, the COVID-19 pandemic has continued to spread throughout the United States and the world. While the Company has not been adversely affected by the COVID-19 pandemic to date, the prolonged disruption to the economy and the long-term financial impact of the pandemic cannot be reasonably estimated. The Company continues to monitor the situation and may take actions that alter its operations and business practices as may be required by federal, state, or local authorities or that the Company determines are in the best interests of its Customers, vendors, and employees.

**2. Summary of Significant Accounting Policies****Revenue Recognition**

On January 1, 2019, the Company adopted Accounting Standards Codification, or ASC, 606, *Revenue from Contracts with Customers (Topic 606)*, using the full retrospective method.

Revenue is recognized when control of the promised goods or services is transferred to Customers, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company's contracts with Customers typically include two performance obligations: 1) providing access to the Company's payment processing Platform and 2) providing card fulfillment services. Certain Customer contracts require the Company to allocate the transaction price of the contract based on the relative stand-alone selling price of the performance obligations which are estimated using an analysis of the Company's historical contract pricing and costs incurred to fulfill its services.

The Company generates revenue from providing platform services and other services as described below.

**Platform Services**

The Company delivers an integrated payment processing Platform to its Customers. The Company's primary performance obligation is to provide Customers continuous access to the Company's Platform used to process all Customers' transactions as needed. This obligation includes authorizing, settling, clearing and reconciling all transactions and managing the interactions with the Issuing Banks and Card Networks on behalf of its Customers. All these services are collectively considered a single performance obligation.

The Company's Platform services revenue is primarily derived from Interchange Fees generated by Customer card transactions and other transaction fees collected from Customers. The Company accounts for these Interchange Fees as revenue earned from its customers because the Company controls the services before delivery to the Customer.

The Company's Platform services revenue consists of a stand-ready service of distinct transaction processing services that are substantially the same, with the same pattern of transfer to Customers. As such, the stand-ready obligation is accounted for as a single performance obligation that is a series of distinct services whereby the variability of the transaction value is satisfied daily as the performance obligation is satisfied. The Company satisfies its performance obligation to provide Platform services over time as Customers have continuous access to the Company's Platform and the Company stands-ready to process Customer transactions throughout their term of access.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The Company recognizes revenue when the underlying transactions are complete, and its performance obligation is satisfied. Transactions are considered complete when the Company has authorized the transaction, validated that the transaction has no errors and accepted and posted the data to its records.

The Company allocates variable consideration to the distinct month in which the Platform services are delivered. When pricing terms are not consistent throughout the entire term of the contract, the Company estimates variable consideration in its Customer contracts primarily using the expected value method. The standard term of the Customer contracts is three years, with automatic renewal for successive one-year periods thereafter unless either party provides written notice of its intent not to renew. The Company develops estimates of variable consideration on the basis of both historical information and current trends and does not expect or anticipate significant reversal of revenue in the future periods.

As the Issuer Processor for its Customers, the Company is the principal in providing the services under its contracts with Customers. To deliver the services required by its Customers, the Company contracts with Card Networks for transaction routing, reporting, and settlement services and with Issuing Banks for card issuing, Card Network sponsorship, and regulatory compliance approval services. The Company controls these integrated services before delivery to its Customers; it is primarily responsible for the delivery of the services to Customers, and it has discretion in vendor selection. As such, the Company records fees paid to the Issuing Banks and Card Networks as costs of revenue. The Company's contracts with Customers include certain service level agreements which could require the Company to make payments to Customers if service levels are not met. Any service level payment is recorded as a reduction to net revenue in the consolidated statements of operations and comprehensive loss.

The Company does not capitalize costs to acquire contracts.

#### Revenue Share

The Company's contracts with Customers typically include provisions under which the Company shares a portion of the Interchange Fees with its Customers, referred to as Revenue Share. Revenue Share payments are incentives to Customers to increase their processing volume on the Company's Platform, and is computed as a percentage of the Interchange Fees earned or processing volume and is paid to Customers monthly.

The Company records Revenue Share as a reduction to net revenue in the consolidated statements of operations and comprehensive loss. The Company records the amount due to the Customer as Revenue Share payable on the consolidated balance sheets.

#### Other Services Revenue

The Company earns revenue from Customers through card fulfillment services. Card fulfillment fees are generally billed to Customers upon ordering card inventory and recognized as revenue when the ordered cards are shipped to the Customers. The Company offers certain Customers the option to purchase physical cards at a discount. The Company has concluded that the discount does not constitute a future material right because the discount is within a range typically offered to the class of customers. Therefore, the Company accounts for the discount as a reduction to revenue when the Company delivers the ordered cards to the Customers.

#### Deferred Revenue

Deferred revenue arises when Customers are billed for services in advance of the Company's revenue recognition. The Company's deferred revenue is primarily due to undelivered card fulfillment services and variable consideration from customer contracts where pricing terms are not consistent throughout the entire term of the contract, non-refundable upfront setup fees that are billed at contract inception, and card fulfillment services that are billed to customers in advance of the delivery of the ordered cards.

Arrangements that include rights to additional goods or services that are exercisable at a Customer's discretion are generally considered options. The Company assesses if these options provide a material right to the Customer and if so, they are considered performance obligations. This material right is valued by estimating the discount that will be redeemed by the Customer during the optional renewal period.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Reserve for Contract Contingencies and Processing Errors**

Customer contracts generally contain service level agreements that can result in performance penalties payable by the Company when contractually required service levels are not met or can result in payments by the Company for processing errors. As such, the Company records a reserve for estimated performance penalties and processing errors. When providing for these reserves, the Company considers factors such as its history of incurring performance penalties and processing errors, actual contractual penalty charge rates in customer contracts, and known or estimated processing errors. These reserves are included in accrued expenses and other current liabilities on the consolidated balance sheets and the provision for contract contingencies and processing errors is included as a reduction to net revenue on the consolidated statements of operations and comprehensive loss.

**Costs of Revenue**

Costs of revenue consist of Card Network costs, Issuing Bank costs, and card fulfillment costs. Card Network costs are generally equal to a specified percentage of the processing volume or a fixed amount per transaction processed through the respective Card Network. The Company incurs Card Network costs directly from contractual arrangements with the Card Networks that are passed entirely through Issuing Banks, or directly from the Card Networks. The Company's contracts with Card Networks and Issuing Banks typically have terms ranging from three to five years which may be renewed in one-year to two-year increments as agreed by both parties. Issuing Bank costs compensate Issuing Banks for issuing cards to the Company's Customers and sponsoring the Company's card programs with the Card Networks and are generally equal to a specified percentage of the processing volume or a fixed amount per transaction, subject to monthly minimum amounts. Card fulfillment costs include physical cards, packaging, and other fulfillment costs.

The Company has marketing and incentive arrangements with Card Networks that provide the Company with monetary incentives based on a percentage of the volume processed over the respective Card Network. Uncollected incentives are included in network incentives receivable on the consolidated balance sheets. The Company records these incentives as a reduction of costs of revenue on the consolidated statements of operations and comprehensive loss.

**Segment Information**

The Company operates as a single operating segment. The Company's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, allocating resources and evaluating the Company's financial performance.

For the years ended December 31, 2021, 2020, and 2019, revenue outside of the United States, based on the billing address of the Customer, was not material.

As of December 31, 2021 and December 31, 2020, long-lived assets located outside of the United States were not material.

**Foreign Currency**

The functional currency of the Company's foreign subsidiary is its respective local currency. Translation adjustments arising from the use of differing exchange rates from period to period are included in accumulated other comprehensive income (loss) within the consolidated balance sheets and the consolidated statements of redeemable convertible preferred stock and stockholders' deficit. Foreign currency transaction gains and losses are included in other income (expense), net in the consolidated statements of operations and comprehensive loss. All assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Revenue and expenses are translated at the average exchange rate during the period, and equity balances are translated using historical exchange rates.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist primarily of bank deposit accounts and investments in money market funds.

**Restricted Cash**

Restricted cash consists of a deposit with one of the Company's Issuing Banks to provide the Issuing Bank collateral in the event that Customers' funds are not deposited at the Issuing Bank in time to settle Customers' transactions with the networks that provide the infrastructure for settlement and card payment information flows, or Card Networks. Restricted cash also includes cash used to secure a letter of credit for the Company's lease of its office headquarters in Oakland, California.

**Marketable Securities**

The Company's marketable securities include U.S. government securities, commercial paper, asset-backed securities, and corporate debt securities. The Company's marketable securities are accounted for as securities available-for-sale and are classified within current assets in the consolidated balance sheets as the Company may sell these securities at any time for use in its operations, even prior to maturity. The Company carries these marketable securities at fair value, and records any unrealized gain and loss, net of taxes, in accumulated other comprehensive income (loss), a component of stockholders' equity (deficit). The Company records any realized gains or losses on the sale of marketable securities in other income (expense), net in the consolidated statements of operations and comprehensive loss.

Management regularly reviews whether marketable securities are other-than-temporarily impaired. If any impairment is considered other-than-temporary, the Company writes down the investment to its then fair value and records the corresponding charge through other income (expense), net in the consolidated statements of operations and comprehensive loss.

**Equity Investments and Purchase Options**

The Company applies the equity method of accounting for investments in other entities when the Company exercises significant influence, but no control. Under the equity method, the Company's records its share of each entity's profit or loss in other income (expense), net in the consolidated statements of operations and comprehensive loss on a one quarter lag when the most recent financial information of the investee becomes available. The Company regularly reviews investments accounted for under the equity method for impairment. Investments in other entities not accounted for under the equity method of accounting, including options to purchase these entities, are accounted for at cost less impairment, if applicable. Additionally, the value of these investments may be adjusted to fair value resulting from observable transactions for identical or similar investments.

In 2021, the Company acquired a preferred equity interest in a private company that is accounted for under the equity method of accounting. Concurrent with this investment, the Company also acquired an option that gives the Company the right, but not the obligation, to purchase all of the remaining equity interests of the private company. The carrying amounts of the equity method investment and the option at December 31, 2021 were \$8.4 million and \$11.6 million, respectively.

The option is reflected within Prepaid expenses and other current assets in the consolidated balance sheets. The Company applies the measurement alternative and will continue to measure the option at cost, less any impairment. If an indicator of impairment exists or if the Company decides to not exercise its option, which expires on June 30, 2022, the Company will record an impairment charge accordingly.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Accounts Receivable**

Accounts receivable are recorded at invoiced amounts and do not earn interest. The Company estimates an allowance for doubtful accounts receivable by making its best estimate of specific uncollectible accounts considering its historical accounts receivable collection experience and the information that management has about the current status of accounts receivable balances. As of December 31, 2021 and 2020, the allowance for doubtful accounts receivable was \$0.2 million and \$0.1 million, respectively.

**Settlements Receivable**

Settlements receivable represent Interchange Fees earned on Customers' card transactions, net of pass through Card Network fees, and are due from Issuing Banks. Interchange Fees are typically received within one or two business days of the transaction date and are due from well-established Issuing Banks, mitigating the associated risk of collection. No valuation allowance has been established. The Company does not generate revenue from Issuing Banks.

**Deferred Offering Costs**

Deferred offering costs consist primarily of accounting, legal, and other fees related to the IPO. Upon the completion of the IPO in June 2021, the deferred offering costs were reclassified to stockholders' equity (deficit) and recorded net against the proceeds from the IPO.

**Property and Equipment**

Property and equipment is stated at cost, less accumulated depreciation and amortization. The Company uses the straight-line method of depreciation and amortization. Estimated useful lives range from three to five years for purchased and internally developed software, computer equipment, and furniture and fixtures. Leasehold improvements are amortized over the shorter of the lease term, excluding renewal periods, or the estimated useful life of the leasehold improvement.

Gains and losses realized on the sale or disposal of property and equipment are recognized or charged to other income (expense), net in the consolidated statements of operations and comprehensive loss.

The Company evaluates the carrying value of property and equipment on an annual basis, or more frequently whenever circumstances indicate a long-lived asset may be impaired. When indicators of impairment exist, the Company estimates the future undiscounted cash flows attributable to such assets. In the event cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair value. During the years ended December 31, 2021 and 2020, the Company did not recognize any material impairment of long-lived assets.

**Fair Value Measurements**

Fair value is an exit price, representing the price that would be received to sell the financial asset or paid to transfer the financial liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy includes a three-level classification, which is based on whether the inputs to the valuation methodology used for measurement are observable:

- *Level 1* - quoted prices in active markets for identical assets as of the reporting date;
- *Level 2* - inputs other than Level 1 that are observable, either directly or indirectly; or
- *Level 3* - unobservable inputs.

When developing fair value measurements, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. In instances where the Company lacks observable inputs in the market to measure the fair value of an asset or liability, the Company may use unobservable inputs which requires greater judgment in measuring fair value. In instances where there is limited or no observable market data, fair value measurements for assets and liabilities are based primarily upon the Company's own estimates, and the measurements reflect information and assumptions that management believes a market participant would use in pricing the asset or liability.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The Company's financial instruments consist of cash equivalents, marketable securities, accounts receivable, unbilled Customers' receivable, settlements receivable, accounts payable, accrued liabilities, and prior to the IPO, redeemable convertible preferred stock warrant liabilities. Cash equivalents are stated at amortized cost, which approximates fair value at the balance sheet dates, due to the short period of time to maturity. Marketable securities are carried at fair value. Accounts receivable, unbilled Customers' receivable, settlements receivable, accounts payable, and accrued liabilities are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date. The redeemable convertible preferred stock warrant liabilities were carried at fair value.

**Advertising Costs**

The Company expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2021, 2020 and 2019, were \$1.7 million, \$1.4 million and \$1.1 million, respectively.

**Research and Development Costs**

Research and development costs, which consist primarily of salaries, employees' benefits, share-based compensation, third-party hosting fees and software licenses were \$84.1 million, \$34.0 million, and \$25.2 million for the years ended December 31, 2021, 2020 and 2019, respectively. Research and development costs are expensed as incurred and are included in compensation and benefits, and technology expenses in the consolidated statements of operations and comprehensive loss.

**Income Taxes**

The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes these assets are more likely than not to be realized. In making such a determination, the Company considers the available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not expected to be realized. If the Company determines that it is able to realize its deferred tax assets in the future in excess of the net recorded amount, the Company decreases the deferred tax asset valuation allowance, which reduces the income tax expense.

Uncertain tax positions are recognized only when the Company believes it is more likely than not that the tax position will be upheld on examination by the taxing authorities based on the merits of the position. The Company recognizes interest and penalties, if any, related to uncertain tax positions in income tax expense (benefit) in the consolidated statements of operations and comprehensive loss.

**Lease Obligations**

On January 1, 2019, the Company adopted Accounting Standards Update, or ASU, 2016-02, *Leases (Topic 842)*, or Topic 842, using the modified retrospective method, which resulted in the recognition of operating lease right-of-use assets and lease liabilities on the Company's consolidated balance sheets as of December 31, 2019, with no impact to its consolidated statements of operations and comprehensive loss for the year ended December 31, 2019.

The Company measures lease liabilities based on the present value of the total lease payments not yet paid discounted based on the Company's incremental borrowing rate, which is the estimated rate the Company would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The Company measures right-of-use assets based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs the Company incurs and (iii) tenant incentives under the lease. The Company begins to recognize rent expense when the lessor makes the underlying asset available to the Company.

For short-term leases, the Company records rent expense in the consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term and records variable lease payments as incurred. The Company has no finance leases.

In 2016, the Company entered into a lease agreement for its corporate headquarters in Oakland, California for 19,000 square feet of office space, which was subsequently amended resulting in a total of 63,000 square feet of office space being leased. The non-cancellable operating lease expires in February 2026 and includes options to extend the lease term, generally at the then-market rates. The Company excludes extension options that are not reasonably certain to be exercised from its lease terms. The Company's lease payments consist primarily of fixed rental payments for the right to use the underlying leased assets over the lease terms. The Company is responsible for operating expenses that exceed the amount of base operating expenses as defined in the original lease agreement.

### ***Loss Contingencies***

The Company may be involved in various lawsuits, claims, and proceedings that arise in the ordinary course of business. The Company records a liability for these when it believes it is probable that it has incurred a loss, and the Company can reasonably estimate the loss. The Company regularly evaluates current information to determine whether it should adjust a recorded liability or record a new one. If a loss is reasonably possible and the loss or range of loss can be reasonably estimated, the Company discloses the possible loss in the accompanying notes to the consolidated financial statements. Significant judgment is required to determine both the probability and the estimated amount. See Note 7, "Commitments and Contingencies", for a full description of the Company's loss contingencies.

### ***Share-based Compensation***

#### ***Restricted Stock Units***

Commencing in 2020, the Company began granting restricted stock units, or RSUs, to employees. RSUs granted prior to April 1, 2021 vest upon the satisfaction of both a service condition and a liquidity condition. The service condition for these awards is satisfied over four years. On June 8, 2021, the Company completed its IPO and the liquidity condition for these awards was satisfied and the Company recognized a cumulative share-based compensation expense of \$23.1 million associated with RSUs that had service-vested as of the IPO completion date. Subsequent to the IPO, the unamortized grant date fair value of these RSUs will be recorded as share-based compensation expense over the remaining service period.

RSUs granted on or after April 1, 2021, vest upon the satisfaction of a service condition. The service condition for these awards is satisfied over four years and the grant date fair value of these RSUs will be recorded as share-based compensation expense over the service period.

The fair value of RSUs is based on the closing price of the Company's Class A common stock on the grant date. Prior to the IPO, the fair value of RSUs was based on the fair value of the underlying common stock on the grant date as determined by the Company's board of directors at each meeting in which RSU awards were approved.

#### ***Stock Options***

The Company grants stock option awards to certain employees and directors. The Company estimates the fair value of stock option awards using the Black-Scholes option pricing model. The model requires management to make a number of assumptions, including the expected future volatility of the Company's Class A common stock, expected term, risk-free interest rate, and expected dividends. The Company records the resulting expense in the consolidated statements of operations and comprehensive loss on a straight-line basis over the period for which the employee or director is required to perform services to vest in the award, which is generally four years. The Company accounts for forfeitures as they occur.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

*CEO Long-Term Performance Award*

In April and May 2021, the Company's board of directors granted the Company's Chief Executive Officer equity incentive awards in the form of performance-based stock options, or collectively, the CEO Long-Term Performance Award. The CEO Long-Term Performance Award vests upon the satisfaction of a service condition and the achievement of certain stock price hurdles over a seven year performance period following the expiration of the lock-up period associated with the IPO. The stock price hurdle will be achieved if the average closing price of a share of the Company's Class A common stock during any 90 consecutive trading day period during the performance period equals or exceeds the requisite stock price hurdle for the performance period. The grant date fair value of the CEO Long-Term Performance Award was estimated using a Monte Carlo simulation model that incorporated multiple stock price paths and probabilities that the Company stock price hurdles are met. The Company records the resulting expense in the consolidated statements of operations and comprehensive loss over the derived service period of each of the seven separate tranches using the accelerated attribution method.

*Employee Stock Purchase Plan*

In May 2021, the Company's board of directors adopted, and its stockholders approved, the 2021 Employee Stock Purchase Plan, or the ESPP, which became effective in connection with the IPO. The ESPP authorizes the issuance of shares of the Company's Class A common stock pursuant to purchase rights granted to employees. The fair value of purchase rights issued under the ESPP is estimated using the Black-Scholes option pricing model. The model requires management to make a number of assumptions, including the fair value of the Company's common stock, expected volatility, expected term, risk-free interest rate, and expected dividends. The Company records the resulting expense in the consolidated statements of operations and comprehensive loss on a straight-line basis over the six-month offering period.

*Secondary Sales of Common Stock*

Prior to the completion of the IPO, certain economic interest holders acquired outstanding common stock from current or former employees for a purchase price greater than the Company's estimated fair value of its common stock at the time of the transactions. For such secondary sales of common stock, the Company recorded share-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transaction.

***Net Loss Per Share Attributable to Common Stockholders***

The Company presents basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for participating securities. Prior to the completion of the IPO, all series of redeemable convertible preferred stock were considered participating securities. Immediately prior to the completion of the IPO, all shares of redeemable convertible preferred stock then outstanding were converted into shares of Class B common stock. The Company has not allocated net loss attributable to common stockholders to redeemable convertible preferred stock in any period presented because the holders of its redeemable convertible preferred stock were not contractually obligated to share in losses.

The Company calculates basic net loss per share attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to common stockholders gives effect to all potential shares of common stock, including common stock issuable upon conversion of redeemable convertible preferred stock and redeemable convertible preferred stock warrants, stock options, RSUs and common stock warrants to the extent these are dilutive.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

***New Accounting Standards Not Yet Adopted***

As an emerging growth company, the Jumpstart Our Business Startups Act, or the JOBS Act, allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption date discussed below reflects this election.

In June 2016, the FASB issued ASU No. 2016-13, *Financial instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 replaces the incurred loss model with the current expected credit loss, or CECL, model to estimate credit losses for financial assets measured at amortized cost and certain off-balance sheet credit exposures. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. The CECL model requires a company to estimate credit losses expected over the life of the financial assets based on historical experience, current conditions and reasonable and supportable forecasts. The guidance will be effective for the Company beginning January 1, 2023, and interim periods therein. The amendment requires a modified retrospective approach by recording a cumulative-effect adjustment to retained earnings as of the beginning of the period of adoption. Early adoption is permitted. The Company is still evaluating the impact this ASU will have on its consolidated financial statements.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

### 3. Revenue

#### **Disaggregation of Revenue**

The following table provides information about disaggregated revenue from Customers:

	Year Ended December 31,		
	2021	2020	2019
Platform services revenue, net	\$ 502,296	\$ 283,305	\$ 138,106
Other services revenue	14,879	6,987	5,161
Total net revenue	<u>\$ 517,175</u>	<u>\$ 290,292</u>	<u>\$ 143,267</u>

#### **Contract Balances**

The following table provides information about contract assets and deferred revenue:

Contract balance	Balance sheet line reference	December 31, 2021	December 31, 2020
Contract assets - current	Prepaid expenses and other current assets	\$ 950	\$ 118
Contract assets - non-current	Other assets	927	294
Total contract assets		<u>\$ 1,877</u>	<u>\$ 412</u>
Deferred revenue - current	Accrued expenses and other current liabilities	\$ 19,060	\$ 3,983
Deferred revenue - non-current	Other liabilities	6,107	8,865
Total deferred revenue		<u>\$ 25,167</u>	<u>\$ 12,848</u>

Contract assets related to the Company's conditional right to consideration for the Company's completed performance under the contract. Deferred revenue relates to payments received in advance of performance under the contract.

Net revenue recognized during the years ended December 31, 2021 and 2020 that was included in the deferred revenue balances at the beginning of the respective periods was \$4.1 million and \$0.7 million, respectively.

#### **Remaining Performance Obligations**

The Company has performance obligations associated with commitments in Customer contracts for future stand-ready obligations to process transactions throughout the contractual term. Remaining performance obligations include related deferred revenue currently recorded and exclude contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services as performed. The amount and timing of revenue recognition is largely driven by the Customer's utilization of the Company's Platform services.

As of December 31, 2021 and 2020, \$4.2 million and \$4.4 million of the deferred revenue balance represent a material right for discounted revenue share rates provided to a Customer as part of a contractual renewal option.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

#### 4. Marketable Securities

The amortized cost, unrealized gain (loss), and estimated fair value of the Company's investments in securities available for sale consisted of the following:

	December 31, 2021			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
<b>Marketable securities</b>				
U.S. government securities	\$ 420,392	\$ —	\$ (2,107)	\$ 418,285
Commercial paper	13,878	—	—	13,878
Asset-backed securities	2,003	—	(1)	2,002
Corporate debt securities	18,731	3	(24)	18,710
<b>Total marketable securities</b>	<b>\$ 455,004</b>	<b>\$ 3</b>	<b>\$ (2,132)</b>	<b>\$ 452,875</b>

	December 31, 2020			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
<b>Marketable securities</b>				
U.S. government securities	\$ 125,823	\$ 47	\$ (6)	\$ 125,864
Commercial paper	4,991	—	—	4,991
Asset-backed securities	4,294	21	—	4,315
Corporate debt securities	14,683	52	(2)	14,733
<b>Total marketable securities</b>	<b>\$ 149,791</b>	<b>\$ 120</b>	<b>\$ (8)</b>	<b>\$ 149,903</b>

The Company had nineteen and six separate marketable securities in unrealized loss positions as of December 31, 2021 and 2020, respectively. The Company did not identify any marketable securities that were other-than-temporarily impaired as of December 31, 2021 and 2020. The Company does not intend to sell any marketable securities that have an unrealized losses at December 31, 2021 and it is not more likely than not that the Company will be required to sell such securities before any anticipated recovery.

The following table summarizes the stated maturities of the Company's marketable securities:

	December 31, 2021		December 31, 2020	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Due within one year	\$ 64,914	\$ 64,879	\$ 149,791	\$ 149,903
Due after one year through two years	390,090	387,996	—	—
<b>Total</b>	<b>\$ 455,004</b>	<b>\$ 452,875</b>	<b>\$ 149,791</b>	<b>\$ 149,903</b>

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

## 5. Fair Value Measurements

The following tables present the fair value hierarchy for assets and liabilities measured at fair value on a recurring basis:

	December 31, 2021			Total Fair Value
	Level 1	Level 2	Level 3	
<b>Cash equivalents</b>				
Money market funds	\$ 1,213,543	\$ —	\$ —	\$ 1,213,543
<b>Marketable securities</b>				
U.S. government securities	418,284	—	—	418,284
Commercial paper	—	13,878	—	13,878
Asset-backed securities	—	2,002	—	2,002
Corporate debt securities	—	18,711	—	18,711
<b>Total assets</b>	<b>\$ 1,631,827</b>	<b>\$ 34,591</b>	<b>\$ —</b>	<b>\$ 1,666,418</b>

	December 31, 2020			Total Fair Value
	Level 1	Level 2	Level 3	
<b>Cash equivalents</b>				
Money market funds	\$ 203,592	\$ —	\$ —	\$ 203,592
<b>Marketable securities</b>				
U.S. government securities	125,864	—	—	125,864
Commercial paper	—	4,991	—	4,991
Asset-backed securities	—	4,315	—	4,315
Corporate debt securities	—	14,733	—	14,733
<b>Total assets</b>	<b>\$ 329,456</b>	<b>\$ 24,039</b>	<b>\$ —</b>	<b>\$ 353,495</b>
<b>Other liabilities</b>				
Redeemable convertible preferred stock warrants	\$ —	\$ —	\$ 2,517	\$ 2,517
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 2,517</b>	<b>\$ 2,517</b>

The Company classifies money market funds, commercial paper, U.S. government securities, asset-backed securities and corporate securities within Level 1 or Level 2 of the fair value hierarchy because the Company values these investments using quoted market prices or alternative pricing sources and models utilizing market observable inputs.

The Company classifies the redeemable convertible preferred stock warrants within Level 3 because the Company determines their fair value using unobservable inputs, including the fair value of the Company's redeemable Series B convertible stock, which the Company determined in the same manner as the fair value of its common stock prior to the IPO. The Company records the change in the fair value of redeemable convertible preferred stock warrants in other income (expense), net in the consolidated statements of operations and comprehensive loss.

Immediately prior to the completion of the IPO in June 2021, the outstanding redeemable convertible preferred stock warrants were converted to Class B common stock warrants and the fair value of the liability as of that date was reclassified into the Company's Class B common stock and additional paid-in capital.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The fair value of the redeemable convertible preferred stock warrant liabilities was estimated using the following assumptions:

	June 9, 2021	December 31, 2020
Dividend yield	0.00%	0.00%
Expected volatility	49.93%	49.93%
Expected term (in years)	2.34	2.78
Risk-free interest rate	0.31%	0.17%
Fair value of Series B redeemable convertible preferred stock	\$27.00	\$12.66

The following table sets forth a summary of the changes in the fair value of the redeemable convertible preferred stock warrant liabilities:

	December 31, 2021	December 31, 2020
Balance, beginning of the period	\$ 2,517	\$ 569
Remeasurement of redeemable convertible preferred stock warrant liabilities	2,921	1,948
Reclassification of redeemable convertible preferred stock warrant liabilities to common stock and additional paid-in capital upon initial public offering	(5,438)	—
Balance, end of the period	<u>\$ —</u>	<u>\$ 2,517</u>

There were no transfers of financial instruments between the fair value hierarchy levels during the years ended December 31, 2021 and 2020.

## 6. Certain Balance Sheet Components

### *Prepaid Expenses and Other Current Assets*

Prepaid expenses and other current assets consisted of the following:

	December 31, 2021	December 31, 2020
Prepaid expenses	\$ 6,492	\$ 3,166
Inventory	3,940	781
Prepaid Insurance	3,546	324
Prepaid hosting and data costs	2,455	2,672
Card program deposits	2,167	2,174
Contract assets	950	119
Other financial instruments	11,616	—
Other current assets	4,451	2,225
Prepaid expenses and other current assets	<u>\$ 35,617</u>	<u>\$ 11,461</u>

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Property and Equipment, net**

Property and equipment consisted of the following:

	December 31, 2021	December 31, 2020
Leasehold improvements	\$ 8,110	8,110
Computer equipment	8,581	7,634
Furniture and fixtures	2,459	2,333
Internally developed and purchased software	2,954	1,299
	<u>22,104</u>	<u>19,376</u>
Accumulated depreciation and amortization	(12,417)	(9,899)
Property and equipment, net	<u>\$ 9,687</u>	<u>\$ 9,477</u>

Depreciation and amortization expense was \$3.5 million, \$3.5 million and \$3.1 million for the years ended December 31, 2021, 2020 and 2019, respectively.

The Company capitalized \$1.6 million as internal-use software costs during the year ended December 31, 2021. The Company did not capitalize any internal-use software costs during the years ended December 31, 2020 and 2019, because development costs meeting capitalization criteria were not material during the respective periods.

**Accrued Expenses and Other Current Liabilities**

Accrued expenses and other current liabilities consisted of the following:

	December 31, 2021	December 31, 2020
Accrued costs of revenue	\$ 41,339	\$ 24,529
Reserve for contract contingencies and processing errors	3,386	9,537
Accrued compensation and benefits	32,954	14,078
Deferred revenue	19,060	3,983
Operating lease liabilities, current portion	3,021	2,771
Accrued professional services	2,454	867
Other accrued liabilities	11,882	4,780
Accrued expenses and other current liabilities	<u>\$ 114,096</u>	<u>\$ 60,545</u>

**Other Liabilities**

Other liabilities consisted of the following:

	December 31, 2021	December 31, 2020
Deferred revenue, net of current portion	\$ 6,107	\$ 8,865
Other long-term liabilities	450	1,587
Other liabilities	<u>\$ 6,557</u>	<u>\$ 10,452</u>

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

## 7. Commitments and Contingencies

### Operating Leases

The Company's operating lease costs are as follows:

	Year Ended December 31,		
	2021	2020	2019
Operating lease cost	\$ 3,424	\$ 3,514	\$ 3,019
Variable lease cost	212	534	211
Short-term lease cost	358	271	191
Total lease cost	<u>\$ 3,994</u>	<u>\$ 4,319</u>	<u>\$ 3,421</u>

The Company does not have any sublease income and the Company's lease agreements do not contain any residual value guarantees or material restrictive covenants.

The weighted average remaining operating lease term and the weighted average discount rate used in the calculation of the Company's lease assets and lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Weighted average remaining operating lease term (in years)	4.1	5.1
Weighted average discount rate	7.7%	7.7%

Maturities of operating lease liabilities by year are as follows as of December 31, 2021:

2022	\$ 4,112
2023	4,239
2024	4,472
2025	4,599
2026	780
Thereafter	—
Total lease payments	<u>\$ 18,202</u>
Less imputed interest	(2,754)
Total operating lease liabilities	<u>\$ 15,448</u>

Supplemental cash flow information related to the Company's operating leases was as follows:

	Year Ended December 31,		
	2021	2020	2019
Cash paid for operating lease liabilities	\$ 4,081	\$ 3,192	\$ 3,185
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	\$ —	\$ 192	\$ 2,954

### Letters of Credit

In connection with the lease for its corporate headquarters office space, the Company is required to provide the landlord a letter of credit in the amount of \$1.5 million. The Company has secured this letter of credit by depositing \$1.5 million with the issuing financial institution, which deposit is classified as restricted cash in the consolidated balance sheets.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Purchase Obligations**

As of December 31, 2021, the Company had non-cancellable purchase commitments with certain service providers and Issuing Banks of \$263.8 million, payable over the next 5 years. These purchase obligations generally represent minimum commitments for cloud-computing services and issuing bank processing fees over the fixed, non-cancellable respective contract terms.

**Defined Contribution Plans**

The Company maintains defined contribution plans for eligible employees, including a 401(k) plan that covers substantially all of its U.S. based employees and to which the Company provides a matching contribution of 50% of the first 6% of compensation that an employee contributes. The matching contribution vests after one year of service. During the years ended December 31, 2021, 2020 and 2019, the Company contributed a total of \$3.1 million, \$1.9 million and \$1.1 million to its defined contribution plans, respectively.

**Legal Contingencies**

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings. As of December 31, 2021 and 2020, there were no legal contingency matters, either individually or in aggregate, that would have a material adverse effect on the Company's financial position, results of operations, or cash flows. Given the unpredictable nature of legal proceedings, the Company bases its assessment on the information available at the time. As additional information becomes available, the Company reassesses the potential liability and may revise the estimate.

**Settlement of Payment Transactions**

Generally, Customers deposit a certain amount of pre-funding into accounts maintained at Issuing Banks to settle their payment transactions. Such pre-funding amounts may only be used to settle Customers' payment transactions and are not considered assets of the Company. As such, the funds held in Customers' accounts at Issuing Banks are not reflected on the Company's consolidated balance sheets. If a Customer does not have sufficient funds to settle a transaction, the Company is liable to the Issuing Bank to settle the transaction and would therefore incur losses if such amounts cannot be subsequently recovered from the Customer.

**Indemnifications**

In the ordinary course of business, the Company enters into agreements of varying scope and terms pursuant to which it agrees to indemnify Customers, Card Networks, Issuing Banks, vendors, lessors, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties. With respect to Issuing Banks, the Company indemnifies the Issuing Bank for losses the Issuing Bank may incur for non-compliance with applicable law and regulation, if those losses resulted from the Company's failure to perform under its program agreement with the Issuing Bank.

In addition, the Company has entered into indemnification agreements with its directors and certain officers and employees that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees. No demands have been made upon the Company to provide indemnification under such agreements and there are no claims that the Company is aware of that could have a material effect on its consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

The Company also includes service level commitments to its Customers warranting certain levels of performance and permitting those Customers to receive credits in the event the Company fails to meet those levels.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**Non-income Taxes**

The Company may be subject to state and local indirect taxes in various jurisdictions in the United States. In several of these jurisdictions the Company has reviewed and concluded that such indirect taxes are not applicable to the Company's service offerings. In a few of these jurisdictions the tax regulations are less clear. While the Company believes its service offerings are not subject to tax in these jurisdictions, the Company is working with the respective state and local tax authorities to confirm the Company's conclusions. The Company has not recorded a liability associated with these matters as of December 31, 2021 as it believes it is not probable that the indirect taxes are applicable to the Company. In the event that adverse information is received in response to the Company's state inquiries, and the Company chooses not to appeal, a potential tax liability for these tax matters would be \$6.2 million as of December 31, 2021.

**8. Stock Incentive Plans**

The Company has granted share-based awards to employees, non-employee directors, and other service providers of the Company under the Amended and Restated 2011 Equity Incentive Plan (2011 Plan) and the 2021 Stock Option and Incentive Plan (2021 Plan), collectively, the Plans. The 2011 Plan was terminated in June 2021 in connection with the IPO but continues to govern the terms of outstanding awards that were granted prior to the IPO. Additionally, the Company offers an employee stock purchase plan (ESPP), which allows employees to purchase shares of common stock at 85% of the fair value of the Company's Class A common stock on the first or last day of the offering period, whichever is lower. The offering periods are six months long and start in May and November of each year.

The following table presents the share-based compensation expense recognized in the periods presented:

	Year Ended December 31,		
	2021	2020	2019
Restricted stock units	\$ 59,652	\$ —	\$ —
Stock options	31,231	10,895	6,964
CEO Long-Term Performance Award	38,189	—	—
Employee Stock Purchase Plan	1,946	—	—
Secondary sales of common stock	11,642	17,316	14,793
<b>Total</b>	<b>\$ 142,660</b>	<b>\$ 28,211</b>	<b>\$ 21,757</b>

**Restricted Stock Units**

On June 8, 2021, the Company completed its IPO and the liquidity condition for the RSUs granted prior to April 1, 2021 was satisfied and the Company recognized a cumulative \$23.1 million of share-based compensation expense associated with RSUs that had service-vested as of the IPO completion date. Subsequent to the IPO, the unamortized grant date fair value of these RSUs will be recorded as share-based compensation expense over the remaining service period.

RSUs granted on or after April 1, 2021, vest upon the satisfaction of a service condition. The service condition for these awards is satisfied over four years. During the year ended December 31, 2021, the Company recognized \$34.3 million of share-based compensation expense related to these RSUs.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

A summary of the Company's RSUs activity under the Plans was as follows:

	Number of Restricted Stock Units	Weighted-average grant date fair value per share
Balance as of December 31, 2019	—	\$ —
Granted	4,571,886	4.89
Vested	—	—
Canceled and forfeited	(141,550)	3.68
Balance as of December 31, 2020	4,430,336	\$ 4.93
Granted	8,409,821	22.20
Vested	(2,641,196)	10.12
Canceled and forfeited	(1,197,012)	14.23
Balance as of December 31, 2021	<u>9,001,949</u>	<u>\$ 18.30</u>

During the year ended December 31, 2021, share-based compensation expense recognized for RSUs was \$59.7 million. As of December 31, 2021, unrecognized compensation costs related to unvested RSUs was \$136.1 million. These costs are expected to be recognized over a weighted-average period of 3.0 years.

### Stock Options

Under the 2011 Plan and the 2021 Plan, the exercise price of a stock option shall not be less than the fair market value per share of the Company's Class A common stock on the date of grant (and not less than 110% of the fair market value per share of Class A common stock for grants to stockholders owning more than 10% of the total combined voting power of all classes of stock of the Company, or a 10% Stockholder). Options are exercisable over periods not to exceed ten years from the date of grant (five years for stock options granted to 10% Stockholders).

A summary of the Company's stock option activity under the Plans was as follows:

	Number of Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value <sup>(1)</sup>
Balance as of January 1, 2019 <sup>(2)</sup>	19,628,032	\$ 0.19	7.69	\$ 38,982
Granted	17,008,222	1.30		
Exercised	(8,529,478)	0.13		
Canceled and forfeited	(2,947,365)	0.54		
Balance as of December 31, 2019 <sup>(2)</sup>	25,159,411	\$ 0.92	8.74	\$ 46,594
Granted	6,404,800	2.31		
Exercised	(6,084,183)	0.53		
Canceled and forfeited	(2,058,654)	1.50		
Balance as of December 31, 2020 <sup>(2)</sup>	23,421,374	\$ 1.35	8.33	\$ 248,002
Granted	29,113,555	20.07		
Exercised	(4,277,344)	1.18		
Canceled and forfeited	(4,072,097)	5.58		
Balance as of December 31, 2021 <sup>(2)</sup>	<u>44,185,488</u>	<u>\$ 13.31</u>	<u>8.46</u>	<u>\$ 279,242</u>
Vested as of December 31, 2021	<u>10,007,419</u>	<u>\$ 1.53</u>	<u>6.67</u>	<u>\$ 157,032</u>

<sup>(1)</sup> Intrinsic value based is calculated based on the difference between the exercise price of in-the-money-stock options and the fair value of the common stock as of the respective balance sheet dates.

<sup>(2)</sup> The 2011 Plan allows for early exercise of stock options and these balances include all exercisable stock options regardless of vesting status.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The weighted-average grant date fair value of options granted during the years ended December 31, 2021, 2020 and 2019, was \$12.10, \$1.81, and \$1.73, per share, respectively.

The total intrinsic value of options exercised during the years ended December 31, 2021, 2020 and 2019, was \$83.0 million, \$32.8 million, and \$21.2 million, respectively.

The total grant-date fair value of options vested during the years ended December 31, 2021, 2020 and 2019, was \$17.6 million, \$10.7 million, and 5.2 million, respectively.

As of December 31, 2021, aggregate unrecognized compensation costs related to unvested outstanding stock options, excluding the CEO Long-Term Performance Award, was \$90.4 million. These costs are expected to be recognized over a weighted-average period of 2.5 years.

The fair values of stock options granted were estimated using the Black-Scholes option pricing model and the following weighted-average assumptions:

	Year Ended December 31,		
	2021	2020	2019
Dividend yield	0.0%	0.0%	0.0%
Expected volatility	52.36%	48.11%	43.73%
Expected term (in years)	6.14	6.02	6.02
Risk-free interest rate	1.00%	0.54%	1.92%

Prior to the completion of the IPO, the Company considered numerous objective and subjective factors to determine the fair value of the Company's common stock including but not limited to (i) contemporaneous independent third-party valuations; (ii) observed secondary sales; (iii) rights, preferences, and privileges of redeemable convertible preferred stock relative to those of common stock; (iv) the Company's actual operating and financial performance; (v) current business conditions and projections; (vi) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the company, given prevailing market conditions; and (vii) precedent transactions involving the Company's capital stock.

Subsequent to the Company's IPO, the Company uses the closing share price of its Class A common stock, which is traded on the Nasdaq Global Select Market to measure share-based compensation on the grant date.

*CEO Long-Term Performance Award*

In April and May 2021, the Company's board of directors granted the Company's Chief Executive Officer equity incentive awards in the form of performance-based stock options covering 19,740,923 and 47,267 shares of our Class B common stock with an exercise price of \$21.49 and \$23.40 per share, respectively, or collectively, the CEO Long-Term Performance Award. The CEO Long-Term Performance Award vests upon the satisfaction of a service condition and the achievement of certain stock price hurdles over a seven year performance period following the expiration of the lock-up period associated with the IPO. The stock price hurdle will be achieved if the average closing price of a share of our Class A common stock during any 90 consecutive trading day period during the performance period equals or exceeds the Company stock price hurdle set forth in the table below.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The CEO Long-Term Performance Award is divided into seven equal tranches which vest upon the achievement of the following Company stock price hurdles:

Tranche	Company Stock Price Hurdle	Number of Options Eligible to Vest
1	\$67.50	2,826,884
2	\$78.98	2,826,884
3	\$92.40	2,826,884
4	\$108.11	2,826,884
5	\$126.49	2,826,884
6	\$147.99	2,826,884
7	\$173.15	2,826,884
Total		19,788,188

The grant date fair value of the CEO Long-Term Performance Award was estimated using a Monte Carlo simulation model that incorporated multiple stock price paths and probabilities that the Company stock price hurdles are met. The weighted-average grant date fair value of the seven tranches of the CEO Long-Term Performance Award was estimated to be \$10.53 per option share.

As of December 31, 2021, the aggregate unrecognized compensation cost of the CEO Long-Term Performance Award was \$170.2 million, which is expected to be recognized over the remaining derived service period of 4.1 years.

#### **Secondary Sales of Common Stock**

Prior to the completion of the IPO, certain economic interest holders acquired outstanding common stock from current or former employees for a purchase price greater than the Company's estimated fair value at the time of the transactions. During the years ended December 31, 2021, 2020 and 2019, the Company recorded share-based compensation expense for the difference between the price paid and the estimated fair value on the date of the transaction of \$11.6 million, \$17.3 million and \$14.8 million, respectively.

#### **9. Warrants to Purchase Common Stock**

In 2021 and 2020, the Company issued warrants to Customers to purchase up to 1,150,000 and 750,000 shares of the Company's common stock, respectively. These warrants vest based on certain performance conditions that include issuing a specific percentage of new cards on the Company's Platform over a defined measurement period and reaching certain annual transaction count thresholds over the contract term, respectively. All warrants have an exercise price of \$0.01 per share. These warrants are classified as equity instruments and are treated as consideration payable to a Customer. The grant date fair values of these warrants are recorded as a reduction to net revenue over the term of the respective Customer contract based on the expected pattern of processing volume generated by the Customer and the probability of vesting conditions being met. The aggregate fair values of the warrants issued in 2021 and 2020 were \$26.4 million and \$5.7 million respectively. As of December 31, 2021, 300,504 warrants were vested and the Company recorded \$5.0 million as a reduction of revenue during the year then ended, related to these warrants. As of December 31, 2020, 22,500 warrants were vested and the Company recorded an immaterial amount as a reduction of revenue during the year then ended, related to these warrants. Upon vesting, the fair value of the vested warrants are recorded into the Company's additional paid-in capital. Timing differences caused by the pattern of processing volume generated by the Customer over the term of the contract and the vesting schedules of the warrants can cause differences in the amount of grant date fair value that is credited to additional paid in capital upon vesting and the amount recorded as a reduction in net revenue during any particular reporting period.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

The fair values of the warrants were estimated using the Black-Scholes option pricing model and the following assumptions as of the grant date of each warrant:

	March 31, 2021	September 30, 2020
Dividend yield	0.0%	0.0%
Expected volatility	50.0%	50.0%
Contract term (in years)	4.0	5.0
Risk-free interest rate	0.6%	0.3%

#### 10. Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is as follows:

	Year Ended December 31,		
	2021	2020	2019
<b>Numerator</b>			
Net loss	\$ (163,929)	\$ (47,695)	\$ (58,200)
Deemed dividend to redeemable convertible preferred stockholders	—	—	(64149)
Net loss attributable to Class A and Class B common stockholders	<u>\$ (163,929)</u>	<u>\$ (47,695)</u>	<u>\$ (122,349)</u>
<b>Denominator</b>			
Weighted-average shares used in computing net loss per share attributable to Class A and Class B common stockholders, basic and diluted	<u>362,756,466</u>	<u>122,932,556</u>	<u>113,851,714</u>
Net loss per share attributable to Class A and Class B common stockholders, basic and diluted	<u>\$ (0.45)</u>	<u>\$ (0.39)</u>	<u>\$ (1.07)</u>

Basic net loss per share is the same as diluted net loss per share because the Company reported a net loss for the years ended December 31, 2021, 2020 and 2019.

The liquidation, dividend and other rights, held by of Class A common stockholders and Class B common stockholders are identical, except with respect to voting. As the liquidation and dividend rights are identical for Class A common stock and Class B common stock, the undistributed earnings are allocated on a proportionate basis and the resulting loss per share will, therefore, be the same for both Class A common stock and Class B common stock on an individual or combined basis.

The Company considered its proportionate share of the potentially dilutive shares issued by its equity method investee in its dilutive EPS calculation. All potentially dilutive shares of its equity method investee were excluded from the computation as they would have an anti-dilutive effect.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

Potentially dilutive securities that were excluded from the computation of diluted net loss per share because including them would have had an anti-dilutive effect were as follows:

	As of December 31,		
	2021	2020	2019
Redeemable convertible preferred stock, all series	—	351,844,340	336,843,578
Warrants to purchase redeemable convertible preferred stock	—	203,610	203,610
Warrants to purchase Class B common stock	1,900,000	1,419,528	3,669,528
Stock options outstanding, including early exercise of options	45,307,479	23,421,374	25,159,411
Unvested RSUs outstanding	9,001,949	4,430,336	—
Shares committed under the ESPP	211,118	—	—
Stock options and RSUs available for future grants	61,893,427	7,683,069	3,844,639
Total	<u>118,313,973</u>	<u>389,002,257</u>	<u>369,720,766</u>

In addition, the Company committed up to 320,000 common stock shares for future issuance, or the equivalent in cash, to fund and support the Company's social impact initiatives over the next eight years.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

**11. Income Tax**

The components of loss before income taxes by tax jurisdiction were as follows:

	Year Ended December 31,		
	2021	2020	2019
United States	\$ (165,160)	\$ (47,911)	\$ (58,985)
Foreign	591	303	820
Loss before income taxes	<u>\$ (164,569)</u>	<u>\$ (47,608)</u>	<u>\$ (58,165)</u>

The components of income tax expense (benefit) were as follows:

	Year Ended December 31,		
	2021	2020	2019
<b>Current:</b>			
Federal	\$ —	\$ —	\$ —
State	38	18	3
Foreign	—	147	74
	<u>38</u>	<u>165</u>	<u>77</u>
<b>Deferred:</b>			
Federal	—	—	—
State	—	—	—
Foreign	(678)	(78)	(42)
	<u>(678)</u>	<u>(78)</u>	<u>(42)</u>
<b>Total:</b>			
Federal	—	—	—
State	38	18	3
Foreign	(678)	69	32
Income tax expense (benefit)	<u>\$ (640)</u>	<u>\$ 87</u>	<u>\$ 35</u>

The reconciliation of the Company's effective tax rate to the statutory federal rate is as follows:

	Year Ended December 31,		
	2021	2020	2019
Taxes at federal statutory rate	21.0 %	21.0 %	21.0 %
State taxes, net of federal effect	4.0 %	4.4 %	3.4 %
Share-based compensation	4.5 %	(8.5)%	(6.5)%
Section 162(m) limitation	(8.3)%	— %	— %
Other	(0.3)%	(0.1)%	(6.2)%
Change in valuation allowance	(20.5)%	(17.0)%	(11.8)%
Effective tax rate	<u>0.4 %</u>	<u>(0.2)%</u>	<u>(0.1)%</u>

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

Deferred tax assets and liabilities consist of the following:

	December 31	
	2021	2020
<b>Deferred tax assets:</b>		
Federal and state net operating losses	\$ 41,418	\$ 27,269
Research and development credits	77	77
Accruals and other	16,173	3,536
Share-based compensation	7,124	1,674
Reserve for contract contingencies and processing errors	818	2,334
Deferred revenue	3,132	695
Lease liability	3,730	4,458
Total deferred tax assets	72,472	40,043
Less valuation allowance	(68,847)	(36,327)
Total deferred tax assets, net of valuation allowance	3,625	3,716
<b>Deferred tax liabilities:</b>		
Property and equipment	(47)	(309)
Right-of-use asset	(2,728)	(3,281)
Total deferred tax liabilities	(2,775)	(3,590)
Net deferred tax assets	\$ 850	\$ 126

The Company believes that it is more likely than not that its U.S. deferred tax assets will not be realized and has recorded a full valuation allowance against its net U.S. deferred tax assets. The available negative evidence as of December 31, 2021 and 2020 included historical and projected future operating losses.

As of December 31, 2021, the Company had net operating loss carryforwards of approximately \$169.0 million and \$88.5 million for federal and state tax purposes, respectively. If not utilized, these carryforwards will begin to expire in 2030. Of the Company's federal net operating loss carryforwards as of December 31, 2021, \$121.4 million can be carried forward indefinitely. Under Section 382 of the Internal Revenue Code of 1986, as amended, the Company's ability to utilize net operating loss carryforwards or other tax attributes in any taxable year may be limited if the Company has experienced an ownership change. As of December 31, 2021, the Company has concluded that it has experienced ownership changes since inception and that its utilization of net operating loss carryforwards will be subject to annual limitations. However, it is not expected that the annual limitations will result in the expiration of tax attribute carryforwards prior to utilization.

The Company files federal and various state tax returns in the U.S., as well as tax returns in the U.K. As of December 31, 2021, the Company's federal tax returns for 2017 and earlier, and the state tax returns for 2016 and earlier were no longer subject to examination by the taxing authorities. However, tax periods closed in a prior period may be subject to audit and re-examination by tax authorities for which tax carryforwards are utilized in subsequent years.

The Company did not have any material unrecognized tax benefits in 2021, 2020, and 2019.

The Company made an accounting policy election to provide for the Global Intangible Low-Taxed Income (GILTI) tax expense in the year the tax is incurred as a period cost. The Company elected and applied the tax law ordering approach when considering GILTI as part of its valuation allowance.

The Company did not incur any interest expenses or penalties or have outstanding liabilities on the balance sheets associated with unrecognized tax benefits for the year ended December 31, 2021. The Company does not expect any significant increases or decreases to its unrecognized benefits within the next twelve months.

**Marqeta, Inc.**  
**Notes to Consolidated Financial Statements**  
(Tabular Amounts in Thousands, Except Share and Per Share Amounts, Ratios, or as Noted)

## 12. Concentration Risks and Significant Customers

Financial instruments that potentially expose the Company to concentration of credit risk consist of cash and cash equivalents, marketable securities, accounts receivable and unbilled Customers' receivable, or collectively, Customers' receivables, and settlements receivable. Cash on deposit with financial institutions may, at times, exceed federally insured limits. Management believes that these financial institutions are financially sound and, accordingly, minimal credit risk exists. Cash and cash equivalents as of December 31, 2021 and December 31, 2020 included \$1.2 billion and \$203.6 million, respectively, of investments in three money market mutual funds which invest primarily in securities issued by the U.S. Government or U.S. Government agencies.

As of December 31, 2021, marketable securities were \$452.9 million, and there was no concentration of securities of the same issuer with an aggregate fair value greater than 5% of this total balance, except for U.S. Treasuries, which amounted to \$418.3 million, or 92% of the marketable securities. All debt securities within the Company's marketable securities portfolio are investment grade.

As of December 31, 2020, marketable securities were \$149.9 million, and there was no concentration of securities of the same issuer with an aggregate fair value greater than 5% of the total balance, except for U.S. Treasuries, which amounted to \$125.9 million, or 84% of the marketable securities.

A significant portion of the Company's payment transactions is settled through one Issuing Bank, Sutton Bank. For the years ended December 31, 2021, 2020 and 2019, 90%, 96% and 97% of Total Processing Volume, which is the total dollar amount of payments processed through the Company's Platform, net of returns and chargebacks, was settled through Sutton Bank, respectively.

For each significant Customer, net revenue as a percentage of total net revenue and customers' receivables as a percentage of total customers' receivables are as follows:

	Percent of Net Revenue for the Year Ended December 31,		
	2021	2020	2019
Customer A	69%	70%	60%
Customer B	*	*	11%
* Less than 10%			

	Percent of Customers' Receivables as of December 31,	
	2021	2020
Customer C	20%	*
Customer D	13%	*
Customer E	*	14%
* Less than 10%		

## 13. Related Party Transactions

The Company may enter into transactions with related parties.

Prior to the completion of the IPO, DFS Services LLC, a holder of more than 5% of the Company's outstanding capital stock, was a related party. During the years ended December 31, 2020 and 2019, the Company incurred \$30.4 million and \$14.4 million in Card Network fees, net, recorded within costs of revenue, to PULSE Network LLC, an entity affiliated with DFS Services LLC.

The Company has an equity method investment in a private company, which is a related party. During the year ended December 31, 2021, the Company earned net revenue of \$2.8 million from the private company and had \$4.1 million in revenue share payable to this private company as of December 31, 2021.

## **Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures**

None.

## **Item 9A. Controls and Procedures**

### ***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's, or the SEC's, rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2021.

### ***Management's Report on Internal Control Over Financial Reporting***

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the Company's independent registered public accounting firm due to a transition period established by the rules of SEC for newly public companies.

### ***Changes in Internal Control over Financial Reporting***

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of fiscal 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, except as described below.

### ***Material Weakness Remediation***

As previously reported, in connection with our management's assessment of controls over financial reporting during the year ended December 31, 2019, we identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness that we identified occurred because we had inadequate processes and controls to ensure the timely reconciliations of certain customer-related settlement bank accounts.

During the years ended December 31, 2021 and 2020, the Company implemented measures designed to remediate the control deficiencies contributing to the material weakness. These remediation actions included: (i) establishing an internal team to support the Company's entire control environment and its ongoing internal controls development and monitoring; (ii) educating control owners concerning the principles and requirements of each control, with a focus on those related to settlement operations; (iii) engaging a third-party to perform an independent assessment; (iv) deploying additional engineering, and settlement operations personnel; (v) developing a formal process level and monitoring controls to ensure timely reconciliation of these customer related settlement bank accounts; and (vi) implementing new monitoring controls including additional analyses, reconciliations, and other post-closing procedures to help mitigate the risk that controls do not operate effectively.

We believe our remediation efforts resulted in the elimination of the previously identified material weakness as of December 31, 2021. While this material weakness has been remediated, we cannot assure you that we have identified all of our existing material weaknesses, or that we will not in the future have additional material weaknesses. We have dedicated resources to the design, implementation, documentation and testing of our internal control over financial reporting. We will continue to evaluate the effectiveness of our internal control over financial reporting and will continue to make changes that we believe will strengthen our internal control over financial reporting to ensure that our financial statements continue to be fairly stated in all material respects.

Neither we nor our independent registered public accounting firm has performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of the Sarbanes-Oxley Act. In light of the material weakness that was previously identified as a result of the limited procedures performed, we believe that it is possible that, had we and our independent registered public accounting firm performed an evaluation of our internal control over financial reporting in accordance with the provisions of the Sarbanes-Oxley Act, additional material weaknesses or significant deficiencies may have been identified.

***Limitations on Effectiveness of Controls and Procedures***

The effectiveness of any internal control over financial reporting is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, no matter how well designed and operated, can only provide reasonable, not absolute assurance that its objectives will be met. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

**Item 9B. Other Information**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

## PART III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this item is incorporated by reference to the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2021.

### **Item 11. Executive Compensation**

The information required by this item is incorporated by reference to the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2021.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item is incorporated by reference to the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2021.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item is incorporated by reference to the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2021.

### **Item 14. Principal Accountant Fees and Services**

The information required by this item is incorporated by reference to the definitive Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days of our fiscal year ended December 31, 2021.

## PART IV

**Item 15. Exhibits and Financial Statement Schedules**

(a) The following documents are filed as part of this Annual Report on Form 10-K:

**1. Consolidated Financial Statements**

See Index to Consolidated Financial Statements at Part II, Item 8 herein.

**2. Financial Statement Schedules**

All schedules have been omitted because they are not required, not applicable, or not present in amounts sufficient to require submission of the schedule.

**3. Exhibits**

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit Number	Filing Date
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Registrant.</a>	S-1/A	333-256154	3.2	May 24, 2021
3.2	<a href="#">Amended and Restated Bylaws of the Registrant.</a>	S-1/A	333-256154	3.4	May 24, 2021
4.1	<a href="#">Form of Class A common stock certificate of the Registrant.</a>	S-1	333-256154	4.1	May 14, 2021
4.2	<a href="#">Amended and Restated Investors Rights Agreement, dated May 27, 2020, by and among the Registrant and certain of its stockholders.</a>	S-1	333-256154	4.2	May 14, 2021
4.3	<a href="#">Warrant to Purchase Stock issued to Comerica Ventures Incorporated by the Registrant, dated October 11, 2013.</a>	S-1	333-256154	4.3	May 14, 2021
4.4	<a href="#">Warrant to Purchase Stock issued to Comerica Ventures Incorporated by the Registrant, dated October 11, 2013.</a>	S-1	333-256154	4.4	May 14, 2021
4.5†	<a href="#">Warrant to Purchase Common Stock issued to Uber Technologies, Inc. by the Registrant, dated September 15, 2020, as amended on January 7, 2021.</a>	S-1/A	333-256154	4.7	May 24, 2021
4.6†	<a href="#">Warrant to Purchase Common Stock issued to Square, Inc. by the Registrant, dated March 13, 2021.</a>	S-1	333-256154	4.8	May 14, 2021
4.7†	<a href="#">Warrant to Purchase Common Stock issued to Ramp Business Corporation by the Registrant, dated March 31, 2021.</a>	S-1/A	333-256154	4.9	May 24, 2021
4.8*	<a href="#">Description of the Registrant's Securities.</a>				
10.1#	<a href="#">Form of Amended and Restated Indemnification Agreement between the Registrant and each of its directors and executive officers.</a>				
10.2#	<a href="#">Amended and Restated 2011 Equity Incentive Plan, as amended, and forms of agreements thereunder.</a>	S-1/A	333-256154	10.2	May 14, 2021
10.3#	<a href="#">2021 Stock Option and Incentive Plan, and forms of agreements thereunder.</a>	S-1/A	333-256154	10.3	June 1, 2021
10.4#	<a href="#">2021 Employee Stock Purchase Plan.</a>	S-1/A	333-256154	10.4	June 1, 2021
10.5#	<a href="#">Senior Executive Cash Incentive Bonus Plan.</a>	S-1/A	333-256154	10.5	May 24, 2021
10.6#	<a href="#">Executive Severance Plan.</a>	S-1/A	333-256154	10.6	May 24, 2021
10.7#	<a href="#">Non-Employee Director Compensation Policy.</a>	S-1/A	333-256154	10.7	May 24, 2021
10.12#	<a href="#">Form of Director Offer Letter.</a>	S-1	333-256154	10.12	May 14, 2021
10.13#	<a href="#">Offer Letter between the Registrant and Jason Gardner dated June 6, 2011.</a>	S-1	333-256154	10.8	May 14, 2021
10.14#	Offer Letter between the Registrant and Omri Dahan dated June 9, 2011.	S-1	333-256154	10.9	May 14, 2021
10.15#	Offer Letter between the Registrant and Kevin Doerr dated February 25, 2020.	S-1	333-256154	10.10	May 14, 2021

10.16 <sup>#</sup>	<a href="#">Offer Letter between the Registrant and Mike Milotich dated February 3, 2022.</a>				
10.17 <sup>#</sup>	Separation Agreement and Release between the Registrant and Omri Dahan, dated March 17, 2021.	S-1	333-256154	10.11	May 14, 2021
10.18 <sup>#</sup>	<a href="#">Separation and Release Documentation between the Registrant and Kevin Doerr.</a>				
10.19	<a href="#">Lease Agreement by and between the Registrant and MACH II 180 LLC, dated on or about March 1, 2016, as amended on November 8, 2017 and March 14, 2019.</a>	S-1	333-256154	10.13	May 14, 2021
10.20 <sup>†*</sup>	<a href="#">Master Services Agreement by and between the Registrant and Square, Inc., dated April 19, 2016, as amended on September 1, 2016, October 18, 2016, December 24, 2016, June 30, 2017, August 2, 2017, October 1, 2017, April 1, 2018, June 6, 2019, September 20, 2019, February 7, 2020, November 18, 2020, November 18, 2020, March 13, 2021, May 21, 2021, and January 27, 2022.</a>				
10.21 <sup>†*</sup>	<a href="#">Amended and Restated Prepaid Card Program Manager Agreement by and between the Registrant and Sutton Bank, dated April 1, 2016, as amended on December 31, 2017, September 1, 2018, August 1, 2020, and July 1, 2021.</a>				
21.1 <sup>*</sup>	<a href="#">Subsidiaries of the Registrant.</a>				
23.1 <sup>*</sup>	<a href="#">Consent of Ernst &amp; Young LLP, independent registered public accounting firm.</a>				
24.1 <sup>*</sup>	Power of Attorney (incorporate by reference to the signature page to this Annual Report on Form 10-K)				
31.1 <sup>*</sup>	<a href="#">Certification of the Principal Executive Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
31.2 <sup>*</sup>	<a href="#">Certification of the Principal Financial Officer, pursuant to Rules 13a-14(a) and 15d-14(a) under the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				
32.1 <sup>**</sup>	<a href="#">Certification of the Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
32.2 <sup>**</sup>	<a href="#">Certification of the Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>				
101.INS <sup>*</sup>	Inline XBRL Instance Document.				
101.SCH <sup>*</sup>	Inline XBRL Taxonomy Extension Schema Document.				
101.CAL <sup>*</sup>	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				
101.DEF <sup>*</sup>	Inline XBRL Taxonomy Extension Definition Linkbase Document.				
101.LAB <sup>*</sup>	Inline XBRL Taxonomy Extension Labels Linkbase Document.				
101.PRE <sup>*</sup>	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104 <sup>*</sup>	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).				
†	Certain confidential information contained in this exhibit has been omitted because it is both (i) not material and (ii) is the type that the Registrant treats as private or confidential.				
#	Indicates management contract or compensatory plan, contract or agreement.				
*	Filed herewith.				
**	Furnished herewith. The certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.				

**Item 16. Form 10-K Summary**

Not applicable.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**MARQETA, INC.**

**Date:** March 11, 2022

**By:** /s/ Jason Gardner  
**Name:** Jason Gardner  
**Title:** Chief Executive Officer (Principal Executive Officer)

**Date:** March 11, 2022

**By:** /s/ Michael (Mike) Milotich  
**Name:** Michael (Mike) Milotich  
**Title:** Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jason Gardner, Michael Milotich, and Seth Weissman, and each of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Jason Gardner</u> Jason Gardner	Chief Executive Officer and Director (Principal Executive Officer)	March 11, 2022
<u>/s/ Michael (Mike) Milotich</u> Michael (Mike) Milotich	Chief Financial Officer (Principal Financial and Accounting Officer)	March 11, 2022
<u>/s/ Amy Chang</u> Amy Chang	Director	March 11, 2022
<u>/s/ Martha Cummings</u> Martha Cummings	Director	March 11, 2022
<u>/s/ Gerri Elliott</u> Gerri Elliott	Director	March 11, 2022
<u>/s/ Helen Riley</u> Helen Riley	Director	March 11, 2022
<u>/s/ Arnon Dinur</u> Arnon Dinur	Director	March 11, 2022
<u>/s/ Judson Linville</u> Judson Linville	Director	March 11, 2022
<u>/s/ Christopher McKay</u> Christopher McKay	Director	March 11, 2022
<u>/s/ Godfrey Sullivan</u> Godfrey Sullivan	Director	March 11, 2022

## DESCRIPTION OF REGISTRANT'S SECURITIES

### General

The following description summarizes certain important terms of the capital stock of Marqeta, Inc. (the "company," "we," "us" and "our"). Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth herein, you should refer to our amended and restated certificate of incorporation, to our amended and restated bylaws, as each may be amended from time to time and filed as exhibits to our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, and to the applicable provisions of Delaware law.

Our authorized capital stock consists of 2,200,000,000 shares of capital stock, \$0.0001 par value per share, of which:

- 1,500,000,000 shares are designated as Class A common stock;
- 600,000,000 shares are designated as Class B common stock; and
- 100,000,000 shares are designated as preferred stock.

Our board of directors has the authority, without stockholder approval except as required by the listing standards of the Nasdaq Global Select Market ("Nasdaq"), to issue additional shares of our capital stock.

### Class A Common Stock and Class B Common Stock

We have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, conversion and transfer rights.

#### ***Voting Rights***

Holders of our Class A common stock are entitled to one vote for each share, and holders of our Class B common stock are entitled to 10 votes per share, on all matters submitted to a vote of stockholders. The holders of our Class A common stock and Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our amended and restated certificate of incorporation. Delaware law could require either holders of our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our amended and restated certificate of incorporation provides that stockholders are not entitled to cumulative voting for the election of directors. Our amended and restated certificate of incorporation and amended and restated bylaws provide for a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class are subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms.

### ***Conversion and Transfer***

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) any transfer, whether or not for value, except for certain permitted transfers—described in our amended and restated certificate of incorporation, including transfers to family members, trusts solely for the benefit of the stockholder or their family members, and partnerships, corporations and other entities exclusively owned by the stockholder or their family members or (ii), in the case of a stockholder who is a natural person, the death or incapacity of such stockholder. Once converted into Class A common stock, the Class B common stock will not be reissued.

Each outstanding share of Class B common stock will convert automatically into one share of Class A common stock upon the date specified by affirmative vote of the holders of at least 66-2/3% of the outstanding shares of Class B common stock, voting as a single class.

All outstanding shares of Class A common stock and Class B common stock will convert automatically into shares of a single class of common stock on the earlier of the date that is 10 years from June 8, 2021, the date of our prospectus for our initial public offering, or the date the holders of at least 66-2/3% of our Class B common stock elect to convert the Class B common stock to Class A common stock. The purpose of this provision is to ensure that following such conversion, each share of common stock will have one vote per share and the rights of the holders of all outstanding common stock will be identical. Once converted into a single class of common stock, the Class A common stock and Class B common stock may not be reissued.

### ***Dividend Rights***

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine.

### ***No Preemptive or Similar Rights***

Our Class A common stock and Class B common stock are not entitled to preemptive rights and are not subject to conversion, redemption or sinking fund provisions.

### ***Right to Receive Liquidation Distributions***

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our Class A common stock and Class B common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

## **Preferred Stock**

Our board of directors may, without further action by our stockholders, subject to limitations prescribed by Delaware law, issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of our company and might adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our Class A common stock and Class B common stock.

## Registration Rights

Certain holders of our Class B common stock are entitled to rights with respect to the registration of their shares under the Securities Act of 1933, as amended (the "Securities Act"). These registration rights are contained in the amended and restated investor rights agreement. The registration rights set forth in the amended and restated investor rights agreement will expire four years following the completion of our initial public offering or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act. We will pay the registration expenses (other than underwriting discounts, selling commissions and stock transfer taxes) of the holders of the shares registered pursuant to the registrations described below, including the reasonable fees of one counsel for the selling holders, in an amount not to exceed \$75,000. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include.

### ***Demand Registration Rights on Form S-1***

Certain holders of our Class B common stock are entitled to certain demand registration rights. At any time beginning on the five-year anniversary of the execution of the amended and restated investor rights agreement, which was executed in May 2020, the holders of a majority of these shares then outstanding may request that we register the offer and sale of their shares on a registration statement on Form S-1, subject to certain limitations. We are obligated to effect only two such registrations. If we determine that it would be seriously detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of not more than 120 days. Additionally, we will not be required to effect a demand registration during the period beginning with the date of the filing of, and ending on the date 180 days following the effectiveness of, a registration statement relating to a public offering of our common stock. Additionally, we will not be required to effect a demand registration if, within thirty days of receipt of a written request from the holders of a majority of these shares then outstanding, we provide notice to the holders of our intention to file a registration statement for a public offering within 90 days.

### ***Piggyback Registration Rights***

If we propose to register the offer and sale of our common stock under the Securities Act, certain holders of our Class B common stock will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration relating to the sale of securities to our employees or a subsidiary pursuant to any employee benefit plan, (2) a registration relating to a transaction under Rule 145 of the Securities Act; or (3) a registration in which the only common stock being registered is common stock issuable upon the conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

### ***Demand Registration Rights on Form S-3***

Certain holders of our Class B common stock are entitled to certain Form S-3 registration rights. The holders of at least 10% of these shares then outstanding may request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers at least that number of shares with an anticipated aggregate offering price of at least \$5.0 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations in the same calendar year as the date of the request. Additionally, if we determine that it would be seriously detrimental to our stockholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of not more than 120 days. Additionally, we will not be required to effect a demand registration stock if, within thirty days of receipt of a written request from the holders of 10% of these shares then outstanding, we provide notice to the holders of our intention to file a registration statement for a public offering within 90 days.

## Anti-Takeover Provisions

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which are summarized below, may have the effect of delaying, deferring, or discouraging another person from acquiring control of our company. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

### **Delaware Law**

We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes mergers, asset sales or other transactions resulting in a financial benefit to the stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring, or preventing a change in our control.

### **Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions**

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

- **Dual-Class Stock.** Our amended and restated certificate of incorporation provides for a dual-class common stock structure, which provides our founders, pre-initial public offering investors, executives and employees with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets.
- **Board of Directors Vacancies.** Our amended and restated certificate of incorporation and amended and restated bylaws authorizes only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors may be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. These provisions make it more difficult to change the composition of our board of directors and promote continuity of management.
- **Classified Board.** Our amended and restated certificate of incorporation and amended and restated bylaws provide that our board of directors be classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors.
- **Stockholder Action; Special Meeting of Stockholders.** Our amended and restated certificate of incorporation provides that our stockholders may not take action by written consent but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock is not able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the Chairperson of our board of directors, or our Chief Executive Officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

- *No Cumulative Voting.* The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our Class A common stock and Class B common stock is Computershare Trust Company, N.A. The transfer agent's address is 150 Royall Street, Canton, MA 02021.

#### **Listing**

Our Class A common stock is listed on Nasdaq under the symbol "MQ."

**MARQETA, INC.  
AMENDED AND RESTATED  
INDEMNIFICATION AGREEMENT**

This Amended and Restated Indemnification Agreement (“Agreement”) is made as of \_\_\_\_\_ by and between Marqeta, Inc., a Delaware corporation (the “Company”), and \_\_\_\_\_ (“Indemnitee”).

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law and as set forth herein;

WHEREAS, the Certificate of Incorporation (the “Charter”) and the Bylaws (the “Bylaws”) of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the “DGCL”);

WHEREAS, the Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board of Directors of the Company (the “Board”), officers and other persons with respect to indemnification;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company’s stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as in effect on the date of this Agreement; provided, however, that no Person who is a director or officer of the Company shall be deemed an Affiliate or an Associate of any other director or officer of the Company solely as a result of his or her position as director or officer of the Company.

(b) A Person shall be deemed the “Beneficial Owner” of, and shall be deemed to “Beneficially Own” and have “Beneficial Ownership” of, any securities:

(i) which such Person or any of such Person’s Affiliates or Associates, directly or indirectly, Beneficially Owns (as determined pursuant to Rule 13d-3 of the Rules and Regulations under the Exchange Act, as in effect on the date of this Agreement);

(ii) which such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has: (A) the legal, equitable or contractual right or obligation to acquire (whether directly or indirectly and whether exercisable immediately or only after the passage of time, compliance with regulatory requirements, satisfaction of one or more conditions (whether or not within the control of such Person) or otherwise) upon the exercise of any conversion rights, exchange rights, rights, warrants or options, or otherwise; (B) the right to vote pursuant to any agreement, arrangement or understanding (whether or not in writing); or (C) the right to dispose of pursuant to any agreement, arrangement or understanding (whether or not in writing) (other than customary arrangements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities);

(iii) which are Beneficially Owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of such Person’s Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) (other than customary agreements with and between underwriters and selling group members with respect to a *bona fide* public offering of securities) for the purpose of acquiring, holding, voting or disposing of any securities of the Company; or

(iv) that are the subject of a derivative transaction entered into by such Person or any of such Person’s Affiliates or Associates, including, for these purposes, any derivative security acquired by such Person or any of such Person’s Affiliates or Associates that gives such Person or any of such Person’s Affiliates or Associates the economic equivalent of ownership of an amount of securities due to the fact that the value of the derivative security is explicitly determined by reference to the price or value of such securities, or that provides such Person or any of such Person’s Affiliates or Associates an opportunity, directly or indirectly, to profit or to share in any profit derived from any change in the value of such securities, in any case without regard to whether (A) such derivative security conveys any voting rights in such securities to such Person or any of such Person’s Affiliates or Associates; (B) the derivative security is required to be, or capable of being, settled through delivery of such securities; or (C) such Person or any of such Person’s Affiliates or Associates may have entered into other transactions that hedge the economic effect of such derivative security.

Notwithstanding the foregoing, no Person engaged in business as an underwriter of securities shall be deemed the Beneficial Owner of any securities acquired through such Person's participation as an underwriter in good faith in a firm commitment underwriting.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities (other than acquisitions of Class B Common Stock by a Class B stockholder or a Permitted Transferee (as defined in the Charter)) unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding securities entitled to vote generally in the election of directors or as a result of conversions of Class B Common Stock, provided that a Change in Control shall be deemed to have occurred if subsequent to such reduction such Person becomes the Beneficial Owner, directly or indirectly, of any additional securities of the Company conferring upon such Person any additional voting power;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(c)(i), 2(c)(iii) or 2(c)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or successor entity) more than 50% of the combined voting power of the voting securities of the surviving or successor entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving or successor entity;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale, lease, exchange or other transfer by the Company, in one or a series of related transactions, of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement.

(d) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(e) “Enforcement Expenses” shall include all reasonable attorneys’ fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(f) “Enterprise” shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee.

(g) “Expenses” shall include all reasonable attorneys’ fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(h) “Independent Counsel” means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(i) “Person” shall mean (i) an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, a business trust, a government or political subdivision, any unincorporated organization, or any other association or entity including any successor (by merger or otherwise) thereof or thereto, and (ii) a “group” as that term is used for purposes of Section 13(d)(3) of the Exchange Act.

(j) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term “Proceeding” shall not include any action, suit or arbitration, or part thereof, initiated by

Indemnitee to enforce Indemnitee's rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise; provided that the foregoing shall not apply to any personal or umbrella liability insurance maintained by Indemnitee;

(b) to indemnify for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act, or similar provisions of state statutory law or common law;

(c) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(d) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's (i) ability to repay the expenses, (ii) ultimate entitlement to indemnification under the other provisions of this Agreement, and (iii) entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)). Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee's right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company's election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee's expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, (C) the Company shall not continue to retain such counsel to defend such Proceeding, or (D) a Change in Control shall have occurred, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). Without limiting the generality of the foregoing, the fact that an insurer under an applicable insurance policy delays or is unwilling to consent to such settlement or is or may be in breach of its obligations under such policy, or the fact that directors' and officers' liability insurance is otherwise unavailable or not maintained by the Company, may not be taken into account by the Company in determining whether to provide its consent. The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

#### Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee's entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (i) by a majority vote of the disinterested directors, even though less than a quorum; (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel's written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as

applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel or the Company, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. The Company shall likewise cooperate with Indemnitee and Independent Counsel, if applicable, in making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such counsel and Indemnitee, upon reasonable advance request, any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to the Company and reasonably necessary to such determination. Any out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) Notwithstanding anything to the contrary contained in this Agreement, the determination of entitlement to indemnification under this Agreement shall be made without regard to the Indemnitee's entitlement to and availability of insurance coverage, including advancement, payment or reimbursement of defense costs, expenses or covered loss under the provisions of any applicable insurance policy (including, without limitation, whether such advancement, payment or reimbursement is withheld, conditioned or delayed by the insurer(s)).

#### Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome

that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Indemnitee shall be deemed to have acted in good faith if Indemnitee's actions based on the records or books of account of the Company or any other Enterprise, including financial statements, or on information supplied to Indemnitee by the directors, officers, agents or employees of the Company or any other Enterprise in the course of their duties, or on the advice of legal counsel for the Company or any other Enterprise or on information or records given or reports made to the Company or any other Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or any other Enterprise. The provisions of this Section 11(c) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, the knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 11(c) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

## Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, manager, partner, officer, employee, agent or trustee under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. The Company shall also promptly provide to Indemnitee: (i) copies of all of the Company's potentially applicable directors' and officers' liability insurance policies, (ii) copies of such notices delivered to the applicable insurers, and (iii) copies of all subsequent communications and correspondence between the Company and such insurers regarding the Proceeding.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company's obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Successors and Assigns; Survival of Rights. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to

continue to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company or any delay in notification shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise, unless, and then only to the extent that, the Company did not otherwise learn of the Proceeding and such delay is materially prejudicial to the Company's ability to defend such Proceeding or matter; and, provided, further, that notice will be deemed to have been given without any action on the part of Indemnitee in the event the Company is a party to the same Proceeding.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and received for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and received for by the party to whom said notice or other communication shall have been directed or (iv) sent by email or facsimile transmission, with receipt of oral confirmation that such transmission has been received:

- (a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.
- (b) If to the Company to:

Marqeta, Inc.  
180 Grand Avenue  
6<sup>th</sup> Floor  
Oakland, CA 94612  
Attention: Chief Legal Officer  
Email: notices@marqeta.com

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 23. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Monetary Damages Insufficient/Specific Enforcement. The Company and Indemnitee agree that a monetary remedy for breach of this Agreement may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm (having agreed that actual and irreparable harm will result in not forcing the Company to specifically perform its obligations

pursuant to this Agreement) and that by seeking injunctive relief and/or specific performance, Indemnatee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnatee further agree that Indemnatee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnatee by the Court, and the Company hereby waives any such requirement of a bond or undertaking.

Remainder of Page Intentionally Left Blank.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

**Marqeta, Inc.**

By: \_\_\_\_\_  
Name: Jason Gardner

Title: Chief Executive Officer

\_\_\_\_\_  
[Name of Indemnitee]

*Signature Page to Indemnification Agreement*

February 3, 2022

Mike Milotich  
[\*\*\*]

Re: Offer Letter

Dear Mike,

Marqeta, Inc. (the "Company") is delighted to extend to you this offer to join our team. These are incredibly exciting times at Marqeta and we look forward to having you be part of our future success! The terms of this offer are outlined below.

**1. Position.** You will perform the duties of Chief Financial Officer reporting to me. You will be based in our Oakland, CA office. This offer is for a full-time, exempt position and we estimate that your start date will be on or about February 22, 2022 (the date you actually commence employment with the Company will be the "Start Date").

**2. Compensation.**

- **Salary.** You will be paid an annual base salary of \$460,000.00 payable semi-monthly in accordance with the Company's normal payroll process. Your annual base salary is contingent on your reporting location. If your reporting location changes, your salary may be subject to adjustment to the appropriate location differential.
- **Performance Bonus.** You are also eligible to receive an annual bonus with a target of 75% of your base salary. Following the end of each calendar year, the Company, in its discretion, will determine to what extent you will be paid a bonus for that year. For any calendar year that you are eligible for a bonus, you must remain employed by the Company through the date it is payable to earn the bonus. For the avoidance of doubt, if your start date is October 1st or later, you will not be eligible to receive a performance bonus for the calendar year of your hire date.
- **Sign-On Bonus.** The Company agrees to pay \$100,000.00 within the first 30 days of your Start Date on the condition that you are an active employee and in good standing on the date it is to be paid. If you resign from your position or are terminated by the Company for Cause (as defined in the Company's most recently adopted equity plan (the "Plan")) within 12 months of your Start Date, you agree to repay the net sign-on bonus amount (that is, after taking into account any payroll deductions and withholdings that were made with respect to the sign-bonus) to the Company within 30 days of your termination date.

Your compensation is subject to all normal payroll deductions and required withholdings.

**3. Restricted Stock Units.** It will be recommended to the Company's Board of Directors (or committee thereof) that you be granted Restricted Stock Units (RSUs) with an estimated value of \$4,000,000.00 ("RSU Value"), where the RSU Value shall be converted into a number of RSUs by dividing the RSU Value by the closing market price of one share of the Company's Class A common stock on the day of grant, rounded down to the nearest whole share. Each RSU represents one share of the Company's Class A common stock. The RSUs will be subject to the terms and conditions applicable to restricted stock units granted under the Company's 2021 Stock Option and Incentive Plan (the "Plan") and the applicable restricted stock unit award agreement. The RSUs will vest over approximately four years as follows provided you remain in continuous service through the applicable vesting date: (i) with respect to the first 25% of the RSUs on the first quarterly "vesting date" occurring on or after the 12-month anniversary of the date your service commences and (ii)

with respect to an additional 1/16th of the RSUs on each quarter thereafter. "Vesting date" means March 1, June 1, September 1, and December 1.

**4. Stock Options.** It will be recommended to the Company's Board of Directors (or committee thereof) that you be granted an option to purchase shares of the Company's Class A common stock, with an estimated value of \$4,000,000.00 ("Option Value"). The Option Value shall be converted into a number of shares of the Company's Class A Common Stock by dividing the Option Value by the fair value of an option to purchase one share of Class A Common Stock calculated by the Company under ASC Topic 718 on the date of grant, rounded down to the nearest whole share. The exercise price per share for the option shall be equal to the closing price of a share of Class A common stock on the date of the grant (or the day immediately preceding the grant date for which a closing price is reported). The shares subject to the option shall vest as follows provided you remain in continuous service through the applicable vesting date: twenty-five percent (25%) of the shares subject to the option shall vest on the one year anniversary of your Start Date and the remaining shares subject to the option shall vest in equal monthly installments over the three years thereafter. The provisions of your stock option grant shall otherwise be subject to the provisions of the Company's standard form of Stock Option Agreement and the Company's 2021 Stock Option and Incentive Plan.

In the event your employment with the Company is either (i) terminated by the Company without Cause or (ii) you resign from such employment for Good Reason (as defined below), in either case within three (3) months before or twelve (12) months after the consummation of a Sale Event (as defined in the Plan), then subject to you delivering to the Company or its successor a fully executed and effective general release of claims in favor of the Company and its successor that becomes effective and irrevocable within sixty (60) days of the date of your termination or resignation (as applicable), then 100% of the shares subject to your outstanding equity awards, including the RSUs described above, will vest as of the date of such termination (or the Sale Event, if later).

For purposes of this letter agreement, "Good Reason" means that you have complied with the "Good Reason Process" following the occurrence of any of the following events:

- (i) a material diminution in your responsibilities, authority, or duties;
- (ii) a material diminution in your base salary, except for across the board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; or
- (iii) a change in geographic location of more than 50 miles at which you provide services to the Company (or its successor).

For these purposes, "Good Reason Process" means that (i) you reasonably determine in good faith that a "Good Reason" condition has occurred; (ii) you notify the Company in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) you cooperate in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition, (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) you terminate your employment within 30 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason will be deemed not to have occurred.

**Annual Refresh:** Subject in all cases to the approval of the Compensation Committee of the Board, it is the Company's standard practice to review and refresh executive equity on an annual basis. Annual equity awards are typically granted in the first quarter of each calendar year. The value of any future equity awards will be based on a combination of the Company's performance, your individual performance and a review of the market data for similarly situated executives at similarly situated companies.

**5. Benefits.** You will be eligible to participate in the Company's standard benefit plans, including, but not limited to, time off, medical, dental, vision and disability insurance coverages. The Company reserves the right to modify at its sole discretion the compensation and benefits plans, as it deems necessary. Your benefits are effective the 1st of the month following or coincident with your start date.

**6. Expenses.** You will be entitled to reimbursement for all reasonable and necessary business-related expenses incurred in connection with the performance of your duties hereunder in accordance with the Company's expense reimbursement policies and procedures.

**7. At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement.** To enable the Company to safeguard its proprietary and confidential information, it is a condition of hire that you sign prior to your start date the At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement, which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company, and non-disclosure of proprietary information. The At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement will be sent to you prior to your start date.

We also ask that, if you have not already done so, you disclose to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting, or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company. Similarly, you agree not to bring any third party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not in any way utilize any such information.

**8. At-Will Employment.** Your employment at the Company is "at-will." You may terminate your employment with the Company at any time and for any reason whatsoever simply by notifying the Company. Likewise, the Company may terminate your employment at any time and for any reason whatsoever, with or without cause or advance notice. As required by law, this offer is subject to satisfactory proof of your right to work in the United States. As an exempt salaried employee, you will be expected to work additional hours as required by the nature of your work assignments.

**9. Background Check and Right to Work.** This offer is contingent upon a successful employment verification and background check. The Company reserves the right to rescind its offer of employment before your Start Date based upon information received in the background verification.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

**10. Complete Offer and Agreement.** This letter, together with your At-Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement, forms the complete and exclusive statement of your employment agreement with the Company. The employment terms in this letter supersede any other agreements or promises made to you by anyone, whether oral or written. Changes to the terms of your employment can be made only in writing and signed by you and an authorized executive of the Company, although it is understood that the Company may, from time to time, in its sole discretion, adjust the salaries, incentive compensation and benefits paid to you and other employees, as well as job titles, locations, duties, responsibilities, assignments and reporting relationships as needed.

**11. Acceptance.** To indicate your acceptance, please sign and date this letter. If you accept our offer, we would like you to start on or before February 22, 2022 or such later date as Marqeta completes and reviews the background check.

Mike, I expect you will make a significant contribution to our success and will enjoy a meaningful career here at Marqeta. We very much look forward to your favorable reply.

Sincerely,

Marqeta, Inc.

/s/ Jason Gardner  
Jason Gardner  
Chief Executive Officer

**Accepted:**

/s/ Mike Milotich  
Mike Milotich

Date: February 8, 2022

## SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release (“Agreement”) is between Marqeta, Inc. (the “Company”) and Kevin Doerr (“Employee”) (together “the Parties”).

Employee is employed by the Company and the Parties have entered into an Employee Confidential Information and Inventions Assignment Agreement (the “Confidentiality Agreement”);

Employee and the Company have mutually agreed that Employee’s employment with the Company will end effective as of September 10, 2021 (the “Separation Date”); the Company accepts such resignation, and the Company and Employee have mutually agreed to release each other from any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands arising from or related to the employment relationship or Employee’s separation from the Company, including, but not limited to, any and all claims that Employee may have against the Company and any of the Releasees as defined below;

The Parties hereby agree as follows:

1. Severance Benefits.

(a) Salary Severance. Within fourteen (14) days of the Effective Date of this Agreement, the Company shall pay Employee that amount which is equal to nine (9) months of Employee’s standard base pay (which amount is \$262,500) less applicable withholdings, as consideration for and expressly conditioned upon Employee’s execution, without revocation, and compliance with the provisions of this Agreement. Employee shall also be eligible for 75% of Employee’s 2021 annual target bonus, which amount is \$131,250.

(b) COBRA. The Company shall reimburse Employee for the payments Employee makes for COBRA coverage for a period of nine (9) months following the Separation Date, provided Employee timely elects and pays for COBRA coverage. COBRA reimbursements shall be made by the Company to Employee consistent with the Company’s normal expense reimbursement policy, provided that Employee submits documentation to the Company substantiating Employee’s payments for COBRA coverage.

(c) Entire Consideration. Employee agrees (i) that the severance benefits set forth in this Section 1 shall constitute the entire consideration provided to Employee under this Agreement, (ii) that without this Agreement, Employee is otherwise not entitled to such consideration, and (iii) that the Employee will not seek any further remuneration from the Company for any other damage, penalty, expense, wage, bonus, commission, piece rate, benefit, action, attorney fee or cost either individually or as part of a class in connection with the matters encompassed or released by this Agreement and/or arising out of Employee’s employment with and/or separation from the Company or any conduct or omissions occurring prior to the time Employee signs this Agreement.

2. Post-Employment Cooperation. For the twelve-month period after Employee’s employment with the Company terminates, Employee agrees to cooperate with and assist the Company and Releasees, including but not limited to providing prompt, accurate and complete responses to questions, producing requested documents, submitting requested declarations attesting to facts known by Employee, and preparing for, submitting to and attending any deposition or trial in which Employee’s testimony is requested by the Company in any action against the Company. The Company will pay Employee the hourly rate of Four Hundred Dollars (\$400.00) per hour, plus reasonable and necessary expenses for any services or travel subsequent to the Separation Date upon Employee’s submission of invoices and receipts for any and all pre- approved services and expenses.

3. Stock. The Parties agree that for purposes of determining the number of shares of the Company’s common stock that Employee is entitled to purchase from the Company Employee will be considered to have vested only up to the Separation Date. The Company and Employee acknowledge that:

(a) As of the Separation Date, Employee will have vested only in the stock options reflected on Exhibit A, (i.e. a total of 637,500 shares subject to the option to purchase shares from the Grant ES-0731) (the “Vested Options”) and no more, and has no right or entitlement to any other stock options or other equity in the Company.

(b) Based on the Separation Date, Employee shall have until **December 10, 2021** to exercise any of the Vested Options. Except as modified herein, the exercise of Employee’s Vested Options shall continue to be governed by the terms and conditions of the Marqeta, Inc. 2011 Equity Incentive Plan and Stock Option Agreement between the Company and Employee (the “Stock Agreement”). Nothing in this Agreement shall interfere with, forfeit or waive any of Employee’s rights with respect to any of the

Vested Options as set forth in Exhibit A. The exercise of Employee's Vested Options shall continue to be governed by the terms and conditions of the Stock Agreement.

4. Benefits. Employee's health insurance benefits shall cease on the last day of September 2021, except as set forth in Section 1(b) and subject to Employee's right to continue Employee's health insurance under COBRA and/or Cal-COBRA. Employee's participation in all other benefits and incidents of employment shall cease as of the Separation Date.

5. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than (i) the consideration set forth in this Agreement and (ii) Employee's final paycheck, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, leave, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee. Employee further acknowledges and represents that Employee has received any leave to which Employee was entitled or which Employee requested, if any, under the California Family Rights Act and/or the Family Medical Leave Act, or other similar laws and/or ordinances, and that Employee did not sustain any workplace injury, during Employee's employment with the Company.

6. Mutual Release of Claims. Employee agrees that this was a negotiated agreement reached when both parties were represented by counsel, or had the opportunity to be represented by counsel, and with the amount to be paid to Employee and the terms of the Agreement being negotiated between the parties and the parties agreed and hereby agree that foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

- a. any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;
- b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;
- c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;
- d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Fair Credit Reporting Act; the Family and Medical Leave Act, except as prohibited by law; the Sarbanes-Oxley Act of 2002; the Uniformed Services Employment and Reemployment Rights Act; the California Family Rights Act; the California Labor Code, and; the California Fair Employment and Housing Act;
- e. any and all claims for violation of the federal or any state constitution;
- f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;a
- g. any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. Although this is a general release, it does not apply to: (i) any unemployment insurance claim; (ii) any workers' compensation insurance benefits to the extent any applicable state law prohibits the direct release of such benefits without judicial or agency approval, with the understanding that such benefits, if any, would only be payable in accordance with the terms of any workers' compensation coverage or fund of the Company; (iii) continued participation in certain benefits under COBRA (and any state law counterpart), if applicable; (iv) any benefit entitlements vested as of Employee's last day of employment, pursuant to written terms of any applicable employee benefit plan sponsored by the Company; (v) any claims that cannot be waived as a matter of law; or (vi) claims that arise after Employee signs this Agreement. Employee represents that Employee has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section. This release does not extend to any claims for indemnity by Employee arising or occurring prior to the Separation Date, to the maximum extent permitted by applicable law, arising out of any claims or suits against Employee in connection with Employee's employment with the Company, for which Employee shall immediately notify the Company upon Employee's awareness of such a claim.

Company agrees that the foregoing considerations and undertakings represent settlement in full of all outstanding obligations owed to it by Employee. The Company, on its own behalf and on behalf of its predecessors and successors in interest, and its and their officers, directors, principals, shareholders, members, contractors, employees, insurers, attorneys, representatives, agents and assigns ("Company Releasers"), hereby and forever releases the Employee, his executors, administrators, heirs, successors, representatives, agents, attorneys, and assigns ("Employee Releasees"), from and against and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that the Company Releasers may possess against any of the Employee Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Separation Date and/or Effective Date of this Agreement, whichever is later.

7. Additional Acknowledgement. Employee further agrees and acknowledges that Employee has previously advised Employer of all facts or circumstances that Employee believes may constitute a violation of the legal obligations of Employer and/or the Releasees, including but not limited to any violation of any federal, state or local law or regulation. Employee agrees and acknowledges that to the best of Employee's knowledge (i) all such compliance concerns were resolved to Employee's satisfaction; and (ii) Employee is not aware of any other compliance issues concerning Employer and/or the Releasees and/or their business practices, or alleged violations by Employer and/or the Releasees.

8. Acknowledgment of Waiver of Claims under ADEA. Employee understands and acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further understands and acknowledges that Employee has been advised by this writing that: (a) Employee should consult with an attorney prior to executing this Agreement; (b) Employee has twenty-one (21) days within which to consider this Agreement; (c) Employee has seven (7) days following Employee's execution of this Agreement to revoke this Agreement; and (d) this Agreement shall not be effective until after the revocation period has expired. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that Employee has freely and voluntarily chosen to waive the time period allotted for considering this Agreement.

9. California Civil Code Section 1542. Employee acknowledges that Employee has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee, being aware of said code section, agrees to expressly waive any rights Employee may have thereunder, as well as under any other statute or common law principles of similar effect.

**10. No Pending or Future Lawsuits.** Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees. Notwithstanding the foregoing, nothing herein prevents any actions or disclosures expressly allowed by the Permitted Disclosures and Actions provision set forth below.

**11. Confidentiality.** Except as set forth in the Permitted Disclosures and Actions provisions set forth below, Employee agrees to maintain in complete confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "Separation Information"). Except as set forth herein or as otherwise required by law, Employee may disclose Separation Information only to Employee's immediate family members, the Court in any proceedings to enforce the terms of this Agreement, Employee's counsel, and Employee's accountant and any professional tax advisor to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties. Employee agrees that Employee will not publicize, directly or indirectly, any Separation Information.

Employee acknowledges and agrees that the confidentiality of the Separation Information is of the essence. The Parties agree that if the Company proves that Employee breached this Confidentiality provision, the Company shall be entitled to an award of its costs spent enforcing this provision, including all reasonable attorneys' fees associated with the enforcement action, without regard to whether the Company can establish actual damages from Employee's breach, except to the extent that such breach constitutes a legal action by Employee that directly pertains to the ADEA. Any such individual breach or disclosure shall not excuse Employee from Employee's obligations hereunder, nor permit Employee to make additional disclosures. Employee warrants that Employee has not disclosed, orally or in writing, directly or indirectly, any of the Separation Information to any unauthorized party.

**12. Permitted Disclosures and Actions.** This Agreement does not prohibit or restrict Employee, the Company, or the other Releasees from: (i) disclosing information regarding unlawful acts in the workplace, including, but not limited to, sexual harassment; (ii) initiating communications directly with, cooperating with, providing relevant information, or otherwise assisting in an investigation by (A) the SEC, or any other governmental, regulatory, or legislative body regarding a possible violation of any federal law; or (B) the EEOC or any other governmental authority with responsibility for the administration of fair employment practices laws regarding a possible violation of such laws, or as compelled or requested by lawful process; (iii) responding to any inquiry from any such governmental, regulatory, or legislative body or official or governmental authority, including an inquiry about the existence of this Agreement or its underlying facts or circumstances; or (iv) participating, cooperating, testifying, or otherwise assisting in any governmental action, investigation, or proceeding relating to a possible violation of any such law, rule or regulation. Employee is, however, waiving any right to recover money in connection with any agency charge or agency or judicial decision, including class or collective action rulings, other than bounty money properly awarded by the SEC.

**13. Trade Secrets and Confidential Information/Company Property.** Employee agrees at all times hereafter to hold in the strictest confidence, and not to use or disclose to any person or entity, any Confidential Information of the Company. Employee understands that "Confidential Information" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers (including, but not limited to, customers of the Company on whom Employee has called or with whom Employee became acquainted during the term of Employee's employment), markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, or other business information disclosed to Employee by the Company either directly or indirectly, in writing, orally, or by drawings or observation of parts or equipment. Employee further understands that Confidential Information does not include any of the foregoing items that have become publicly known and made generally available through no wrongful act of Employee's or of others who were under confidentiality obligations as to the item or items involved or improvements or new versions thereof. Employee hereby grants consent to notification by the Company to any new employer about Employee's obligations under this paragraph. Employee represents that he/she has not to date misused or disclosed Confidential Information to any unauthorized party.

**14. DTSA Notice.** Federal law provides certain protections to individuals who disclose a trade secret to their attorney, a court, or a government official in certain, confidential circumstances. Specifically, federal law provides that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret under either of the following conditions: (a) Where the disclosure is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) Where the disclosure is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. See 18 U.S.C. § 1833(b)(1)). Federal law also provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the

trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order. See 18 U.S.C. § 1833(b)(2). Nothing in this Agreement is intended in any way to limit such statutory rights.

15. No Cooperation. Subject to the provisions in Permitted Disclosures and Actions paragraph, Employee agrees that Employee will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that Employee cannot provide counsel or assistance.

16. Mutual Non-disparagement. Except to the extent allowed under the Permitted Disclosures and Actions section, Employee agrees to refrain from any disparagement, defamation, libel, or slander of the Company, and any of its current or former Officers and Directors, including the Company's executives, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. Company solely by and through its officers and Directors, including the Company's executives, but only for such period such individuals are officers or Directors, agrees to refrain from any disparagement, defamation, libel, or slander of Employee. For purposes of clarity, the term "disparagement" as it is used in this Agreement shall mean statements that belittle or degrade or attempt to belittle or degrade another as would be understood by a reasonable person. By way of example only, statements that "things did not work out" or "we parted ways because we had a difference of opinion" are not disparaging.

17. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, the Parties acknowledge and agree that any material breach of this Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the nonbreaching party to pursue all remedies and damages available under applicable law. In connection with breach by Employee, the Company may also seek to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law.

18. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

19. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION IN ALAMEDA COUNTY, BEFORE JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("JAMS"), PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"). THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE COMPANY SHALL PAY THE COSTS AND EXPENSES OF SUCH ARBITRATION ABOVE THE COSTS OF AN INITIAL COURT FILING FEE, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

20. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on Employee's behalf

under the terms of this Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon.

21. No Representations. Employee represents that Employee has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

22. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

23. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

24. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of the Confidentiality Agreement and the Stock Agreement, except as modified herein.

25. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and the Company's Chief Executive Officer.

26. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

27. Effective Date. Employee understands that this Agreement shall be null and void if not executed by Employee within twenty-one (21) days. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date").

28. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

29. Voluntary Execution of Agreement. Employee understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of **releasing** all of Employee's claims against the Company and any of the other Releasees. Employee acknowledges that:

- (a) Employee has read this Agreement;
- (b) Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel;
- (c) Employee understands the terms and consequences of this Agreement and of the releases it contains; and
- (d) Employee is fully aware of the legal and binding effect of this Agreement.

The parties have executed this Agreement on the dates set forth **below**:

Dated: 9/27/21

Kevin Doerr, an individual  
/s/ Kevin Doerr

---

Dated: 10/4/21

Marqeta, Inc.  
/s/ Seth R. Weissman

---

Exhibit A Vested Options

Grant Number	Grant Date	Number of Shares	Number of Shares Vested as of Vesting Completion Date (September 10, 2021)
ES-0731	March 30, 2020	1,800,000	637,500
ES-0754	Feb 11, 2021	251,463	0

MARQETA, INC.

November 5, 2021

Kevin:

As we have discussed, you have requested an additional three (3) months to exercise your outstanding stock options to purchase Class A shares of common stock of Marqeta, Inc. (the "Company") granted under the Company's 2011 Equity Incentive Plan (referred to as your "options"). We have discussed your request with the Company's Compensation Committee of the Board (the "Committee") and the Committee has extended your options so that you have until March 10, 2022 to exercise them, which is six (6) months following the termination of your employment with the Company.

**Important Tax Notes Regarding Incentive Stock Options:** By this amendment, any of your options that qualify as "incentive stock options" under the Internal Revenue Code will be considered to be "modified." As a result, any such options will no longer be treated as an incentive stock options and instead will become a nonstatutory stock options. Upon exercise of your options that are treated as a nonstatutory stock options, the difference between the fair market value of our Class A common stock on the date of exercise and your exercise price will be taxed as ordinary income and will be subject to applicable tax withholding.

**Please note that the foregoing discussion regarding the tax considerations is intended only as a summary of the general United States income tax laws and is necessarily incomplete. The specific federal, state, and local tax consequences to you will depend upon your individual circumstances. Accordingly, we strongly advise you to seek the advice of a qualified tax adviser regarding any tax implications relating to your options.**

Please sign and return this letter to Seth Weissman. If you have any questions with respect to your options, please contact Seth.

Sincerely,

MARQETA, INC.

/s/ Seth Weissman

Seth Weissman  
Chief Legal Officer

Acknowledged and Agreed to:

By: /s/ Kevin Doerr

Kevin Doerr

Date: November 5, 2021

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

**MASTER SERVICES AGREEMENT**

THIS MASTER SERVICES AGREEMENT (the “Agreement”) is entered into between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 (“Client”), and Marqeta, Inc., a Delaware corporation, whose principal address is 6201-B Doyle Street, Emeryville, CA 94608 (“Marqeta,” and together with Client, each a “Party,” and together the “Parties”).

**Background**

- A. Marqeta is in the business of providing Processing Services and Program Management Services, each as further described herein; and
- B. Client wishes to engage Marqeta to provide such Services on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Agreement.** This Agreement consists of this cover page and the following:

- a. Schedule A - Program Terms
- b. Schedule B - General Terms and Conditions
- c. Schedule C - Definitions
- d. Schedule D - Fees
- e. Schedule E - Performance Standards

2. **Order of Preference.** In the event of any conflict between this Agreement and any schedule hereto (each, a “Schedule”), the applicable Schedule shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the last date signed below (the “Effective Date”):

**SQUARE, INC.**

**BY:** /s/ Brian Grassadonia  
**NAME:** Brian Grassadonia  
**TITLE:** Square Cash Lead  
**DATE:** 4/19/2016

**MARQETA, INC.**

**BY:** /s/ Omri Dahan  
**NAME:** Omri Dahan  
**TITLE:** Chief Revenue Officer  
**DATE:** 4/18/2016

**SCHEDULE A**  
**PROGRAM TERMS**

**1. MARQETA'S SCOPE OF WORK.**

- a. **Provision of Services.** Commencing on the Effective Date, Marqeta agrees to provide the following Services:
- i. The Implementation Services and Processing Services, each consistent with and as identified in the Implementation Plan or as otherwise agreed to by the Parties in writing or via e-mail, and Program Management Services; and
  - ii. Any services, functions and responsibilities of Marqeta that are otherwise agreed upon in writing by Client and Marqeta from time to time as being subject to this Agreement ("New Additional Service").
- b. **Instructions and Client Provided Information.** In performing its obligations and responsibilities under this Agreement, Marqeta shall be entitled to rely upon, without additional inquiry, Client Data, Transaction Data and Instructions, as provided by Client to Marqeta,; provided, however, that to the extent that Marqeta in good faith reasonably believes that any Instruction is contrary to the provisions of this Agreement, Applicable Law, Card Brand Rules, or requirements of the Issuing Bank, Marqeta shall promptly provide notice to Client setting forth in reasonable detail the reason for its belief, after which point the Parties agree to work together in good faith to resolve any issues resulting from such Instruction.
- c. **Custom Modifications.** In the event that Client requests modifications to the Services, including modifications that are different from or in addition to the Services (the "Custom Enhancements"), and if Marqeta agrees to make such Custom Enhancements, then the Parties shall enter into a mutually-agreed-upon and separately-written statement of work ("SOW") covering the provision of such Custom Enhancements, the allocation of ownership of such Custom Enhancements (or components of Custom Enhancements), and, if applicable, the amount of any new Fee payable to Marqeta for any new Service resulting from such Custom Enhancements. Any new Service resulting from Custom Enhancements shall a New Additional Service.
- d. **Documentation.** Marqeta shall provide Client with Documentation associated with the Services through the Developer Site or otherwise, which may include policies and procedures regarding the Services. The Documentation may be modified from time to time by Marqeta, provided Marqeta shall give Client [\*\*\*] to implement any material change made to the Documentation that would materially and adversely impact Client's ability to receive Services or ability to perform Client's obligations under this Agreement. The Documentation, any derivatives of the Documentation and any and all copies thereof, shall be and remain the property of Marqeta and shall be deemed Marqeta Confidential Information.
2. **IMPLEMENTATION PLAN.** The Parties shall plan, prepare for and implement an implementation plan for the Accounts for which Marqeta will provide Services in accordance with a written plan mutually agreed upon by the Parties (the "Implementation Plan"), which shall include: (i) a schedule for implementing the Services; (ii) a description of the respective roles and responsibilities of Client and Marqeta, including any required resources; (iii) a plan for testing the Services prior to implementation; (iv) a plan for providing appropriate BSA/AML and/or fraud mitigation training to Client; and (v) such other information and plans designed to cause the launch of the Services to take place on schedule (Marqeta's responsibilities under foregoing are defined as the "Implementation Services"). Each Implementation Plan may be revised from time to time by mutual agreement of the Parties, which agreement shall not be unreasonably withheld.
3. **TERM, TERMINATION, SURVIVAL AND TRANSITION.**
- a. **Term.** The initial term of this Agreement shall begin on the Effective Date and shall expire at 11:59 p.m. (Pacific Time) on the last day of Servicing Year Two (2), unless terminated earlier in accordance with this Agreement (the "Initial Term"). The Initial Term shall automatically renew for an unlimited number of one

(1) year renewal terms (each, a “Renewal Term”) unless one Party provides the other with written notice of its intent to terminate not less than one hundred eighty (180) days prior to the end of the then-current Initial Term or Renewal Term. The Initial Term and any subsequent Renewal Term shall comprise the “Term” of this Agreement. Notwithstanding any provision herein to the contrary, this Agreement shall continue on the same commercial terms and conditions until the completion of the Transition.

- b. **Termination for Cause.** A Party may, by giving written prior notice to the other Party, elect to terminate this Agreement in the event that the other Party:
- i. commits a material breach of this Agreement, which breach is not cured within thirty (30) days after notice specifying the nature and extent of such breach; provided, however, that if such matter is a non-monetary breach and is not reasonably susceptible of cure within such thirty (30) day period, such period shall be extended and the Party shall not be in default hereunder so long as it commences such cure within such thirty (30) day period and diligently pursues such cure to completion within ninety (90) days after such notice; or
  - ii. commits numerous breaches of its duties or obligations which collectively constitute a material breach of this Agreement; or
  - iii. has a petition filed by or against it under applicable bankruptcy law seeking the liquidation of such Party’s assets which petition is not dismissed within thirty (30) days.
  - iv. Either Party may terminate this Agreement upon ninety (90) days’ notice to the other Party in the event of a regulatory change (including Issuing Bank requirements), or such shorter notice to avoid violating Applicable Law or such change, that has or is likely to have a material adverse impact on the anticipated economic benefits of this Agreement for such Party.
  - v. Notwithstanding any other provision herein to the contrary, the Parties acknowledge and agree that Client’s failure to pay undisputed charges when such payments are due shall constitute a material breach of this Agreement, and when such failure to pay continues uncured for five (5) business days following the written notice required by Section 3(b)(i)(1) of these Program Terms, then Marqeta may, without waiving its right to payment, cease performing the Services until the dispute regarding Client’s failure to pay is resolved.
  - vi. Any notice of termination by Client shall include a proposed date for initiation of Transition, if any.
- c. **Termination Upon Force Majeure.** Client may terminate this Agreement in compliance with the terms of Section 16 (b)(iii) of the General Terms and Conditions.
- d. [\*\*\*].
- e. **Termination Due to Issuing Bank.** Marqeta may terminate this Agreement upon 180 days’ written notice (or such shorter time, as applicable) if required to do so by Issuing Bank or any regulator with jurisdiction over Issuing Bank or Marqeta.
- f. **Termination for Convenience.**
- a. Client shall have the right to terminate this Agreement for any reason or no reason within the first two (2) calendar weeks after the Effective Date (the “Early Termination Date”) by giving notice to Marqeta; provided, however, that if Client exercises the foregoing right of termination Client (i) shall pay Marqeta the [\*\*\*] detailed in Schedule D in accordance with Section 8(a)(i) of Schedule B, and (ii) shall not be subject to any [\*\*\*].
  - b. After the Early Termination Date, Client shall have the right to terminate this Agreement for any reason or no reason at any time after the Go-Live Date, by giving not less than ninety (90) days’ prior written notice to Marqeta; provided, however, that if Client exercises the foregoing right of termination, Client shall pay Marqeta an amount equal to [\*\*\*].

- g. **Post Termination.** Upon termination or expiration of this Agreement for any reason, Client shall only be responsible for the payment of Fees for Services provided by Marqeta and accrued, due and payable by Client up to and including the later of the date of such expiration or termination or the completion of the Transition of all Client Accounts. Within 30 days after the effective date of termination of this Agreement, Marqeta will return, by ACH or wire transfer (as directed by Client), to the Client Bank Account all of Client's funds held in the Custodial Account that have not been loaded onto Cards and remaining balances on Cards (as adjusted for settlement on, disputes and chargebacks on Cards occurring on and after the end of the Term).
- h. **Survival.** Provisions contained in this Agreement that expressly or by their sense and context are intended to survive the expiration or termination of the Agreement shall so survive such expiration or termination, it being the intent that a claim or right which accrued to a Party prior to such expiration or termination shall not be prejudiced.
4. **Notices.** Any notices required to be delivered by one Party to another under or in connection with this Agreement (other than routine operational communications or the immediate notice of delayed performance required under Section 16 (b) of the General Terms and Conditions), shall be in writing and shall be deemed sufficiently given when received, if delivered personally or by an express courier with a reliable system for tracking delivery, or if sent by United States certified mail, return receipt requested, at the addresses indicated below:

**If to Client:**

Ayo Omojola  
Square, Inc.  
1455 Market St.  
Suite 600  
San Francisco, CA 94103

**With a copy to**

General Counsel  
Square, Inc.  
1455 Market St.  
Suite 600  
San Francisco, CA 94103  
[\*\*\*]

**If to Marqeta:**

Omri Dahan  
Chief Revenue Officer  
Marqeta, Inc.  
6201-B Doyle Street  
Emeryville, CA 94608

**With a copy to:**

Gizelle Barany  
General Counsel  
Marqeta, Inc.  
6201-B Doyle Street  
Emeryville, CA 94608

A Party may from time to time change its address or designee for notification purposes by giving the other Party prior written notice of the new address or designee and the date upon which it will become effective.

## SCHEDULE B

### GENERAL TERMS AND CONDITIONS

1. **MARQETA PERFORMANCE STANDARDS AND COMPLIANCE. General.** Performance standards for the provision of certain components of the Services (the "Performance Standards") are set forth in Schedule E.
  - a. **Failure to Meet Performance Standards.** If Marqeta fails to meet a Performance Standard, Marqeta shall (i) investigate and report to Client on the root cause(s) of such failure; (ii) advise Client of the status of remedial efforts being undertaken with respect to such failure; (iii) notify Client of the steps which Marqeta believes should be taken to correct the cause of such failure; and (iv) correct the cause of such failure. The failure of Marqeta to meet a Performance Standard shall not constitute a breach of the Agreement unless such failure constitutes a Severity [\*\*\*] failure and such failure (a) is result of a breach of the Standard of Care; or (b) occurs in [\*\*\*]; or (c) such failure constitutes a Severity 0 or [\*\*\*] and aggregates to more than [\*\*\*].
  - b. **Marqeta Compliance.** Marqeta is solely responsible for compliance with all Applicable Law, which is applicable to Marqeta's performance of the Services under this Agreement (the "Marqeta Legal Requirements"). Marqeta is solely responsible for compliance with the Card Brand Rules, which are applicable to Marqeta's performance of the Services under this Agreement.
  - c. **Marqeta Cooperation.** Marqeta shall cooperate on a timely basis with Client as reasonably necessary to enable Client to fulfill its obligations and responsibilities under this Agreement. If Marqeta does not so cooperate on a timely basis and the same results in Client's inability in performing its obligations under this Agreement, Client shall not be liable for non-performance of its obligations to such extent. In performing its obligations and responsibilities under this Agreement, Client shall be entitled to rely on information provided by Marqeta to Client.
  - d. **Marqeta Personnel.** Marqeta shall be responsible for the acts or omissions and for the services and functions performed by Marqeta or Marqeta Personnel on behalf of Marqeta.
  - e. **Security Procedures.** Marqeta shall (i) implement appropriate security procedures designed to (A) prevent unauthorized access to the Client System through computer hardware and software systems which are owned or controlled by Marqeta, and (B) prevent unauthorized access to or use of the Client System by Marqeta's current and former Personnel; and (ii) no later than [\*\*\*] following Client's written or e-mail request, Marqeta will, at its option, either (a) permit Client to perform vulnerability scans in a manner consistent with industry best practices of Marqeta's systems at a mutually agreed upon time; or (b) provide Client documentation of results of scans performed by a PCI Approved Scanning Vendor (ASV).
  - f. **Marqeta Performance Dependencies.** Notwithstanding anything to the contrary in this Agreement, Marqeta [\*\*\*]. For the avoidance of doubt, in the event of the forgoing, Marqeta will be [\*\*\*].
  - g. **Intellectual Property.** Client shall not, willfully and knowingly, violate any Intellectual Property Rights of any third party, including patent, Trade Secrets, copyright and any other Intellectual Property Rights in connection with its provision of the Services.
2. **CLIENT RESPONSIBILITIES.**
  - a. **Client Obligations.** Client shall provide on a timely basis (i) the material as reasonably required by Marqeta to perform the Services; d (ii) the material and services described as the Client responsibilities in the Implementation Plan and these General Terms and Conditions; and (iii) cooperate with Marqeta and agrees to perform activities and follow instructions reasonably required by Marqeta to enable Marqeta to fulfill its obligations and responsibilities under this Agreement and to enable the Card Program to comply with Applicable Law. Client's obligations shall be provided using sound, professional practices and in a competent and professional manner by knowledgeable, trained and qualified personnel.

- b. **Client Performance Dependencies.** Notwithstanding anything to the contrary in this Agreement, Client will not be in breach of this Agreement or otherwise liable for non-performance of its obligations to the extent that its failure to perform an obligation under this Agreement is a result of (i) a breach by Marqeta of its obligations under the Agreement, including the Marqeta Responsibilities; or (ii) Marqeta's failure to cooperate and perform activities reasonably required by Client on a timely basis.
  - c. **Review of Reports.** Client agrees to periodically check reports produced by Marqeta to determine if such information is correct, and will promptly report any errors discovered to Marqeta. The efforts Marqeta takes to remedy any error shall be undertaken at no cost to Client, where such error results from the sole negligence of Marqeta or the failure of Marqeta to otherwise comply with the terms of this Agreement. [\*\*\*]. Where the error results from no negligence of either Party, or from the negligence of both Parties, the Parties shall negotiate in good faith to equitably apportion the responsibility for the costs associated to remedy such error in accordance with the terms of this Agreement.
  - d. **Security Procedures.** Client shall (i) implement appropriate security procedures designed to prevent unauthorized access to or use of the Marqeta System (A) through computer hardware and software systems which are owned or controlled by Client, and (B) by Client's current and former Personnel; and (ii) no later than [\*\*\*] following Marqeta's written or e-mail request, Client will, at its option, either (A) permit Marqeta to perform vulnerability scans in a manner consistent with industry best practices of Client's systems at a mutually agreed upon time; or (B) provide Marqeta documentation of results of scans performed by a PCI Approved Scanning Vendor (ASV).
  - e. **Client Personnel.** Client shall be responsible for the acts or omissions and for the services and functions performed by Client or Client Personnel.
  - f. **Intellectual Property.** Client shall not, willfully and knowingly, violate any Intellectual Property Rights of any third party, including patent, Trade Secrets, copyright and any other Intellectual Property Rights in connection with its receipt of the Services. Client shall not alter, obscure or revise any proprietary, restrictive, trademark or copyright notice included with, affixed to, or displayed in, on or by a Service or the Marqeta System.
  - g. **Financial Condition Review and Due Diligence Cooperation.** Client acknowledges and agrees that Issuing Bank's initial and continued approval of the Card Program and Marqeta's willingness to provide the Services and make the Program available to Client is dependent on [\*\*\*]. Client agrees to timely provide Marqeta with Client's [\*\*\*]. All information provided by Client under this Section 2(g) shall be accurate and complete. Marqeta's and Issuing Bank's review [\*\*\*]. Marqeta or Issuing Bank will establish, and periodically review, [\*\*\*].
  - h. **Third-Party Systems.** To the extent Client performs any services itself or retains third parties to do so, Client shall be solely responsible for obtaining from owners of third party systems, and paying for, any licenses or agreements that are necessary in order for the Marqeta System to interface with such third party system.
  - i. Client Dispute Resolution Obligations. [\*\*\*].
  - j. **Additional Due Diligence Acknowledgments.** Client acknowledges and agrees that, to the extent reasonably required by Issuing Bank as part of its due diligence and risk compliance requirements, Marqeta may [\*\*\*].
3. **CLIENT COMPLIANCE WITH LAWS AND REGULATIONS.**
- a. **Client Legal Requirements.** Client is solely responsible for compliance with all Applicable Law applicable to the operation of its business and its responsibilities under this Agreement, including the Gramm-Leach-Bliley Act, the Electronic Fund Transfer Act, and all their associated rules and regulations, all Card Brand Rules, and the National Automated Clearing House Association (NACHA), and all requirements, policies and guidelines of the Issuing Bank (collectively, the "Client Legal Requirements").

b. **Losses.** As between Client and Marqeta, [\*\*\*].

4. **ISSUING BANK.** The Parties acknowledge and agree that, notwithstanding anything to the contrary in this Agreement, during the Term [\*\*\*].

5. **LICENSES AND OWNERSHIP.**

a. **Client Materials.**

i. **Grant of License.** Client hereby grants to Marqeta and its Affiliates for the Term of this Agreement [\*\*\*] solely in connection with Marqeta's performance of the Services.

ii. **Authority of Use.** Client hereby authorizes Marqeta and its Affiliates [\*\*\*], in and to the Client Materials.

iii. **Approval Procedures.** Marqeta will submit to Client, for its prior written approval, samples of each of the proposed uses of Client Materials. Client shall attach its written approval to the pieces that are submitted. Client shall promptly render its approval or reasonable objection within [\*\*\*] of receipt of materials; [\*\*\*].

b. **Marqeta Materials.**

i. **Grant of License.** Marqeta hereby grants to Client for the Term of this Agreement a royalty-free, nonexclusive, non-transferable, and non-sublicenseable right and license to use Marqeta Materials solely in connection with the Card Program and Client's use of the Services.

ii. **Authority of Use.** Marqeta hereby authorizes Client to use, reproduce, and distribute, the Marqeta Materials in connection with its use of the Services. Client agrees that all marketing and promotional materials utilizing the Marqeta Materials it creates or distributes in connection with the Card Program or on Marqeta's behalf require the prior written approval of Marqeta, pursuant to Section 5(b)(iii) of these General Terms and Conditions, before such materials are distributed to the public.

iii. **Approval Procedures.** Client will submit to Marqeta, for its prior written approval, samples of each of the proposed use of Marqeta Materials. Subject to Section 4 of these General Terms and Conditions, Marqeta shall promptly render its approval in writing or via e-mail or reasonable objection within [\*\*\*] of receipt of materials; non-response by Marqeta after such three (3) Business Day period shall not constitute Marqeta's approval of such materials.

c. **Ownership of Materials.**

i. Marqeta acknowledges and agrees that Client, inclusive of its Affiliates, is the owner of all right, title, and interest, including all trademark and copyright rights, in and to the Client Materials. Marqeta acknowledges that all use of the Client Materials shall inure to the benefit of and be on behalf of Client or their respective owner(s), as applicable, and agrees that nothing in this Agreement shall give Marqeta any right, title or interest in and to the Client Materials other than the right to use the Client Materials in accordance with this Agreement during the Term. Any and all rights to the Client Materials not herein specifically granted and licensed to Marqeta are reserved to Client.

ii. Client acknowledges and agrees that Marqeta, inclusive of its Affiliates, (a) is the owner of all right, title, and interest, including all trademark and copyright rights, in and to the Marqeta Materials (other than the Card Brand Marks and Issuing Bank Marks); and (b) is the authorized licensee with the authority to sublicense the Card Brand Marks and Issuing Bank Marks. Client acknowledges that all use of the Marqeta Materials shall inure to the benefit of and be on behalf of Marqeta or their respective owner(s), as applicable, and agrees that nothing in this Agreement shall give Client any right, title or interest in and to the Marqeta Materials other than the right to use the Marqeta Materials in accordance with this Agreement during the Term. Any and all rights to the Marqeta Materials not herein specifically granted and licensed to Client are reserved to Marqeta.

6. **MARQETA PROPERTY & INTELLECTUAL PROPERTY RESTRICTIONS.**

- a. **Marqeta Property.** In connection with Services, Marqeta may furnish Client with project deliverables, plans, Documentation, reports, analyses or other such tangible materials (the “**Marqeta Property**”). For the avoidance of doubt, “**Marqeta Property**” shall not include Custom Enhancements (or elements of Custom Enhancements) unless specifically provided for in an SOW.
- b. **Use and Disclosure of Marqeta Property.** Without the prior written consent of Marqeta, Client may only furnish Marqeta Property to its employees, legal counsel, accountants, Regulators and service providers who have been retained by the Client to perform the Client responsibilities in connection with the Card Program, and who need to know such information in the performance of such services. Client shall inform each such person of the confidential nature of the Marqeta Property and treat Marqeta Property as the Confidential Information of Marqeta.
- c. **License to use Marqeta Property.** During the Term of this Agreement, Client shall have a limited, nontransferable, non-sublicenseable paid-up right and license to use the Marqeta Property in conjunction with its receipt of the Services, subject to the terms of this Section 6. All other rights in the Marqeta Property remain in and/or are assigned to Marqeta.
- d. **License Grant.** Client hereby grants Marqeta and its Affiliates a royalty-free, worldwide, transferable, sub-licenseable, irrevocable, perpetual license to use any suggestions, enhancement requests, recommendations or other feedback provided by Client relating to the operation of the Services.
- e. **Marqeta Services & Independent Development.** Client acknowledges and agrees that Marqeta is a provider of data processing and program management outsourcing solutions to financial institutions and other third parties and nothing herein shall in any way preclude Marqeta or its officers, employees, agents, representatives or Affiliates from engaging in any business activities or from performing any services for its own account or for the account of others, including for companies that may be in competition with the business conducted by the Client. By way of example and not limitation of the forgoing, Marqeta may develop for itself, or for others, Services (including marketing strategies, targeting criteria, problem solving approaches, or other tools or information similar to the Marqeta Property), and nothing contained herein precludes Marqeta from developing or disclosing such materials and information provided that the same do not contain or reflect Confidential Information of Client.

7. **RIGHTS TO MARQETA SYSTEM; RIGHTS IN DEVELOPMENTS.**

- a. **General.** Client acknowledges that it is receiving a service from Marqeta and that this Agreement shall not transfer any right, title, license or interest in the Marqeta System, or any part or component of the Marqeta System to Client.
- b. **Changes to Services; Updates.** Marqeta may change any features, functions, any other third party provider, or attributes of a Service, or Marqeta System or any element of its systems or processes, or specifications, from time to time, provided that neither the functionality of nor any applicable fees and charges for such Service are materially adversely affected. Marqeta will provide or make available Updates to each element of the Services no later than the date such Update is produced and generally made available by Marqeta to its other customers, and Client shall have the right to access, use and/or display such Updates consistent with its rights to the Services hereunder. Marqeta will, at no additional charge, provide to Client: (a) a description on any effect the installation and use of the applicable Update will have on the Services (including any potential adverse effects, such as expected degradation in performance); and (b) all automated conversion tools that Marqeta makes available to its other customers (whether or not such customers are charged therefor) to assist Client with the transition to any Updates. Marqeta will install all Updates (or, in the case of Updates to be installed by Client, provide documentation and materials necessary for Client to successfully

install such Update). Unless Marqeta advises Client otherwise, Client will not be required to use any Update in order to continue to use the Services in a manner in which Client received the Services prior to such Update.

- c. **Developments.** Any services, technology, processes, methods, software and/or enhancements to the Marqeta System used or developed for purposes of delivering the Services (collectively, the “Developments”), whether developed solely by Marqeta or jointly by Marqeta and Client or any other party, including any Developments requested, suggested, or paid for by Client, shall be the sole property of Marqeta and shall not be considered “works made for hire”. Client shall not acquire any ownership right, Intellectual Property Right, claim or interest in the Marqeta System or in any Developments, or any modifications or updates thereto.
- d. **Cooperation.** The Parties will cooperate with each other and execute such other documents as may be reasonably deemed necessary to achieve the objectives of this Section 7.
- e. **Responsibility for Data.** Marqeta shall not be responsible for the accuracy, completeness or authenticity of any data furnished by Client or a third party, and shall have no obligation to audit, check or verify that data

## 8. FEES AND PAYMENT TERMS.

- a. Client Payment to Marqeta.
  - i. **Fees.** On the Effective Date, Client shall pay Marqeta the [\*\*\*] as set forth in Schedule D. Client shall pay Marqeta all fees for all applicable Processing Services and the [\*\*\*], as applicable, as set forth in Schedule D. Periodic charges under Schedule D shall be computed on a [\*\*\*] basis and shall be prorated for any partial [\*\*\*].
  - ii. **Taxes.** All charges and fees to be paid by Client under the Agreement are exclusive of any applicable withholding, sales, use, excise, value added or other taxes. Any such taxes for which Marqeta is legally responsible to collect from Client shall be billed by Marqeta and paid by Client.
  - iii. **Client Bank Account.** Client shall maintain one bank account for the transfer of funds via Automated Clearing House (“ACH”) payments or Fedwire transfer to pay and deposit all amounts due or otherwise required to be deposited as provided under this Agreement, including as required under Sections 8(a)(i) and 8(a)(vi) of these General Terms and Conditions (the “Client Bank Account”). Client will deposit for immediate transfer by Marqeta via ACH as provided in Sections 8(a)(iv) and 8(a)(vi) of these General Terms and Conditions. Promptly following Marqeta’s written or e-mail request, Client shall provide Marqeta with the account information for the initial Client Bank Account. Client shall have the right to change the Client Bank Account [\*\*\*] prior written notice to Marqeta. Client shall at all times maintain sufficient funds in the Client Bank Account to meet its obligations under this Section 8(a). If Client fails to so maintain sufficient funds, in addition to any other remedies available to Marqeta at law or under this Agreement, Marqeta may, subject to Applicable Law, (A) cease performing the Services until Client has met its obligations under this Section 8(a), and (B) invoice Client for all deficient amounts. Client shall pay the undisputed deficient amount no later than one (1) Business Day following the date of such invoice, and, notwithstanding anything to the contrary in this Agreement, such failure shall constitute a material breach of this Agreement that is not subject to the cure periods as provided in Sections 3(b)(i)(1) and 3(b)(iii) of the Program Terms. Any undisputed amounts not paid on or before their due date shall incur interest until paid at the [\*\*\*] rate of one and [\*\*\*], prorated for any partial [\*\*\*]. Payment for statements and invoices shall be due and payable by electronic funds transfer in U.S. dollars by Client.
  - iv. **Statements, Invoices and Payments.** No sooner than [\*\*\*] following the beginning of each [\*\*\*] during the Term (or such earlier time if the Term ends during a [\*\*\*]), Marqeta shall provide Client with a statement setting forth the amount owed to Marqeta hereunder for the prior [\*\*\*] (“[\*\*\*]”).

Payment Amount”), which statement shall (A) describe in reasonable detail the basis for such amount; and (B) payment date for such amount, which payment date shall be no sooner than [\*\*\*] following the date of such statement (“Payment Date”). Marqeta shall provide such statement to Client either in writing or via electronic or API access. No later than one (1) Business Day prior to the Payment Date, Client shall deposit into the Client Bank Account the undisputed amount of the [\*\*\*] Payment Amount. Client hereby authorizes Marqeta to initiate ACH transactions from the Client Bank Account for the payment of the [\*\*\*] Payment Amount, and shall execute any documents reasonably requested by Marqeta to enable Marqeta to initiate such transactions. Notwithstanding the forgoing, Section 8(a)(vi) of these General Terms and Conditions shall govern the terms related to the deposit of Settlement Funds, and Marqeta’s related statement obligations and transfer rights.

- v. **Disputed Charges; Requests for Information.** Client may [\*\*\*] of Client’s receipt of such documentation which reasonably supports the amount due.
  - vi. **Card Funding and Settlement.** Client will [\*\*\*].
- b. **Marqeta Payment to Client.**
- i. **[\*\*\*] Interchange [\*\*\*] Fee.** Marqeta shall pay Client the [\*\*\*] Interchange [\*\*\*] Fee as forth in Schedule D. Periodic payments of such fees under Schedule D shall be computed on a calendar [\*\*\*] basis and shall be prorated for any partial [\*\*\*].
  - ii. **Statement and Payment.** Marqeta shall provide Client with a [\*\*\*] statement for the [\*\*\*] Interchange [\*\*\*] Fee due under this Agreement on a [\*\*\*] basis in arrears, together with payment of the [\*\*\*] amount set forth on such statement.
  - iii. **Audit rights.** Marqeta is obligated to preserve all records related to the performance of Services, including [\*\*\*], under this Agreement from a minimum of [\*\*\*] following the termination of this Agreement. Client, upon reasonable notice to Marqeta, has the right to audit the books, records and procedures of Marqeta regarding information directly related to this Agreement.
- c. **Supporting Documentation.** Marqeta shall maintain supporting documentation for the amounts billable to, and payments made by and to, Client hereunder in accordance with generally accepted accounting principles. Marqeta agrees to provide Client with such supporting documentation with respect to each invoice and statement as may be reasonably requested by Client.
9. **TERMINATION TRANSITION.** In connection with any termination or expiration of this Agreement or Client’s termination of use of Services as provided for in this Agreement, if requested by Client in its sole discretion, and at Client’s sole expense, including those items at the charges set forth in Schedule D or as agreed by the Parties, Marqeta will provide all assistance that Client and any successor provider of services may reasonably require in connection with the Transition of any and all Accounts then processed by Marqeta (the “Transition Services”). If Client elects to receive Transition Services, Marqeta will do the following:
- i. Marqeta shall make available to such successor provider the information or data Marqeta possesses regarding Client’s Cardholders and any and all Client Accounts then processed by Marqeta together with adequate instructions concerning the format and means of accessing such information. Without limiting the foregoing, Marqeta shall provide to a successor provider an explanation of the data layout and fields in the master file tapes containing Client’s Account data, test tapes containing appropriate test data for use in preparing for the Transition, and, at the date of Transition, master file tapes containing all of Client’s Account data together with an explanation of any changes in the data layout and fields therein that have occurred since Marqeta first provided such information to the successor provider.

- ii. On or before the expiration or termination of the Term, if Client elects to receive Transition Services, Client shall provide written notice to Marqeta designating a date for initiation of the process for planning and undertaking a Transition, and Client and Marqeta will negotiate in good faith to establish the appropriate date for completion of Transition. Such negotiations will take into account (1) the availability of Marqeta Personnel, (2) Marqeta's existing commitments to other Marqeta customers to undertake activities requiring the use of significant amounts of Marqeta resources, such as other customer implementations and Transitions, and (3) Marqeta's reasonable programming blackout periods that apply to other Marqeta customers. The proposed date for completion of Transition shall be no fewer than one hundred eighty (180) days following said written notice, but in no event shall be prior to the last day of the Term. Notwithstanding any provision herein to the contrary, this Agreement shall continue on the same commercial terms and conditions until the completion of the Transition.
- iii. In the event Client elects not to receive Transition Services, the Parties will work in good faith to implement an orderly wind down of the Services after expiration or termination of this Agreement, including a mutually agreed upon set of rules and communications to Cardholders. The wind down period will not exceed six (6) months after termination or expiration of this Agreement, unless required by Applicable Law or the parties agree otherwise.

10. **WARRANTIES.**

- a. **Marqeta Warranties.** Marqeta represents and warrants that (i) the Services shall be performed in a commercially reasonable manner in accordance with the generally accepted industry practices and procedures used in performing services like the Services (the "Standard of Care"); (ii) it has the requisite corporate power and authority to enter into this Agreement and to make the commitments set forth in this Agreement and that it is not a party to any other agreement which would hinder its ability to perform its obligations hereunder; (iii) it is and will continue to be duly qualified and licensed and has made and will continue to make all registrations to do business and to carry out its obligations under this Agreement to the extent required by U.S. federal law and the law of each U.S. state in which Marqeta provides Services; (iv) it is authorized to use Marqeta Materials and to license the Marqeta Materials to Client as contemplated by this Agreement; (v) its performance under this Agreement will not breach (a) any agreement between itself and a third party or (b) any obligation to keep in confidence the proprietary information of another party, (vi) it is not a party to any other agreement which would hinder its ability to perform its obligations hereunder, and (vii) it will comply with all Marqeta Legal Requirements in performing its obligations under this Agreement.
- b. **Marqeta Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, MARQETA MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, NATURE OR DESCRIPTION, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, ERROR-FREE OPERATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- c. **Client Warranties.** Client represents and warrants that (i) it has the requisite corporate power and authority to enter into this Agreement and to make the commitments set forth in this Agreement; (ii) it is not a party to any other agreement which would hinder its ability to perform its obligations hereunder; (iii) it is and will continue to be duly qualified and licensed and has made and will continue to make all registrations to do business and to carry out its obligations under this Agreement to the extent required by U.S. federal law and the law of each U.S. state in which Client conducts business; (iv) it is authorized to use Client Materials and to license the Client Materials to Marqeta as contemplated by this Agreement; and (v) it will comply with all Client Legal Requirements in performing its obligations under this Agreement.
- d. **Client Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, CLIENT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, NATURE OR DESCRIPTION, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

11. **PRIVACY AND INFORMATION SECURITY.**

- a. **Client Data.** As between Client and Marqeta, Client Data and Transaction Data shall be owned by Client and Issuing Bank. Subject to Section 11(b) of these General Terms and Conditions, Marqeta may not use any Client Data or Transaction Data for any purpose except (i) to the extent such Client Data or Transaction Data is necessary for Marqeta to perform its obligations under this Agreement; (ii) internally to provide and improve the Services and to perform fraud screening, verify identities, and verify the information contained in Accounts; (iii) as required by Issuing Bank to meet its regulatory obligations; or (iv) as required by any Regulator with jurisdiction over Issuing Bank or the Parties.
- b. **Aggregated Data.** Subject to the restrictions in this Section 11(b), Marqeta may use Aggregated Data in accordance with Applicable Law. Aggregated Data shall be aggregated on a national or regional basis with data from Marqeta's other clients and will not include any geographic information about Client. Marqeta (i) shall not sell any Aggregated Data to any Person, and (ii) shall ensure that neither Client's identity nor the identity of any Client Affiliate, Client Personnel, Retail Partner, or any of the foregoing's relationship to Aggregated Data, is discernible or inferable by any means (either from the data itself or the way it is presented). Marqeta shall never identify Client as the source of any Aggregated Data Marqeta uses pursuant to this Section 11(b). If Client reasonably believes Marqeta has identified Client as the source of the Aggregated Data, Client shall provide Marqeta with notice of such belief, together with reasonable detail and, if applicable, documentation supporting such belief. If Marqeta identifies Client as the source of Aggregated Data, Marqeta must stop using Client Aggregated Data for any purpose.
- c. **Security Standards.** Marqeta shall implement security measures designed to (i) ensure the security, integrity and confidentiality of; (ii) protect against any anticipated threats or hazards to the security or integrity of; and (iii) protect against unauthorized access to or use of Cardholder Data and Transaction Data; all in accordance with Marqeta's information security policy. In providing the Services, Marqeta will comply with all Applicable Laws and Card Brand Rules regarding debit card processing, customer privacy and payment account data security, including PCI standards.
- d. **Unauthorized Application.** The Parties acknowledge and agree that Marqeta shall be solely responsible for the unauthorized or fraudulent application for, access to or use of Cardholder Data or Transaction Data by any Entity, when such unauthorized or fraudulent activity is caused by the negligent acts or omissions, gross or willful misconduct of Marqeta or its Personnel.
- e. **Notice of Security Breach.** If Marqeta becomes aware of any unauthorized access to Cardholder Data or Transaction Data, Marqeta shall promptly report such incident to Client and describe in reasonable detail the circumstances surrounding such unauthorized access.

12. **CONFIDENTIAL INFORMATION.**

- a. **Defined.** The Parties acknowledge that they may be furnished with, receive, or otherwise have access to Confidential Information of the other during the Term. "Confidential Information" means all information, in any form, furnished or made available directly or indirectly by one Party to the other before, on or after the Effective Date, which is marked confidential, proprietary or with a similar designation or, if unmarked, which the receiving Party should reasonably know is confidential and proprietary. Confidential Information shall include (i) a Party's Trade Secrets; (ii) information concerning the operations, affairs and businesses of either Party, its customers and suppliers; (iii) Documentation and Developments, each of which shall be considered the Confidential Information of Marqeta; and (iv) that portion of any specifications, designs, documents, correspondence, software, data and other materials and Marqeta Properties containing Confidential Information as described herein and provided by either Party or its subcontractors to the other Party in connection with this Agreement. For purposes of this Agreement, Issuing Bank's Confidential Information and Trade Secrets shall be deemed to be Marqeta's Confidential Information and Trade Secrets.

b. **Obligations.**

- i. The receiving Party shall exercise, at a minimum, the same degree of care to prevent unauthorized use or disclosure of the other Party's Confidential Information as it normally takes to prevent the unauthorized use or disclosure of its own proprietary information of like kind, but in no event less than a commercially reasonable degree of care. The receiving Party shall refrain from using the Confidential Information except as necessary in performing its obligations under this Agreement, and shall limit use or disclosure to individuals needing to know the information to perform their obligations under this Agreement. Neither party shall reverse engineer, disassemble or decompile any prototypes, software or other tangible objects which embody the other party's Confidential Information and which are provided to the Party hereunder. Neither Party shall disclose the negotiated pricing or terms of this Agreement to any third party, and any such disclosure shall be a material breach of this Agreement, except that, (i) if requested by Issuing Bank to meet its due diligence and regulatory requirements, Marqeta may disclose the requested Client Confidential Information and this Agreement to Issuing Bank, and (ii) a Party may disclose the fact that the other Party is a client and the commercial terms of this Agreement to potential investors and acquirers in connection with a bona fide financing or acquisition due diligence. In any event, each Party shall be liable for any breach of the obligations defined within this Agreement by its respective Personnel, external or internal auditors or independent contractors.
  - ii. As requested by a Party during the Term or upon any termination of this Agreement, the other Party shall return or destroy, as the requesting Party may direct, all material in any medium that contains, the requesting Party's Confidential Information and retain no copies (except those necessary to comply with regulatory requirements applicable to the retaining Party) or pursuant to their data retention policies. Any destruction pursuant to this Section 12(b)(ii) shall be certified in writing.
- c. **Exclusions.** The restrictions set forth in this Section 12 shall not apply to information which a Party can demonstrate in writing (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving Party; (iii) was in the legal possession of the receiving Party at the time of disclosure to it without a duty of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to such Party without confidentiality restrictions; or (v) was independently developed by the receiving Party without reference to Confidential Information of the furnishing Party.
- d. **Legally Required Disclosures.** A Party shall not be considered to have breached its obligations by disclosing Confidential Information of the other Party if any Confidential Information is required to be disclosed by a Party under the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, or by a demand or information request from an executive or administrative agency or other governmental authority, provided that, the Party requested or required to disclose such Confidential Information shall, unless prohibited by the terms of a subpoena, order, or demand, (i) promptly notify the other Party of the existence, terms and circumstances surrounding such demand or request, (ii) consult with the other Party on the advisability of taking legally available steps to resist or narrow such demand or request, and, (iii) if disclosure of such Confidential Information is required, exercise its reasonable best efforts to narrow the scope of disclosure and obtain an order or other reliable assurance that confidential treatment will be accorded to such Confidential Information. To the extent the receiving Party is prohibited from notifying the other Party of a subpoena, order or demand, by the terms of same, the receiving Party shall exercise its reasonable efforts to narrow the scope of disclosure.
- e. **Loss of Confidential Information.** In the event of any unauthorized disclosure or loss of, or inability to account for, any Confidential Information of the furnishing Party, the receiving Party shall promptly, at its own expense: (i) notify the furnishing Party in writing, (ii) take reasonable steps to minimize the violation; and (iii) reasonably cooperate with the furnishing Party to minimize any damage resulting therefrom.
- f. **No Implied Rights.** Nothing contained in this Section 13 shall be construed as obligating a Party to disclose its Confidential Information to the other Party or as granting to or conferring on a Party, express or implied, any rights or license to the Confidential Information of the other Party.

- g. **Prior Non-Disclosure Agreement.** The terms of this Section 13 supplement but do not supersede the terms of any agreement of confidentiality previously entered into between the Parties; provided that any information required to be treated as confidential under such agreement shall be treated as Confidential Information under the terms of this Agreement; and further provided that in the event of a conflict between any provision of this Agreement and that of any agreement of confidentiality previously entered into between the Parties, the provision affording the greater protection to the Confidential Information shall prevail.
- h. **Survival.** The obligations regarding confidentiality and restriction of use by Marqeta of Client Data and Transaction Data shall survive the expiration or termination of this Agreement. Furthermore, as to all other Confidential Information, the obligations under this Section 13 shall survive the expiration or termination of this Agreement for a period of five (5) years; provided that the obligations under this Section 13 with respect to any item of Trade Secrets shall survive until such item is no longer a Trade Secret.
- i. **Trade Secrets.** Nothing herein shall be deemed to adversely affect or otherwise waive any rights or remedies available at law or equity that a furnishing Party may have for protection of its Trade Secrets.

13. **THIRD PARTY CLAIMS; INSURANCE.**

- a. **Marqeta Indemnification.** Subject to Client's compliance with Section 14(c) of these General Terms and Conditions, Marqeta agrees to defend, indemnify and hold harmless Client and its Affiliates, and their respective officers, directors, agents, and employees from and against any and all Damages as a result of a third party Claim arising out of or related to (i) Marqeta's breach (or, as to defense obligations only, alleged breach) of this Agreement; (ii) Marqeta's gross negligence, willful misconduct or fraudulent acts or omissions; (iii) Marqeta's violation of any Applicable Law; or (iv) the infringement of the U.S. Intellectual Property Rights of any third party arising from the permitted use of the Marqeta System under this Agreement. Notwithstanding the foregoing, the indemnification obligations set forth in subsection (iii) of the previous sentence shall not apply to any Damages to the extent they arise from or relate to (1) the combination of the Marqeta System or the Marqeta Card with information, services, materials or products not supplied by Marqeta, (2) any modification of the Marqeta System or Marqeta Card which is not made by or on behalf of Marqeta, (3) any failure by Client to use any modified version of the Marqeta System or Marqeta Card which is provided by Marqeta in order to avoid a claim of infringement, or (4) any use of the Marqeta System or Cards other than as permitted hereunder.
- b. **Client Indemnification.** Subject to Marqeta's compliance with Section 13(c) of these General Terms and Conditions, Client agrees to defend, indemnify and hold harmless Marqeta, Issuing Bank and each of their respective officers, directors, agents and employees from and against any and all Damages as a result of a third party Claim arising out of or related to (i) Client's breach (or, as to defense obligations only, alleged breach) of this Agreement; (ii) the gross negligence, willful misconduct or fraudulent acts or omissions of Client or any Client Personnel or Retail Partner; (iii) the violation of any Applicable Law by Client or any Client Personnel or Retail Partner; (iv) a claim that the Client Materials infringe the Intellectual Property Rights of any third party; or (v) the business and services of Client or any Retail Partner to the extent such Claims and Damages are not otherwise indemnifiable by Marqeta pursuant to Section 13(a) of these General Terms and Conditions.
- c. **Indemnification Procedure.** The Party seeking indemnification, as the indemnitee, will provide the other Party, as the indemnitor, prompt written notice of any third party Claim for which indemnity is sought, although failure to provide prompt notice shall not relieve the indemnitor of its indemnification obligations unless such failure materially prejudices indemnitor in defending such Claim. If the indemnitor is so notified, the indemnitor will promptly engage experienced and competent counsel, and will have sole control of the defense and all negotiations for the compromise or settlement of such Claim, and will pay any Damages in respect of such Claim and reimburse the indemnitee for its reasonable expenses incurred in cooperation with and providing assistance to the indemnitor; provided, however, that the indemnitor may not settle any such Claim without the indemnitee's consent if the proposed settlement would be in the indemnitee's name or impose pecuniary or other liability or an admission of fault or guilt on the indemnitee or would require the indemnitee to be bound by an injunction of any kind. The indemnitee shall provide reasonable information and assistance in connection with such defense and settlement (at the indemnitor's expense). Consent to any

settlement will not be unreasonably withheld. Notwithstanding the foregoing, to the extent that such Claim is based on the infringement of a third party's Intellectual Property Rights, the indemnitor will have the right, at its sole option and expense to procure for the indemnitee the right to continue using such materials, or to replace or modify them with non-infringing materials.

d. **INSURANCE.**

- i. General. Each Party Servicer shall maintain, throughout the Term, an appropriate insurance policy, the limit of which shall be no less than [\*\*\*] per occurrence or [\*\*\*] aggregate, for each of the following categories:
  1. a comprehensive general liability policy, including, but not limited to, contractual liability, bodily injury, death and/or property damage;
  2. a comprehensive crime policy, including employee dishonesty/fidelity coverage, with respect to the work or operations done in connection with this Agreement;
  3. a comprehensive errors and omissions policy; and
  4. a workers' compensation policy in at least the minimum amounts required by any applicable statute or regulation.
- ii. Insurance Requirements. Each policy required by this Section 13 shall be carried in the name of the Party. A copy of each policy and any certificates of insurance evidencing the existence of such policy shall be provided to the other Party promptly following such Party's written or e-mail request. Each insurance policy must be written by insurance carriers that have an A.M. Best rating of "A" or better or are otherwise acceptable to the other Party and shall name the other Party and Issuing Bank as an additional insured. Each party shall promptly provide notice to the other Party in the event of any notice of nonrenewal or cancellation, lapse, termination or reduction in any insurance coverage required to be maintained pursuant to this Section 13(d)(ii).

e. **LIABILITY.**

(a) **General Intent**. Subject to the specific provisions of this Section 14, it is the intent of the Parties that each Party shall be liable to the other Party for any actual direct damages incurred by such other Party as a result of the breaching Party's failure to perform its obligations in this Agreement.

(b) **Liability Restrictions.**

- i. EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATION UNDER SECTION 13(A) OF THESE GENERAL TERMS AND CONDITIONS AND FOR A PARTY'S GROSS NEGLIGENCE, WILFUL MISCONDUCT, OR FRAUD, IN NO EVENT, WHETHER IN CONTRACT OR TORT (INCLUDING BREACH OF WARRANTY, NEGLIGENCE AND STRICT LIABILITY IN TORT), SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES (WHETHER SUCH LOSSES OR DAMAGES WERE FORESEEN, FORESEEABLE, KNOWN OR OTHERWISE).
- ii. Marqeta shall not be responsible to Client for any claims by Client or third parties arising from the failure of any third party software, hardware, communications devices, Internet services, e-mail systems or other systems or services which are not part of the Marqeta System.
- iii. Except for a party's indemnification obligation under Section 13(a) of these General Terms and Conditions, a party's gross negligence, wilful misconduct, or fraud, and a Party's breach of a payment or funding deposit obligation under this Agreement, Party's total cumulative liability to

the other Party, whether in contract or in tort, for any and all breaches under this Agreement, including for purposes of calculating such cumulative liability, any payments made by a Party under the indemnification of a third party claim, as set forth in Section 13(a) of these General Terms and Conditions, shall not exceed the aggregate Fees earned by Marqeta hereunder during the twelve (12) months immediately preceding the date such claim arose (“Liability Cap”).

(c) **Duty to Mitigate.** Nothing in this Section 14 will be taken as any way reducing or affecting a general duty to mitigate loss suffered by a Party. Client will use reasonable efforts to enforce the terms and conditions in the agreement Client or any Affiliate of Client has with any Business Client or Cardholder in respect of the Account. Nothing contained in this Section 14(c) shall oblige the Client to issue any legal, arbitration or other dispute resolution proceedings against any Cardholder or any third party.

#### 14. DISPUTE RESOLUTION.

(a) **Disputes.** Any dispute between the Parties arising out of or relating to this Agreement, including with respect to the interpretation of any provision of this Agreement and with respect to the performance by either Party, shall be resolved as provided in this Section 15.

(b) **Informal Dispute Resolution.** If a dispute is not subject to Section 15(e) of these General Terms and Conditions, upon the written request of either Party setting forth the basis of the dispute in reasonable detail, each Party will appoint a designated representative having authority to resolve and settle such dispute. The designated representatives shall meet as often as the Parties reasonably deem appropriate to discuss the dispute and attempt to resolve the dispute without the necessity of arbitration pursuant to Section 15(c) of these General Terms and Conditions. If a Party requests that informal dispute resolution under this Section 15(b) be initiated, then formal proceedings under Section 15(c) of these General Terms and Conditions may not be commenced until the earlier of (i) the time when the Parties conclude in good faith that amicable resolution of the dispute does not appear likely or (ii) the expiration of sixty (60) days following the initial request by a Party to jointly resolve the dispute under this Section 15(b).

(c) **Arbitration.** If a dispute is not resolved pursuant to the informal dispute mechanism in Section 15(b) of these General Terms and Conditions, the dispute may be submitted by either Party to mandatory and binding arbitration, pursuant to the following conditions:

- i. **Selection of Arbitrator.** The Party making the demand for arbitration shall notify the American Arbitration Association (“AAA”) and the other Party in writing describing in reasonable detail the nature of the dispute and shall request that the AAA furnish a list of five (5) possible arbitrators who shall have substantial experience in the area of information technology and card processing and shall otherwise be qualified to competently address the issues presented. Each Party shall have fifteen (15) days to reject two (2) of the proposed arbitrators. If only one (1) individual has not been so rejected, he or she shall serve as arbitrator. If two (2) or more individuals have not been so rejected, then the Parties shall promptly mutually select the arbitrator from the remaining pool of possible arbitrators; provided, however, that if the Parties are unable to agree on such selection within ten (10) days after notification by the AAA of the need to make such selection, then the AAA shall select the arbitrator from the remaining pool of possible arbitrators.
- ii. **Conduct of Arbitration.** The arbitration shall be conducted in accordance with the rules for commercial arbitration of the AAA.
- iii. **Place of Arbitration Hearings.** Unless otherwise agreed to by the Parties, arbitration hearings shall be held in San Francisco Bay area.
- iv. **Costs and Expenses.** Unless the arbitrator rules otherwise, the Parties shall jointly and equally pay the expenses of the arbitrator and administrative costs assessed by the AAA, as well as their own expenses incurred during the dispute resolution process.

(d) **Confidentiality.** The Parties agree that the existence of a dispute, any efforts or proceedings to resolve a dispute, whether informal or pursuant to arbitration, and any rulings or decisions issued by the arbitrator pursuant to Section 15(c), of these General Terms and Conditions shall be held in confidence, shall be treated as compromise and settlement negotiations under applicable evidence rules, and shall be governed as Confidential Information by the terms and conditions of Section 12 of these General Terms and Conditions.

(e) **Equitable Relief.** The Parties agree that the only circumstance in which disputes between them shall not be subject to the provisions of Sections 15(b) and/or 15(c) of these General Terms and Conditions is as set forth in Section 15(f) of these General Terms and Conditions, and when a Party makes a good faith determination that a material breach or threatened breach of the terms of this Agreement by the other Party is such that injunctive or other equitable relief is the only appropriate and adequate remedy. Accordingly, in addition to other remedies available to it, the affected Party will be entitled to seek injunctive or other equitable relief to remedy any threatened or actual breach of any portion of this Agreement.

(f) **No Limitation.** This Section 15 shall not be construed to prevent a Party from instituting, and a Party is authorized to institute, formal court proceedings, earlier (i) to avoid the expiration of any applicable limitations period, or (ii) to preserve a superior position with respect to other creditors.

## 15. OTHER PROVISIONS

(a) **Binding Agreement and Assignment.** This Agreement shall be binding on the Parties and their respective successors and permitted assigns. Neither Party may transfer or assign (by merger or operation of law or otherwise) this Agreement or its obligations under this Agreement, in whole or in part, without the prior written consent of the other Party (which consent will not be unreasonably withheld); provided, however, that either Party may transfer or assign this Agreement in whole (but not in part) without such consent to any Affiliate of such Party. Notwithstanding the foregoing, Marqeta shall have the right to grant a security interest in any accounts receivable to which it becomes entitled under this Agreement.

### (b) Force Majeure.

- i. No Party shall be liable for any default or delay in the performance of its obligations under this Agreement (other than a payment default) if such default or delay is caused, directly or indirectly, by fire, flood, earthquake, elements of nature or acts of God or any other cause beyond the reasonable control of such Party (a "Force Majeure Event") (provided the non-performing Party is without material fault in causing such default or delay), provided the parties shall at all times take all reasonable steps within their power to prevent Force Majeure Events affecting the performance of their obligations herein, and to mitigate the effect of any Force Majeure Event
- ii. The non-performing Party shall be excused from performance of the obligation(s) so affected for as long as such circumstances prevail and such Party continues to use its commercially reasonable efforts to recommence performance. Any Party so delayed in its performance shall immediately notify the Party to whom performance is due by telephone (to be confirmed in writing within two (2) Business Days of the inception of such delay) and describe in reasonable detail the circumstances surrounding such delay.
- iii. If Marqeta's performance of the Services necessary for the conduct of those business functions of Client reasonably identified by Client as critical is excused under this Section 16(b) for more than thirty (30) consecutive days, then at Client's option, Client may elect, by a written notice, to immediately terminate this Agreement without liability to Marqeta.

(c) **Amendments.** No change, waiver or discharge relating to the terms of this Agreement, including the Schedules, shall be valid unless in writing and signed by an authorized representative of each Party.

(d) **Governing Law.** This Agreement and the rights and obligations of the Parties under this Agreement will be governed by and construed in accordance with the laws of the State of California, without giving effect to the principles thereof relating to the conflicts of laws.

(e) **Entire Agreement; Waiver.** The first page of this Agreement and these General Terms and Conditions, together with the other Schedules attached hereto, represent the entire agreement of the Parties, and any and all prior written or oral communications, agreements, understandings and representations are merged herein and superseded hereby. Further, the failure of either Party to insist on performance of any provision of this Agreement shall not be construed as a waiver of that provision or any other provision at any time.

(f) **Severability.** In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed or if any such provision is held invalid by a court with jurisdiction over the Parties, such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties in accordance with applicable law. The remainder of this Agreement shall remain in full force and effect.

(g) **Public Disclosures.** Marqeta may issue public statements, including without limitation any reference to Client within Marqeta's website, portfolio, and/or speaking engagement, disclosing the existence of this Agreement or the performance of Services upon Client's prior written approval.

(h) **Non-Solicitation.** Each Party agrees that during the Term it will not seek out or induce any person (by offering employment or otherwise) who is an employee of the other Party to terminate their employment. Notwithstanding the foregoing, it shall not be deemed a violation of this Section 16(h) for either Party to (1) solicit or hire an employee of the other Party, if the initial solicitation to which an employee responds is a general advertisement that is not specifically targeted to the other Party's employees, such as a newspaper or web site job listing or (2) hire an employee of the other Party if the employee contacts the hiring Party on his or her own initiative, was in discussion with the hiring Party regarding possible employment prior to the signing of this Agreement, or is referred to the hiring Party by search firms, employment agencies, or other similar entities provided that such entities have not been specifically instructed by the hiring Party to target the other Party or its employees.

(i) **Rights of Third Parties.** This Agreement is entered into solely between, and may be enforced only by, Client and Marqeta. This Agreement shall not be deemed to create any rights in third parties [\*\*\*], including suppliers, customers, clients or Affiliates of a Party or to create any obligations of a Party to any such third party, which, by virtue of any Applicable Law, might otherwise be enforceable by a third party against either Party to this Agreement.

(j) **Cumulative Remedies.** Except as otherwise expressly provided, all remedies provided for in this Agreement shall be cumulative and in addition to and not in lieu of any other remedies available to either Party at law, in equity or otherwise.

(k) **Limitation of Actions.** No action, regardless of form, arising out of any claimed breach of this Agreement or the Services provided hereunder, may be brought by either Party more than one (1) year after the cause of action has accrued.

(l) **Counterparts.** This Agreement may be executed in counterparts, which execution may be by facsimile or electronic e-mail attachments, each of which will be an original, but all of which will constitute one, and the same, document.

(m) **Relationship of the Parties.** Nothing in this Agreement is intended to, or will, create a partnership or joint venture between Client and Marqeta. Except as expressly set forth herein, no Party has any authority hereunder to bind or commit the other Party. In the performance of their respective duties or obligations under this Agreement, no Party will be deemed to be the agent of the other Party.

(n) **Director, Officer and Shareholder Liability.** No shareholder or director, officer, employee, agent or other representatives of either Party or any of its Affiliates (or its or their respective successors and assigns) has any liability, personal or otherwise, whatsoever to the other Party or any of its Affiliates (or its or their respective successors and assigns) under this Agreement or any other document delivered in connection with the transactions contemplated hereby or thereby.

(o) **Drafting.** Each Party acknowledges that its legal counsel participated in the drafting of this Agreement. The Parties hereby agree that the rule of construction that ambiguities are to be resolved against the drafting Party is not applicable and will not be employed in the interpretation of this Agreement to favor one Party over the other.



## SCHEDULE C

### DEFINITIONS

**DEFINED TERMS.** Certain capitalized terms used in this Agreement shall have the meanings set forth as follows:

“Account” means a unique representation of the data and current financial status of a customer account relationship for a Card account under the Card Program, which account is serviced by Marqeta pursuant to this Agreement.

“Affiliate” means, with respect to any Party, any Entity Controlling, Controlled by, or under common Control with such Party.

“Aggregated Data” means de-identified Client Data and usage information collected by Marqeta resulting from Client’s or Client’s Personnel use of the Services that is combined with de-identified data of a similar nature obtained from Marqeta’s other clients.

“Agreement” has the meaning given on the first page of the Master Services Agreement.

“API” means (a) a set of programming instructions and standards for accessing a web-based software application or web tool through which Client is able to access certain information regarding and manage certain aspects of the Card Program, and other uses as mutually agreed upon in writing by the Parties, and (b) any updates to the APIs under the foregoing subsections (a).

“Applicable Law” means laws, regulations, statutes, codes, rules, orders, licenses, certifications, decrees, standards or written interpretations imposed by any governmental authority (which includes any political subdivision, whether national, federal, state or local government, or governmental or regulatory body, agency, authority or instrumentality, or any court or arbitrator (public or private), including any Regulator, that, in each case, has or has asserted jurisdiction over the Entity, Issuing Bank or matter in question) that apply to or relate in any way to this Agreement.

“Business Day” means Monday through Friday, excluding days on which banks are not open for business in the United States of America.

“Card” means a virtual card, or magnetic stripe or chip-based plastic card issued to a Cardholder in the Card Program that accesses the Cardholder’s balance and other information maintained in the database for such Cardholder and which may be used by such Cardholder to purchase goods and services and/or qualify for discounts, rewards or other privileges as may be further described in these General Terms and Conditions.

“Card Brand” means any payment network(s) through which Card transactions may be authorized and settled.

“Card Brand Rules” means all rules, regulations and by-laws of the Card Brand, including, if applicable, the Payment Card Industry Data Security Standards or “PCI.”

“Card Program” shall mean a system of services provided by Marqeta pursuant to the terms of this Agreement under which Cardholders utilize a Card. The features and functionalities generally available for inclusion in the Card Program are described on the Developer Site, as modified from time to time by Marqeta during the Term.

“Cardholder” means Client or Client’s authorized users of Cards.

“Claim” means an action, allegation, cause of action, cease and desist letter, claim, demand, lawsuit or other litigation or proceeding, or notice.

“Client” has the meaning given on the first page of this Agreement.

“Client Data” shall have the meaning ascribed to “Cardholder Data” in the Payment Card Industry (PCI) Data Security Standard Glossary.

“Client Legal Requirements” has the meaning given in Section 3(a) of the General Terms and Conditions.

“Client Materials” means any material provided to Marqeta by or on behalf of Client in connection with this Agreement, including (a) Client Marks and (b) marketing, service description and promotional materials of Client.

“Client Personnel” means Affiliates, employees, officers, directors, agents, representatives and subcontractors of Client.

“Client System” means all systems, processes, procedures, models, algorithms, equipment and software controlled and data generated by Client and used by Client to obtain the Services. The Client System shall not include (i) any systems, processes, procedures, equipment, software or services provided by third parties with whom Client has a direct contractual relationship as of the Effective Date, and (ii) any communications, networks or devices, including, the Internet and any virtual private networks or e-mail systems, that are not within the control of Client.

“Confidential Information” has the meaning given in Section 12 of the General Terms and Conditions.

“Control” and its derivatives mean with regard to any Entity (a) the legal, beneficial or equitable ownership, directly or indirectly, of more than fifty percent (50%) of the capital stock (or other ownership interest, if not a corporation) of such Entity ordinarily having voting rights or (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Entity, by contract or otherwise.

“Custodial Account” means a pooled deposit account established by Issuing Bank for purposes of receiving reserve funds from the Client Bank Account in accordance with Section 8 (a)(vi) of the General Terms and Conditions.

“Damages” means any assessment, fine, bona fide settlement, cost, damage (including consequential, indirect, special, incidental or punitive damages), expense (including reasonable attorneys’ and accountants’ fees, expenses and costs), judgment, liability, loss, or penalty, incurred in connection with a Claim.

“Developer Site” means the web site located at the “API” tab at <https://marqeta.com/>, or such successor site or sites as established by Marqeta.

“Developments” has the meaning given in Section 7(c) of the General Terms and Conditions.

“Documentation” means the user manuals and information bulletins, regardless of media or form, including the information available at the Developer Site, which describe the functions, features and operations of the Services as modified by Marqeta from time to time during the Term.

“Effective Date” has the meaning given on the first page of this Agreement.

“Entity” means an individual, a partnership, a corporation, a firm, a limited liability company, a joint stock company, a trust, a joint venture, an unincorporated organization, an estate, a labor union or other legal entity.

“Fees” means the sum of the Marqeta fees and charges (including any revenue sharing) incurred by Client for the Services pursuant to the terms and conditions of this Agreement as set forth in Schedule F.

“Go Live Date” means the earlier of the date that (i) Client has been provided access by Marqeta to Marqeta’s production APIs (as described in the Implementation Plan) and the ability to create live production Accounts through Marqeta’s API; or (ii) is six (6) months following the Effective Date.

“Implementation Plan” has the meaning given in Section 2 of the Program Terms.

“Implementation Services” has the meaning given in Section 2 of the Program Terms.

“Include”, “includes” and “including”, whether or not capitalized mean “include without limitation”, “includes without limitation”, and “including without limitation.”

“Initial Term” has the meaning given in Section 3(a) of the Program Terms.

“Instructions” means all information, data, manuals and instructions provided by Client to Marqeta.

“Intellectual Property Rights” means the rights related to patents, trademarks, rights of publicity, copyrights, related pending registrations, inventions, processes, Trade Secrets or other proprietary rights throughout the world.

“Issuing Bank” means any financial institution, including a replacement Issuing Bank, with which Marqeta has a written agreement for the issuance of Cards that is duly qualified to issue Cards on a Card Brand.

“JIT” means Marqeta’s proprietary technology and systems that enables Client to authorize or decline Card transactions via Marqeta’s API based on Client’s records.

“Marks” means an Entity’s name, trademarks, service marks and logo.

“Marqeta” has the meaning given on the first page of this Agreement.

“Marqeta Legal Requirements” has the meaning given in Section 1(c) of the General Terms and Conditions.

“Marqeta Materials” means any material provided to Client by or on behalf of Marqeta, or in connection with this Agreement, including (a) Marqeta Marks, (b) Card Brand Marks, (c) Issuing Bank Marks, and (d) marketing, service description and promotional materials of Marqeta.

“Marqeta Personnel” means Affiliates, employees, officers, directors, agents, representatives and subcontractors of Marqeta.

“Marqeta Property” has the meaning given in Section 6(a) of the General Terms and Conditions.

“Marqeta System” means all systems, processes, procedures, models, algorithms, equipment and software controlled and data generated by Marqeta and used by Marqeta, including Marqeta’s APIs, to provide the Services. The Marqeta System shall not include (i) any systems, processes, procedures, equipment, software or services provided by Client or any third parties with whom Client has a direct contractual relationship as of the Effective Date, or (ii) any communications, networks or devices, including the Internet and any virtual private networks or e-mail systems, that are not within the control of Marqeta or any Marqeta Personnel.

“[\*\*\*]” is defined in Schedule F.

“New Additional Service” has the meaning given in Section 1(a)(ii) of the Program Terms.

“Parties” means Client and Marqeta

“Party” means either Client or Marqeta.

“Personnel” means Affiliates, employees, officers, directors, agents, representatives and subcontractors of the applicable Party.

“Processing Services” means Marqeta’s proprietary open and closed loop Account creation, maintenance, transition and closure services; Account load, payment transaction authorization and processing (including purchase and other transaction tracking and accounting), and related services such as reconciliation, statement preparation, settlement facilitation, Marqeta API access, spend control features and real-time and just-in-time funding configurations and functionality, event notifications, and data access services; loyalty and reward and merchant specific account functionality services; and related services such as reporting and merchant onboarding all as more fully set forth on Schedule F, as updated to from time to time by Marqeta.

“Program Management Services” means services consisting of the overall management of the Card Program, including managing the relationship with the Issuing Bank and Card Brand, obtaining Issuing Bank approvals, providing information required by Issuing Bank in connection with the Card Program, creation of Cardholder agreements, which shall be subject to Client review and approval, coordinating the activities of the parties, providing services in connection with the Card Program and Card Program monitoring and training, all as more fully set forth on Schedule E, as updated from time to time by Marqeta.

“Regulator” means a governmental authority that is charged with monitoring, regulating and/or overseeing the business practices of the respective Parties or Issuing Bank, including Federal Financial Institutions Examination Council, the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), the Consumer Financial Protection Bureau (CFPB), and the Financial Crimes Enforcement Network (FinCEN), state banking commissions, or any successor bodies that regulate financial institutions and financial service providers.

“Renewal Term” has the meaning given in Section 3(a) of the Program Terms.

“Retail Partner” means a retailer, if any, who makes incentives, rewards, goods or services available in connection with the Card Program through a separate agreement with Client, as contemplated by the Implementation Plan or otherwise agreed by the Parties.

“Services” means the services, functions and responsibilities consisting of Processing Services, Program Management Services and New Additional Services.

“Servicing Year” means a twelve (12) month period commencing on the Go Live Date. Each Servicing Year is identified in this Agreement by a numerical suffix corresponding to the order in which such Servicing Year will occur during the Term (e.g., the first Servicing Year of the Term is referred to as “Servicing Year 1,” the second Servicing Year of the Term is referred to as “Servicing Year 2,” etc.).

“Standard of Care” has the meaning given in Section 10(a) of the General Terms and Conditions.

“Term” means has the meaning given in Section 1(a) of the Program Terms.

“Trade Secret” means any proprietary information of a Party, including technical or non-technical data, formulas, patterns, compilations, computer programs and software, devices, drawings, processes, methods, techniques, data, lists of actual or potential customers and suppliers and other business information which (a) such Party derives economic value, actual or potential, from not being generally known to or readily ascertainable by other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts by the disclosing Party or its Affiliates that are reasonable under the circumstances to maintain its secrecy.

“Transaction Data” means any data, exclusive of Client Data, used in or generated by the provision of Services.

“Transition” means Services delivered by Marqeta consisting of (a) the transfer of data relating to Accounts from Marqeta to Client or Client’s designee and (b) the migration of the processing, card servicing, program management and related operations performed by Marqeta to Client or Client’s designee.

“Update” means any enhancement, revision, update, upgrade, improvement, modification, correction or new release of any portion of the Services made by Marqeta in connection with the Services.

Other terms used in this Agreement and defined in the context in which they are used shall have the meaning there indicated.

**SCHEDULE D**

**FEES - PROGRAM SETUP & PROCESSING SERVICES**

The following services and fees are integral to the delivery of the Services and are a material component of the Agreement.

**Program Setup**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

**Processing Services Fees**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

**Processing Services Fees (continued)**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]
	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

**[\*\*\*] System Access Fee**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

**Revenue Sharing:**

**[\*\*\*] Interchange [\*\*\*] Fee**

Marqeta will share with Client a portion of the Net Interchange it receives from the Issuing Bank related to settled [\*\*\*] transactions from the Client Program and the provision of the Services (“[\*\*\*] Interchange [\*\*\*] Fee”), as per the table below. For the purposes of the [\*\*\*] Interchange [\*\*\*] Fee, “Net Interchange” shall mean [\*\*\*].

Item	[***] Transaction Volume	% of Net Interchange Shared with Client
[***]	[***]	[***]

## SCHEDULE E

### PERFORMANCE STANDARDS

- (a) **Regular Business Hours.** Marqeta's regular business hours are from 8:30am to 5:30pm Pacific Time, Monday through Friday, excluding federal bank holidays.
- (b) **"Measurement Period"** means [\*\*\*].
- (c) **Uptime Requirements.** The online request availability Performance Standard is measured by the time when the Marqeta platform is available to support API calls from Client, send JIT authorization requests to Client, receive JIT authorization responses from Client, and receive authorization requests from the Card Brands. The requirement will be [\*\*\*] or greater in any given [\*\*\*].
- (d) **Response Requirements.** The API Response Time Performance Standard is measured by the time that it takes for the Marqeta platform to respond to API calls from Client. The requirement for this "Service Level" is a maximum response time of [\*\*\*] or less for at least [\*\*\*] of all requests during any given [\*\*\*]. Marqeta will provide Client a minimum of [\*\*\*] to respond to JIT requests.
- (e) **Planned Outages.** At least [\*\*\*] in advance, Marqeta will notify Client of scheduled downtime for maintenance or upgrades (time where the Marqeta System is not available to Client) ("Scheduled Maintenance"). Scheduled Maintenance will not exceed more than [\*\*\*].
- (f) **Service Level Reporting.** Client will notify Marqeta of any non-compliance with the Service Levels as soon as reasonably possible. If Marqeta becomes aware that a Service Level has been missed, then Marqeta will notify Client and provide information about the problem.
- (g) **Service Level Credits.** For any Measurement Period in which Marqeta does not meet a Service Level that constitutes a [\*\*\*], Marqeta will pay Client the following amount, as applicable (each a "Service Level Credit"):
  - a. For the first failure to meet a Service Level in a Measurement Period that results in a Severity Level [\*\*\*] incident, Marqeta will pay Client [\*\*\*].
  - b. For the second failure to meet a Service Level in a Measurement Period that results in a Severity Level [\*\*\*] incident, Marqeta will pay Client [\*\*\*].
  - c. For the third (or more) failures to meet a Service Level in a Measurement Period that results in a Severity Level [\*\*\*] incident, Marqeta will pay Client [\*\*\*].

(h) Without limiting the foregoing, Marqeta will respond to Client's requests for support on issues relating to the Services in accordance with the table below (which are described in further detail below). The severity level assigned to issues will be determined in good faith by Client.

(i) **Severity Level Descriptions.**

d. **Severity Level 0** - [\*\*\*].

e. **Severity Level 1** - [\*\*\*].

f. **Severity Level 2** - [\*\*\*].

g. **Severity Level 3** - [\*\*\*].

(j) **Resolution.** Technical support issues meeting the severity level descriptions set forth above will be addressed as set forth below:

h. **Severity Level 0** - Marqeta resources will initially respond within [\*\*\*] of discovery by Marqeta or notice from Client of the issue, and will [\*\*\*], to resolve all Severity Level 0 incidents until the issue has a temporary repair/workaround in place. A permanent repair will be performed during working hours. Upon request by Marqeta, Client will use reasonable efforts to make a designated contact available [\*\*\*] to assist Marqeta resources in the investigation of the issue.

i. **Severity Level 1** - Marqeta resources will initially respond [\*\*\*] of discovery by Marqeta or of notice from Client of the issue, and work [\*\*\*] to resolve all Severity Level 1 incidents until the issue has a temporary repair/workaround in place. A permanent repair will be performed during working hours.

j. **Severity Level 2** - Marqeta resources will initially respond within [\*\*\*] of notice from Client of the issue, and will work during working hours until a temporary repair is in place and then work to provide a permanent repair.

k. **Severity Level 3** - Marqeta resources initially respond within [\*\*\*] of notice from Client of the issue, and will work during working hours to resolve Severity Level 3 incidents in order of their priority.

## AMENDMENT NO. 1 TO MASTER SERVICES AGREEMENT

This Amendment No. 1 to Master Services Agreement (“Amendment”) is entered into this 1st day of September, 2016 (the “Amendment Effective Date”) by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 (“Client”), and Marqeta, Inc., a Delaware corporation, whose principal address is 6201-B Doyle Street, Emeryville, CA 94608 (hereinafter “Marqeta”), and amends that certain Master Services Agreement between Client and Marqeta dated April 19, 2016 (the “Original Agreement”). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Agreement.

WHEREAS, Client and Marqeta desire to amend the Original Agreement on the terms set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual obligations in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties to this Amendment agree as follows:

1. Section 1(b) of Schedule A to the Original Agreement shall be deleted in its entirety and replaced with the following:

**“(b) Instructions and Client Provided Information.** In performing its obligations and responsibilities under this Agreement, Marqeta shall be entitled to rely upon, without additional inquiry, Client Data, Consumer Cardholder Data, Transaction Data, Consumer Transaction Data and Instructions, as provided by Client to Marqeta; provided, however, that to the extent that Marqeta in good faith reasonably believes that any Instruction is contrary to the provisions of this Agreement, Applicable Law, Card Brand Rules, or requirements of the Issuing Bank, Marqeta shall promptly provide notice to Client setting forth in reasonable detail the reason for its belief, after which point the Parties agree to work together in good faith to resolve any issues resulting from such Instruction.”

2. Section 2 of Schedule B to the Original Agreement shall be amended to include new Sections 2(k), 2(l), 2(m) and 2(n) as follows:

**“(k) Consumer Cardholder Interface; Consumer Cardholder Agreement.** Client shall be solely responsible for providing any required web and/or mobile interface to enable potential and actual Consumer Cardholders, as applicable, to provide appropriate permissions in connection with and obtaining Cards, receive disclosures and other information required by Applicable Law, Issuing Bank and the Cardholder Agreement, and manage their Accounts. Client shall not alter the consumer information that it receives from such Consumer Cardholders that Client provides to Marqeta. Client shall be able to track Consumer Cardholder’s acceptance of Card terms and conditions, Issuing Bank’s privacy policy and “opt-in” acceptance and withdrawals utilizing such interface, maintain and retrieve records of the forgoing, each on an individual Consumer Cardholder basis. Client shall require that Consumers provide and Client shall provide to Marqeta with the information Client receives from Consumer Cardholders, and any updates Client receives thereto, necessary for Issuing Bank to provide Consumer Cardholder Accounts with FDIC pass through insurance up to the limits provide for under Applicable Law. Promptly following Marqeta’s reasonable written or e-mail request, Client shall provide Marqeta, in a mutually agreeable format, with the contact information for each Consumer Cardholder, as such contact information is updated by the Consumer Cardholder from time to time; and agrees that Marqeta (on Issuing Bank’s behalf) or Issuing Bank may, to meet Issuing Bank’s regulatory requirements, communicate directly with Consumer Cardholders. Client shall comply with the terms and conditions in the Cardholder Agreement applicable to Client for Cards issued to Consumer Cardholders.

**(l) Customer Support and Communications.** Client shall be solely responsible for providing, either directly or via a third party service provider approved by Issuing Bank, customer support for Consumer Cardholders and customer notifications in compliance with Issuing Bank’s requirements provided to Client. All such services shall be provided in a manner and only with content, including customer service scripts, approved by Issuing Bank. Client shall promptly inform Marqeta of all material complaints Client or its customer service representatives or providers receive from Consumer Cardholders in connection with the Program.

(m) **KYC.** [\*\*\*].

(n) **Account Balance System of Record.** Client shall (i) maintain the system of record for funds balances on the Accounts, including funds availability for transactions, and (ii) in response to receiving a Card transaction request from Marqeta via the Marqeta System, approve or decline the transaction; provided that Client shall not approve any Card transaction or partial transaction for more than the available balance.”

3. Section 11(a) of Schedule B to the Original Agreement shall be deleted in its entirety and replaced with the following:

**“(a) Client Data and Cardholder Data.**

(i) Client Data. As between Client and Marqeta, Client Data and Transaction Data shall be owned by Client and Issuing Bank. Subject to Section 11(b) of these General Terms and Conditions, Marqeta may not use any Client Data or Transaction Data for any purpose except (i) to the extent such Client Data or Transaction Data is necessary for Marqeta to perform its obligations under this Agreement; (ii) internally to provide and improve the Services and to perform fraud screening, verify identities, and verify the information contained in Accounts; (iii) as required by Issuing Bank to meet its regulatory obligations; or (iv) as required by any Regulator with jurisdiction over Issuing Bank or the Parties.

(ii) Consumer Cardholder Data, Consumer Card Data and Personal Data.

(A) As between Client and Marqeta, (i) Consumer Cardholder Data collected directly from Consumer Cardholders by Client in connection with obtaining and managing Cards shall be owned by Client and Issuing Bank; and Consumer Transaction Data shall be owned by Issuing Bank. Notwithstanding the foregoing, to the extent permissible by Applicable Law, an appropriate “opt-in” notice agreed to by Consumer Cardholders permitting Issuing Bank to provide Client with Consumer Transaction Data related to transactions from the use of Cards, Marqeta will make all such Transaction Data available to Client. Client may use such Consumer Cardholder Data and Consumer Transaction Data as permitted by Applicable Law, Issuing Bank’s privacy policy then in effect, such notice, and Consumer Cardholder’s right to rescind the permissions provided in such notice.

(B) The Parties acknowledge that, as between the Parties, all Consumer Card Data is owned by Issuing Bank.

(C) The Parties acknowledge and agree that Personal Data is subject to Applicable Law related to the use of nonpublic personal information, including the Gramm-Leach-Bliley Act and associated regulations. Marqeta and Client each agree to protect all Personal Data each Party receives or processes in relation to this Agreement in accordance with all Applicable Laws (including the Gramm-Leach-Bliley Act and associated regulations and state privacy laws), including but not limited to: (i) restricting employee and agent/subcontractor access to Personal Data, (ii) not disclosing Personal Data to any third Entity (except to Issuing Bank in the case of disclosure by Marqeta) without the other Party’s written permission, (iii) only disclosing Personal Data to the other Party to the extent necessary to perform the terms of this Agreement, (iv) applying appropriate security measures to protect Personal Data, and (v) deleting any Personal Data in its possession or control at the expiration or termination of this Agreement unless the other Party has received the same information independent of this Agreement or otherwise agreed between the Parties, and subject to the Parties’ data retention policies and Issuing Bank requirements. In the event of any unauthorized, unlawful, and/or unintended processing, access, disclosure, exposure, alteration, loss, or destruction of Personal Data by a Party, such Party will immediately notify the other Party and will investigate and remediate such incident and provide appropriate response and redress to the Persons effected and will inform the other Party of such actions.

(iii) Marqeta and Issuing Bank’s Independent Use of Data. Marqeta agrees that it will only use Personal Data, Cardholder Data and Transaction Data derived hereunder solely (A) in connection with (i) the provision of the Services, (ii) the performance of this Agreement, (iii) internal analyses and (iv) protecting

against actual or suspected fraud, unauthorized transactions claims or liability, and (B) otherwise to comply with Issuing Bank's privacy policy, applicable law, and official state or federal inquiries. For the avoidance of doubt, Marqeta shall not use Personal Data, Cardholder Data nor Transaction Data to market its own products to Cardholders, nor for any other purpose not otherwise detailing in this Section 11(a)(iii). Marqeta shall, prior to launch, secure Issuing Bank's written agreement to substantially comply with this Section 11(a)(iii) and share such written agreement with Client."

4. Sections 11(c), 11 (d) and 11(e) of Schedule B to the Original Agreement shall be deleted in their entirety and replaced as follows:

**“(c) Security Standards.** Marqeta shall implement security measures designed to (i) ensure the security, integrity and confidentiality of; (ii) protect against any anticipated threats or hazards to the security or integrity of; and (iii) protect against unauthorized access to or use of Client Data, Consumer Cardholder Data, Transaction Data and Consumer Transaction Data; all in accordance with Marqeta's information security policy. In providing the Services, Marqeta will comply with all Applicable Laws and Card Brand Rules regarding debit card processing, customer privacy and payment account data security, including PCI standards.

**(d) Unauthorized Application.** The Parties acknowledge and agree that Marqeta shall be solely responsible for the unauthorized or fraudulent application for, access to or use of Client Data, Consumer Cardholder Data, Transaction Data or Consumer Transaction Data by any Entity, when such unauthorized or fraudulent activity is caused by the negligent acts or omissions, gross or willful misconduct of Marqeta or its Personnel.

**(e) Notice of Security Breach.** If Marqeta becomes aware of any unauthorized access to Client Data, Consumer Cardholder Data, Transaction Data or Consumer Transaction Data, Marqeta shall promptly report such incident to Client and describe in reasonable detail the circumstances surrounding such unauthorized access.”

5. The following definitions in Schedule C to the Original Agreement shall be deleted in their entirety and replaced as follows:

“Cardholder” means Client or Client's authorized users of Cards, or an Entity that is a natural person, or such person's authorized users of Cards.

“Transaction Data” means any data, exclusive of Client Data, used in or generated by the provision of Services in connection with Cards issued to Client.”

6. Schedule C to the Original Agreement shall be amended to add the following definitions:

“Card Data” means the Card or Account numbers or identifiers.

“Cardholder Data” means all data and information, including Personal Data, related to each Consumer Cardholder.

“Consumer Cardholder” means a Cardholder that is a natural person, or such person's authorized users of Cards.

“Consumer Transaction Data” means any data, exclusive of Cardholder Data, used in or generated by the provision of Services in connection with Cards issued to Consumer Cardholders.

“Personal Data” means any information that can be used directly or indirectly, alone or in combination with other information, to identify an individual.”

7. The table setting for the [\*\*\*] Interchange [\*\*\*] Fee percentage in the Revenue Sharing section of Schedule D to the Original Agreement shall be deleted in its entirety and replaced as follows:

<b>Item</b>	<b>[***] Transaction Volume</b>	<b>% of Net Interchange Shared with Client</b>
[***]	[***]	[***]
[***]	[***]	[***]

8. [\*\*\*].

9. This Amendment and the Original Agreement set forth the parties' entire agreement with respect to the subject matter thereof. Except as expressly modified hereby, the Original Agreement remains unmodified and each party's rights and obligations thereunder remain in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment shall govern and prevail. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto shall constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink-signed original.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

**SQUARE, INC.**

By: /s/ Brian Grassadonia  
Name: Brian Grassadonia  
Title: Square Cash Lead  
Date: September 1, 2016

**MARQETA, INC.**

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: September 1, 2016

**SQUARE LEGAL APPROVAL**

By: /s/ Crissy Solh  
Name: Crissy Solh  
Title: Product Counsel  
Date: September 1, 2016

## AMENDMENT NO. 2 TO MASTER SERVICES AGREEMENT

This Amendment No. 2 to Master Services Agreement (“Amendment”) is entered into this 18th day of October, 2016 (the “Amendment Effective Date”) by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 (“Client”), and Marqeta, Inc., a Delaware corporation, whose principal address is 6201-B Doyle Street, Emeryville, CA 94608 (hereinafter “Marqeta”), and amends that certain Master Services Agreement between Client and Marqeta dated April 19, 2016 (the “Original Agreement”) as amended by the Amendment No. 1 to Master Services Agreement between Client and Marqeta dated September 1, 2016 (“Amendment No. 1” and collectively with the Original Agreement, the “Agreement”). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Agreement.

WHEREAS, Client and Marqeta desire to further amend the Agreement on the terms set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual obligations in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties to this Amendment agree as follows:

**SCHEDULE F** Section 2 of Schedule B to the Agreement shall be amended to include new Sections 2(o) as follows:

“(o) **Cards Added to Digital Wallet.** Client will (i) provide Marqeta and Issuing Bank with notice promptly upon the expiration or termination of any agreement or terms with a digital wallet provider for the provisioning of Cards into a digital wallet (“Digital Wallet Agreement”) and (2) remain in full compliance with the terms and conditions of any Digital Wallet Agreement at all times that Cards are provisioned into the Digital Wallet under this Agreement”

**SCHEDULE G** This Amendment and the Agreement set forth the parties’ entire agreement with respect to the subject matter thereof. Except as expressly modified hereby, the Agreement remains unmodified and each party’s rights and obligations thereunder remain in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment or the Agreement the terms and conditions of this Amendment shall govern and prevail. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto shall constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink-signed original.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK  
\*SIGNATURE PAGE FOLLOWS\*

---

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.  
**SQUARE, INC.** **MARQETA, INC.**

BY: /s/ Brian Grassadonia  
NAME: Brian Grassadonia  
Title: Square Cash Lead  
Date: October 18, 2016

By: /s/ Omri Dahan  
NAME: Omri Dahan  
TITLE: Chief Revenue Officer  
Date: October 18, 2016

**SQUARE LEGAL APPROVAL:**

BY: /s/ Crissy Solh  
NAME: Crissy Solh  
TITLE: Product Counsel  
DATE: October 18, 2016

---

12/24/2016

Square, Inc.  
1455 Market Street  
San Francisco, CA 94103

Attn: Mr. Brian Grassadonia, Square Cash Lead

Dear Brian,

This letter addendum ("Letter Addendum") references that certain Master Services Agreement between Marqeta, Inc. ("Marqeta") and Square, Inc. ("Square") dated April 19, 2016 as amended by Amendment No. 1 to Master Services Agreement dated September 1, 2016 and Amendment No. 2 to Master Services Agreement dated October 18, 2016 (collectively the "Agreement"). Capitalized terms that are not otherwise defined herein shall be defined as set forth in the Agreement.

Square has requested that Marqeta [\*\*\*].

This Letter Addendum and the Agreement constitute the entire agreement between the parties and supersede any other agreements between the parties in regards to the subject matter hereof. This Letter Addendum may be executed by the parties in separate counterparts and transmitted by fax or e-mail of a scanned copy, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Please confirm your agreement to the above provisions by executing a copy of this letter and returning it to me.

Very truly yours,

Marqeta, Inc.

By: /s/ Omri Dahan  
Omri Dahan  
Chief Revenue Officer

---

AGREED TO AND ACKNOWLEDGED

Square, Inc.

By:           /s/ Brian Grassadonia

Name: Brian Grassadonia

Title: Square Cash Lead

AGREED TO AND ACKNOWLEDGED

Square, Inc, Legal

By:           /s/ Crissy Solh

Name: Crissy Solh

Title: Legal

### AMENDMENT NO. 3 TO MASTER SERVICES AGREEMENT

This Amendment No. 3 to Master Services Agreement (“Third Amendment”) is made by and between Square Inc. (“Client”), and Marqeta, Inc. (“Marqeta”), and amends the Master Services Agreement dated April 19, 2016 between Client and Marqeta as amended by the Amendment No I to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016 and the Letter Addendum dated December 24, 2016 (collectively the Agreement”). This Third Amendment shall be effective upon full execution by the Parties. Capitalized terms which are not defined herein shall be defined as set forth in the Agreement.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree to make the following changes to the Agreement in order to update Marqeta’s address, remove the requirement that Client maintain a separate Client Bank Account and add Issuing Bank as an explicit third party beneficiary to the Agreement:

1. Marqeta’s principal address set forth in the opening sentence of the Agreement and the notice addresses set forth in Section 4 of Schedule A, Program Terms are all updated from “6201-B Doyle Street, Emeryville, CA 94608” to “180 Grand Avenue, 5th Floor, Oakland, CA 94612”.
2. Section 8(a) is deleted and restated as follows:
  - (a) **Client Payment to Marqeta.**
    - (i) **Fees.** Client shall pay Marqeta all fees for all applicable Processing Services and the [\*\*\*], as applicable, as set forth in Schedule D. Periodic charges under Schedule D shall be computed on a [\*\*\*] basis and shall be prorated for any partial [\*\*\*].
    - (ii) **Taxes.** All charges and fees to be paid by Client under the Agreement are exclusive of any applicable withholding, sales, use, excise, value added or other taxes. Any such taxes for which Marqeta is legally responsible to collect from Client shall be billed by Marqeta and paid by Client.
    - (iii) **Reserved.**
    - (iv) **Statements, Invoices and Payments.** After the beginning of each [\*\*\*] during the Term, Marqeta shall provide Client with a dated invoice setting forth the amount owed to Marqeta hereunder for the prior [\*\*\*] (“[\*\*\*] Payment Amount”), which invoice shall describe in reasonable detail the basis for such amount. Marqeta shall provide the invoice to Client either in writing or via electronic or API access. Client’s payment of the [\*\*\*] Payment Amount shall be due within [\*\*\*] of the date of the invoice. Notwithstanding the foregoing, Section 8(a)(vi) of these General Terms and Conditions shall govern the terms related to the deposit of Settlement Funds, and Marqeta’s related statement obligations and transfer rights.
    - (v) **Disputed Charges; Requests for Information.** Client may [\*\*\*].
    - (vi) **Card Funding and Settlement.** Client will [\*\*\*].
3. Section 16(i) is amended by adding the following sentence after the first sentence in the Section:

Issuing Bank is a third-party beneficiary to this Agreement.
4. This Third Amendment and the Agreement constitute the entire agreement between the parties and supersede any other agreements between the parties in regards to the subject matter hereof.
5. This Third Amendment may be executed by the parties in separate counterparts and transmitted by tax or e-mail of a scanned copy, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Third Amendment as of the dales set forth below.

**Square, Inc.**

By: /s/ Brian Grassadonia  
Name: Brian Grassadonia  
Title: Square Cash Lead  
Date: 6/29/17

**Marqeta, Inc.**

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: July 1, 2017

#### AMENDMENT NO. 4 TO MASTER SERVICES AGREEMENT

This Amendment No. 4 to Master Services Agreement ("Fourth Amendment") is made by and between Square, Inc. ("Client"), and Marqeta, Inc. ("Marqeta"), and amends the Master Services Agreement dated April 19, 2016 between Client and Marqeta as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, and Amendment No. 3 to Master Services Agreement dated June 30, 2017 (collectively the "Agreement"). This Fourth Amendment shall be effective upon full execution by the Parties. Capitalized terms which are not defined herein shall be defined as set forth in the Agreement.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree to make the following changes to the Agreement in order to update Marqeta's address, remove the requirement that Client maintain a separate Client Bank Account and add Issuing Bank as an explicit third party beneficiary to the Agreement:

1. Section 8(a)(vi) is deleted and restated as follows:

**"(vi) Card Funding and Settlement.** Client will [\*\*\*].

2. This Fourth Amendment and the Agreement constitute the entire agreement between the parties and supersede any other agreements between the parties in regards to the subject matter hereof.
3. This Fourth Amendment may be executed by the parties in separate counterparts and transmitted by fax or e-mail of a scanned copy, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Fourth Amendment as of the dates set forth below.

#### Square, Inc.

By: /s/ Brian Grassadonia  
Name: Brian Grassadonia  
Title: Square Cash Lead  
Date: 8/2/17

#### Marqeta, Inc.

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: August 3, 2017

**AMENDMENT NO. 5 TO MASTER SERVICES AGREEMENT**

This Amendment No. 5 to Master Services Agreement (“Fifth Amendment”) is made by and between Square, Inc. (“Client”), and Marqeta, Inc. (“Marqeta”), and amends the Master Services Agreement dated April 19, 2016 between Client and Marqeta as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017 and Amendment No. 4 to Master Services Agreement executed by Client on or about August 2nd, 2017 (collectively the “Agreement”). This Fifth Amendment shall be effective upon full execution by the Parties. Capitalized terms which are not defined herein shall be defined as set forth in the Agreement.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree to make the following changes to the Agreement:

1. Schedule C to the Original Agreement shall be amended to add the following definitions:

“Business Cardholder” means a Cardholder that is an Entity that is using the Card for purposes related to the Cardholder’s business.

“Business Transaction Data” means any data, exclusive of Cardholder Data, used in or generated by the provision of Services in connection with Cards issued to Business Cardholders.

2. For the purposes of this Agreement Business Cardholders will be treated in the same manner as Consumer Cardholders and Business Transaction Data will be treated in the same manner as Consumer Transaction Data, unless otherwise provided herein.

3. Schedule D to the Agreement is amended by deleting the table setting forth the [\*\*\*] Interchange [\*\*\*] Fee percentage in the Revenue Sharing Section as added by Amendment No. 1 to Master Services Agreement and replacing it with the following new language:

Item	% of Net Interchange Shared with Client
[***]	[***]
[***]	[***]
[***]	[***]

4. This Fifth Amendment and the Agreement constitute the entire agreement between the parties and supersede any other agreements between the parties in regards to the subject matter hereof.

5. This Fifth Amendment may be executed by the parties in separate counterparts and transmitted by fax or e-mail of a scanned copy, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives executed this Fifth Amendment as of the dates set forth below.

**Square, Inc.**

By: /s/ Brian Grassadonia  
Name: Brian Grassadonia  
Title: Square Cash Lead  
Date: 9/29/2017

**Marqeta, Inc.**

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: October 1, 2017

**AMENDMENT NO. 6 TO MASTER SERVICES AGREEMENT**

This Amendment No. 6 to Master Services Agreement (“Amendment”) is effective as of April 1, 2018 (the “Amendment Effective Date”) by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 (“Client”), and Marqeta, Inc., a Delaware corporation, whose principal address is 180 Grand Avenue, 5th Floor, Oakland, CA 94612 (hereinafter “Marqeta”, and together with Client, the “Parties”), and amends that certain Master Services Agreement between Client and Marqeta dated April 19, 2016 and as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, and Amendment No. 5 to Master Services Agreement dated October 1, 2017, (the “Original Agreement”). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Original Agreement.

**WHEREAS**, Client and Marqeta desire to memorialize certain terms and amend the Original Agreement on the terms set forth in this Amendment.

**NOW, THEREFORE**, in consideration of the mutual obligations in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Schedule C to the Original Agreement shall be amended to add the following definitions:

“NPV” means the net settled [\*\*\*] card transaction volume for the Card Program.

“Net Interchange” means [\*\*\*].

2. Schedule D to the Original Agreement is amended by deleting the Revenue Sharing section as added by Amendment No. 5 to Master Services Agreement and replacing it in its entirety as follows:

**“Revenue Sharing:**

[\*\*\*]The table below sets forth the applicable percentage of Net Interchange earned from [\*\*\*] transactions to be paid to Client. A Tier is reached once NPV in any given [\*\*\*]. Upon reaching a new Tier in any given [\*\*\*], the rates applicable for such Tier shall take effect in the [\*\*\*] and shall apply to all [\*\*\*] thereafter, unless and until a new Tier is reached.

In a given [\*\*\*], when applying the percentage rate for all Tiers except Tier [\*\*\*], the [\*\*\*]. In a given [\*\*\*], when applying the percentage rate for Tier [\*\*\*], [\*\*\*]. For the avoidance of doubt, a few illustrative examples are set forth below.

<b>Tier</b>	<b>[***] NPV</b>	<b>% of Net Interchange Shared with Client</b>
1	[***]	[***]
2	[***]	[***]
3	[***]	[***]

4	[***]	[***]
5	[***]	[***]
6	[***]	[***]

Example 1: In [\*\*\*]1, NPV is [\*\*\*], reaching Tier [\*\*\*], which then becomes [\*\*\*] [\*\*\*] for [\*\*\*] 2. In [\*\*\*] 2, NPV is [\*\*\*]. The Net Interchange resulting from [\*\*\*] to the Tier [\*\*\*] Volume amount (i.e. the Net Interchange resulting from [\*\*\*]) is shared at the Tier [\*\*\*] percentage rate, or [\*\*\*]. The Net Interchange resulting from [\*\*\*] (i.e. the Net Interchange resulting from [\*\*\*]) is shared at the Tier [\*\*\*] percentage rate, or [\*\*\*].

Example 2: In [\*\*\*] 1, NPV is [\*\*\*], reaching Tier [\*\*\*], which then becomes [\*\*\*] for [\*\*\*] 2. In [\*\*\*] 2, NPV is [\*\*\*]. [\*\*\*] Net Interchange is shared at the Tier [\*\*\*] percentage rate, or [\*\*\*].

[\*\*\*]The table below sets forth the applicable percentage of Net Interchange earned from [\*\*\*] transactions to be paid to Client. A Tier is reached once [\*\*\*]. Upon reaching a new Tier in any given [\*\*\*], the rates applicable for such Tier shall take effect in the [\*\*\*]and shall apply to all [\*\*\*] thereafter, unless and until a new Tier is reached. In any [\*\*\*], the applicable percentage rate shall apply to all Net Interchange for such [\*\*\*].

Tier	[***] NPV	% of Net Interchange Shared with Client
1	[***]	[***]
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]
6	[***]	[***]

**ATM Fees**

The fees set forth in the following table shall be the sole fees paid by Client for ATM transactions.

Transaction Type	Fee (per transaction)
[***]	[***]
[***]	[***]
[***]	[***]

For the avoidance of doubt, the following supplemental fees, as added in Amendment No. 5 to the Master Services Agreement as deductions from Net Interchange for Non-**[\*\*\*]** Transactions on Cards issued to Consumer Cardholders, are hereby deleted in their entirety and are of no further force and effect: **[\*\*\*]**.

3. The Section titled "**[\*\*\*]** System Access Fee" in Schedule D to the Original Agreement is hereby deleted in its entirety and of no further force and effect. Client shall not pay any system access fee hereafter.

4. Section 1 of Schedule A to the Original Agreement shall be amended to include new Section 1(e):

**"(e) Quarterly Review.** Client and Marqeta agree that, once per quarter, representatives from each shall meet for the purposes of review and alignment regarding the Card Program, the Services and the need or desire for any New Additional Services, including a roadmap for necessary or desired technological improvements or developments."

5. Section 2 of Schedule B to the Original Agreement shall be amended to include new Section 2(p):

**"(p) Response to Inquiries.** Client agrees to make available one representative to respond to reasonable inquiries from existing or prospective investors of Marqeta. This representative shall initially be Brian Grassadonia."

6. Section 3(a) of Schedule A to the Original Agreement is hereby amended to extend the Initial Term so that the Initial Term expires on the three (3) year anniversary of the Amendment Effective Date. All other provisions of Section 3(a) remain unmodified.

7. Section 8 of Schedule B to the Original Agreement shall be amended to include new Section 8(d):

**"(d) Statement of Issuing Bank and Card Brand Amounts.** Any statement or invoice provided by Marqeta to Client under this Agreement or in connection with the Services (including, but not limited to, those contemplated by Sections 8(a)(iv) and 8(b)(ii) of this Schedule B) shall include an itemized accounting for any amounts, payments, or other consideration paid or owed to Issuing Bank and Card Brand in connection with the transactions covered by such statement or invoice. Marqeta agrees, upon request by Client, to provide Client additional detail or information regarding amounts paid or owed to Issuing Bank and Card Brand in connection with the Card Program or provision of the Services."

8. Section 8 of Amendment No. 1 to Master Services Agreement is hereby deleted in its entirety and of no further force and effect.

9. Section 8 of Schedule B to the Original Agreement shall be amended to include new Section 8(e):

**"(e) Benefit of Agreements.** All contracts, agreements, deals or other arrangements between Client and any third party (including, but not limited to, any Card Brand) shall inure solely to the benefit of Client and Client shall be entitled to any and all payments, rebates, or other consideration resulting therefrom."

10. Marqeta agrees to use commercially reasonable efforts to secure the development and adoption of demand deposit account capability conforming to Client's preferred specifications from the Issuing Bank.

11. The Parties agree to, within a reasonable time, discuss [\*\*\*].

12. The Parties agree to, within a reasonable time after the Amendment Effective Date, negotiate and agree to an amended and restated Master Services Agreement, to include a conformed version of the Original Agreement and an update to [\*\*\*].

13. [\*\*\*].

14. This Amendment and the Original Agreement set forth the parties' entire agreement with respect to the subject matter thereof. Except as expressly amended or modified herein, the Original Agreement is hereby ratified and remains in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment shall govern and prevail. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto shall constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink-signed original.

**IN WITNESS WHEREOF**, the parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

**SQUARE, INC.**

BY: /s/ Brian Grassadonia  
NAME: Brian Grassadonia  
TITLE: Square Cash Lead  
DATE: March 28, 2018

**MARQETA, INC.**

BY: /s/ Omri Dahan  
NAME: Omri Dahan  
TITLE: Chief Revenue Officer  
DATE: March 28, 2018

## AMENDMENT NO. 7 TO MASTER SERVICES AGREEMENT

### DIRECT DEPOSIT SERVICES

This Direct Deposit Service amendment (“**Amendment**”) is dated as of June 6, 2019 (“**Amendment Effective Date**”), and is by and between Marqeta, Inc., (“**Marqeta**”), and Square, Inc (the “**Client**”). Marqeta and Client previously entered into that certain Master Services Agreement dated effective April 16, 2019 and as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Amendment dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, Amendment No. 5 to Master Services Agreement dated October 1, 2017, and Amendment No. 6 to Master Services Agreement dated March 28, 2018, (the “**Agreement**”). Each of Marqeta and the Client are individually a “**Party**” and collectively are the “**Parties**.” Terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement or set forth in the NACHA Operating Rules and Guidelines (the “**NACHA Rules**”).

Marqeta, with its Issuing Bank, offers the ability for Cardholders to access direct deposit functionality through the provision of account and routing numbers that may be provided to a third party to allow that party to initiate credit (ACH Push) or debit (ACH Pull) Entries over the ACH network to or from a Cardholder’s account (the “**Direct Deposit Services**”); and

Client wishes to utilize the Direct Deposit Services offered by Marqeta for Client’s customers and the Parties wish to supplement the Agreement and establish the terms under which Marqeta will provide the Direct Deposit Service.

The Parties agree as follows:

1. **Access to Direct Deposit Service.**
  - a. Subject to the terms and conditions of this Amendment and the Agreement, Marqeta and the Issuing Bank will provide the Direct Deposit Services to Client and the Cardholders.
  - b. Each Party will be solely responsible for compliance with all applicable NACHA Rules in connection with performing its responsibilities under this Amendment and the Agreement.
2. [\*\*\*].
3. **Direct Deposit Service Terms and Disclosures.** The Parties will work together in good faith to make any necessary changes to the Marqeta Materials or Client Materials (including, without limitation, changes to Cardholder agreements) necessary to provide the Direct Deposit Service.
4. **General.** All other terms and conditions of the Agreement, as amended by this Amendment, shall remain in full force and effect. In the event of any conflict of this Amendment and the terms and conditions of the Agreement, the terms and conditions of this Amendment shall prevail as related to the Direct Deposit Service. This Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a Party hereto shall constitute a valid and binding execution and delivery of this Amendment by such Party in the same manner as an ink-signed origin.

This Amendment is effective as of the Amendment Effective Date.  
MARQETA INC.

/s/ Omri Dahan

Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: June 25, 2019

---

SQUARE, INC.

/s/ Jim Esposito

Name: Jim Esposito  
Title: Operations Lead, Cash App  
Date: June 24, 2019

---

**AMENDMENT EXHIBIT A**

[\*\*]



## AMENDMENT NO. 8 TO MASTER SERVICES AGREEMENT

This Amendment No. 8 to Master Services Agreement ("Amendment") is effective upon full execution by the Parties (the "Amendment Effective Date") by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 ("Client"), and Marqeta, Inc., a Delaware corporation, whose principal address is 180 Grand Avenue, 6th Floor, Oakland, CA 94612 (hereinafter "Marqeta", and together with Client, the "Parties"), and amends the Master Services Agreement between Client and Marqeta dated April 19, 2016 as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, Amendment No. 5 to Master Services Agreement dated October 1, 2017, Amendment No. 6 to Master Services Agreement dated April 1, 2018, and Amendment No. 7 to Master Services Agreement dated June 6, 2019 (the "Original Agreement"). Capitalized terms used herein and not otherwise defined will have the meaning ascribed to them in the Original Agreement.

The Parties agree as follows:

1. Schedule C, "Definitions," is amended to add the following definitions:

"Cash App Program" means the financial application offered by Client that allows Customers to send peer-to-peer payments, receive and add funds to a stored balance, activate a virtual [\*\*\*] debit card linked to the stored balance ("Cash Card", and those Customers who qualify for and activate such Cash Card, each a "Cardholder"), add the Cash Card to [\*\*\*] Pay, receive a physical Cash Card, and purchase Bitcoin.

[\*\*\*]

2. Section (g) of Schedule E, "Performance Standards," is replaced solely with respect to [\*\*\*], as follows:

[\*\*\*]

3. This Amendment and the Original Agreement set forth the parties' entire agreement with respect to the subject matter thereof. Except as expressly amended or modified herein, the Original Agreement is hereby ratified and remains in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment will govern and prevail. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto will constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink- signed original.

The parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

### Square, Inc.

**By:** /s/ Jim Esposito  
**Name:** Jim Esposito  
**Title:** Operations Lead - Cash App  
**Date:** September 20, 2019

### Marqeta, Inc.

**By:** /s/ Omri Dahan  
**Name:** Omri Dahan  
**Title:** Chief Revenue Officer  
**Date:** September 20, 2019

---



**AMENDMENT NO. 10 TO MASTER SERVICES AGREEMENT**

This Amendment No. 10 to Master Services Agreement (this “Amendment”) is entered into on the date of the last signature below (the “Addendum Implementation Date”) by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 (“Client”) and Marqeta, Inc., a Delaware corporation, whose principal address is 180 Grand Avenue, 6th Floor, Oakland, CA 94612 (hereinafter “Marqeta”, and together with Client (the “Parties”), and amends the Master Services Agreement between Client and Marqeta dated April 19, 2016 as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, Amendment No. 5 to Master Services Agreement dated October 1, 2017, Amendment No. 6 to Master Services Agreement dated April 1, 2018, Amendment No. 7 to Master Services Agreement dated June 6, 2019, Amendment No. 8 to Master Services Agreement dated September 20, 2019, and Amendment No. 9 to Master Services Agreement dated February 7, 2020 (the “Original Agreement”). Capitalized terms used herein and not otherwise defined will have the meaning ascribed to them in the Original Agreement.

Marqeta and Client agree to amend certain provisions in the Original Agreement and the Parties agree as follows:

1. Definitions.

- (a) Unless otherwise defined in this Amendment, all capitalized terms appearing in this Amendment shall have the meaning ascribed thereto in the Original Agreement.
- (b) Schedule C, “Definitions,” is amended to add or modify (to the extent already existing) the following definitions:

“Card Program” means a system of services provided by Marqeta pursuant to the terms of this Agreement under which Cardholders utilize a Card. The features and functionalities generally available for inclusion in each Card Program are described on the Developer Site, as modified from time to time by Marqeta during the Term.

“Square Card Net Interchange” means [\*\*\*].

“Square Card NPV” means [\*\*\*].

“Square Card Program” means each Card Program branded as SQUARE CARD, including the U.S. Square Debit Card Program.

“Square Debit Card Program” means the business debit card for the “Square Card” or “Square Register” environment at Marqeta that is linked to the point of sale issued to business owners on the Square platform, which provides access to funds from the sales/revenue generated by the business or added to their balance via an external-linked bank account that can be spent anywhere [\*\*\*] is accepted, withdrawn as cash via ATM, or transferred to a linked bank account.

2. **Extension of Initial Term.** Section 3(a) of Schedule A, “Program Terms,” is amended to add the following as an additional paragraph:

The Initial Term solely with respect to the Square Card Programs shall be extended to December 31, 2024, unless terminated earlier in accordance with the Original Agreement (the “Square Card Initial Term”). The Square Card Initial Term shall automatically renew for an unlimited number of one (1) year renewal terms (each, a “Square Card Renewal Term”) unless one Party provides the other with written notice of its intent to terminate not less than one hundred eighty (180) days prior to the end of the then-current Square Card Initial Term or Square Card Renewal Term. The Square Card Initial Term and any subsequent Square Card Renewal Term shall comprise the “Term” of the Original Agreement solely with respect to the Square Card Programs.

3. **Payment Terms.** For all Square Card Programs, Section 8(a)(iv) of Schedule B, “Statements, Invoices and Payments,” is amended to add the following provision at the end of the paragraph:  
  
Any [\*\*\*] Payment Amounts owed by Client shall be set off with any such amounts owed to Client in determining the net amount payable from one Party to the other on a [\*\*\*] basis. The reporting party has the right to set off the amount owed with the amount owed by the other Party.
4. **Public Disclosures.** Section 16(g) of Schedule B, “Public Disclosures,” is replaced in its entirety with the marketing guidelines attached hereto as Exhibit 1.
5. [\*\*\*].
6. **Pricing Terms.** Schedule D, “Fees - Program Setup & Processing Services,” is hereby amended to add the following sections to the end of the existing Schedule D:

**“Square Card Program Fees**

- (a) **U.S. Square Debit Card Program Fees.** Beginning on [\*\*\*], the following terms shall apply to the U.S. Square Debit Card Program:

Revenue Sharing. The table below sets forth the applicable percentage of Square Card Net Interchange to be paid to Client for U.S. transactions. Tiers are calculated on a [\*\*\*] basis, meaning that if [\*\*\*].

Tier	[***] Square Card NPV	Client’s % of Square Card Net Interchange	Marqeta’s % of Square Card Net [Interchange
1	[***]	[***]	[***]
2	[***]	[***]	[***]
3	[***]	[***]	[***]
4	[***]	[***]	[***]

- i. **Chargeback Fees.** Solely with respect to the U.S. Square Debit Card Program, the following Chargeback fees apply:

**Marqeta Chargeback and Dispute Resolution for U.S. Square Debit Card Program Fees**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

- (b) **Additional Square Card Program Fees.**

Square Card Program ATM Fees. The fees set forth in the following table shall be the sole fees paid by Client for ATM transactions.

Transaction Type	Fee (per transaction)
***	***
***	***
***	***

Tokenization fees for Square Card Programs will be charged as follows:

Item	Description	Unit	Fee
***	***	***	***

7. This Amendment and the Original Agreement set forth the Parties' entire agreement with respect to the subject matter thereof. Except as expressly amended or modified herein, the Original Agreement is hereby ratified and remains in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment will govern and prevail. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto will constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink-signed original.

The Parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

**Square, Inc.**

By: /s/ Chris Sweetland  
Name: Chris Sweetland  
Title: Head of Payments Partnerships and Industry Relations  
Date: 11/21/2020

**Marqeta, Inc.**

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: November 23, 2020

**EXHIBIT 1**  
**MARKETING PLAN**

During the Term, the Parties and their Affiliates shall jointly engage in and assist each other in implementing the following marketing activities (the “Marketing Activities”):

[\*\*\*]

**AMENDMENT NO. 11 TO MASTER SERVICES AGREEMENT**

This Amendment No. 11 to Master Services Agreement (this “Amendment”) is entered into on the date of the last signature below (the “Addendum Implementation Date”) (“Client”) and [\*\*\*], an [\*\*\*] corporation, whose principal address is [\*\*\*] (“Client Affiliate”) on the one hand, and Marqeta, Inc., a Delaware corporation, whose principal address is 180 Grand Avenue, 6th Floor, Oakland, CA 94612 on the other hand (hereinafter “Marqeta”, and together with Client and Client Affiliate, the “Parties”), and amends the Master Services Agreement between Client and Marqeta dated April 19, 2016 as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, Amendment No. 5 to Master Services Agreement dated October 1, 2017, Amendment No. 6 to Master Services Agreement dated April 1, 2018, Amendment No. 7 to Master Services Agreement dated June 6, 2019, Amendment No. 8 to Master Services Agreement dated September 20, 2019, Amendment No. 9 to Master Services Agreement dated February 7, 2020, and Amendment No. 10 to Master Services Agreement dated (the “Original Agreement”). Capitalized terms used herein and not otherwise defined will have the meaning ascribed to them in the Original Agreement.

- A. Marqeta and Client and Client Affiliate agree to amend certain provisions in the Original Agreement; and,
- B. [\*\*\*]

The Parties agree as follows:

**1. Definitions.**

- (a) Unless otherwise defined in this Amendment, all capitalized terms appearing in this Amendment shall have the meaning ascribed thereto in the Original Agreement.
- (b) Schedule C, “Definitions,” is amended to add or modify (to the extent already existing) the following definitions:

“Launch Date” means the date of the first settlement of a non-test cardholder transaction that has been processed by Marqeta in a production environment.  
[\*\*\*]

“Square Card Net Interchange” [\*\*\*].

“Square Card Program” shall include the [\*\*\*] (as defined below).

**2. Client Affiliate.** [\*\*\*]

**3.** [\*\*\*].

- 4. [\*\*\*]. The Parties will implement a [\*\*\*] in accordance with the terms and conditions of a separate addendum [\*\*\*]. Within 60 days following the Amendment Effective Date (the “Execution Window”), the Parties will develop and execute an agreement for the [\*\*\*] that will describe the Services to be provided by Marqeta, the responsibilities of Client Affiliate, and include any other details relevant to the development, implementation and execution of the [\*\*\*], including the compliance operating principles already shared with each of the Parties. The Initial Term set forth in Amendment No. 10 shall apply to the [\*\*\*]. The effect of the terms and conditions of the Amendment are contingent upon the successful execution of the [\*\*\*] within the Execution Window.
-

5. **Pricing Terms.** Schedule D, “Fees - Program Setup & Processing Services,” is hereby amended to add the following sections to the end of the existing Schedule D:

[\*\*\*] Fees

(c) [\*\*\*] Fees. Beginning on [\*\*\*] of the addendum for the [\*\*\*], the following fees shall apply to the [\*\*\*]. Solely with respect to the [\*\*\*], the fees set forth below shall apply.

Program Setup Fee.

**Program Setup Fee**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

- i. **Assessment Fee.** The Assessment Fee shall be (i) [\*\*\*] for the [\*\*\*] period commencing on [\*\*\*] (the “Initial Assessment Fee Period”), and (ii) [\*\*\*] commencing [\*\*\*]
- ii. **Revenue Sharing.** The table below sets forth the applicable percentage of Square Card Net Interchange to be paid to [\*\*\*]. A Tier is reached once Square Card NPV in any given [\*\*\*]. Tiers will be applied on a [\*\*\*] basis, meaning that if [\*\*\*]. The tiers below shall solely be applied to the [\*\*\*].

Tier	[***] Square Card NPV	Client Affiliate’s % of Square Card Net Interchange	Marqeta’s % of Square Card Net Interchange
1	[***]	[***]	[***]
2	[***]	[***]	[***]
3	[***]	[***]	[***]
4	[***]	[***]	[***]

- iii. Chargeback and Dispute Resolution.

**Marqeta Chargeback and Dispute Resolution**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

- iv. [\*\*\*] ATM Fees. The fees set forth in the following table shall be the sole fees paid by Client or Client Affiliate, as applicable, for ATM transactions.

Transaction Type	Fee (per transaction)
[***]	[***]
[***]	[***]
[***]	[***]

- v. Tokenization fees for Square Card Programs will be charged as follows:

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

vi. [\*\*\*] Fees. Marqeta will passthrough to Client all [\*\*\*] that Marqeta incurs in connection with enabling [\*\*\*] (“[\*\*\*]”).

6. This Amendment and the Original Agreement set forth the Parties’ entire agreement with respect to the subject matter thereof. Except as expressly amended or modified herein, the Original Agreement is hereby ratified and remains in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment will govern and prevail. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto will constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink-signed original.
-

The Parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

**Square, Inc.**

By: /s/ Chris Sweetland  
Name: Chris Sweetland  
Title: Head of Payments Partnerships and Industry Relations  
Date: 11/21/2020

[\*\*\*]

By: [\*\*\*]  
Name: [\*\*\*]  
Title: [\*\*\*]  
Date: November 23, 2020

---

**Marqet1a, Inc.**

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: November 23, 2020

**AMENDMENT NO. 12 TO MASTER SERVICES AGREEMENT**

This Amendment No. 12 to Master Services Agreement (this "Amendment") is entered into on the date of the last signature below (the "Amendment Effective Date") by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 ("Client") on the one hand, and Marqeta, Inc., a Delaware corporation, whose principal address is 180 Grand Avenue, 6th Floor, Oakland, CA 94612 on the other hand (hereinafter "Marqeta"), and together with Client, the "Parties"), and amends the Master Services Agreement between Client and Marqeta dated April 19, 2016 as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, Amendment No. 5 to Master Services Agreement dated October 1, 2017, Amendment No. 6 to Master Services Agreement dated April 1, 2018, Amendment No. 7 to Master Services Agreement dated June 6, 2019, Amendment No. 8 to Master Services Agreement dated September 20, 2019, Amendment No. 9 to Master Services Agreement dated February 7, 2020, Amendment No. 10 to Master Services Agreement dated November 18, 2020, and Amendment No. 11 to Master Services Agreement dated November 18, 2020 (the "Original Agreement"). Capitalized terms used herein and not otherwise defined will have the meaning ascribed to them in the Original Agreement.

Marqeta and Client agree to amend certain provisions in the Original Agreement. The Parties agree as follows:

1. **Definitions.**

- (a) Unless otherwise defined in this Amendment, all capitalized terms appearing in this Amendment shall have the meaning ascribed thereto in the Original Agreement.
- (b) Schedule C, "Definitions," is amended to include the following definitions, which add specificity to the historical methodology of the invoicing process applied during calendar year 2020:

"Cash App Net Interchange" means [\*\*\*].

"Cash App NPV" means [\*\*\*].

2. **Extension of Initial Term.** Section 3(a) of Schedule A, "Program Terms," is amended to add the following as an additional paragraph:

The Initial Term, with respect to the Cash App Program, will begin on the Amendment Effective Date and will expire on the last day of the month that is three (3) years from the Amendment Effective Date, unless terminated earlier in accordance with the Original Agreement (the "Cash App Initial Term"). The Cash App Initial Term shall automatically renew for an unlimited number of one (1) year renewal terms (each, a "Cash App Renewal Term") unless one Party provides the other with written notice of its intent to terminate not less than ninety (90) days prior to the end of the then-current Cash App Initial Term or Cash App Renewal Term. The Cash App Initial Term and any subsequent Cash App Renewal Term shall comprise the "Term" of the Original Agreement solely with respect to the Cash App Program.

3. **Client Dispute Resolution Obligations.** Section 2.i. of Schedule B, "Client Dispute Resolution Obligations," is hereby deleted in its entirety with respect to the Cash App Program.

4. **Termination for Convenience.** Section 3(f)(b) of Schedule A, "Termination for Convenience," is hereby deleted in its entirety for all Client Card Programs.

5. **Payment Terms.** For the Cash App Program, Section 8(a)(iv) of Schedule B, "Statements, Invoices and Payments," is amended to add the following provision at the end of the paragraph:

Any [\*\*\*] Payment Amounts owed by Client shall be set off with any such amounts owed to Client in determining the net amount payable from one Party to the other on a [\*\*\*] basis.

6. **Pricing Terms.** Schedule D, “Fees - Program Setup & Processing Services,” is hereby amended by (a) deleting the Revenue Sharing section as added by Amendment No. 6 and replacing it in its entirety, and (b) adding a Chargeback and Dispute Resolution section, each as set forth below:

**Cash App Program Fees**

(c) **Cash App Program Fees.** Beginning on [\*\*\*], the fees set forth below shall apply solely to the Cash App Program as follows:

- i. **Revenue Sharing.** The table below sets forth the applicable percentage of Cash App Net Interchange to be paid to Client for Cash App Program transactions on a [\*\*\*] basis. A Tier is reached when the Cash App NPV in the applicable [\*\*\*]. The Tiers will be applied [\*\*\*] in accordance with the table below. If the [\*\*\*]Cash App NPV for a given [\*\*\*] falls within [\*\*\*], then Client will be paid an amount equal to the [\*\*\*]. If the Cash App NPV for a given [\*\*\*] falls within [\*\*\*], then Client will be paid both: (a) an amount equal to the [\*\*\*] and (b) an amount equal to [\*\*\*].

Tier	[***] Cash App NPV	Client’s Revenue Share Rate	Marqeta’s Revenue Share Rate	Tier Calculation
1	[***]	[***]	[***]	[***]
2	[***]	[***]	[***]	[***]
3	[***]	[***]	[***]	[***]
4	[***]	[***]	[***]	[***]

[***] Revenue Sharing Calculation Example:			
[***]	A		[***]
[***]	B		[***]
[***]	C		[***]
[***]	D		[***]
[***]	$E = B + C + D$		[***]
[***]	F		[***]
[***]	$G^*$		[***]
[***]	$H = F \times G$		[***]
[***]	I		[***]
[***]	$J^*$		[***]
[***]	$K = I \times J$		[***]
[***]	$L = H - K$		[***]
[***]			

- ii. **Chargeback and Dispute Resolution.** The table below sets forth the Chargeback and Dispute Resolution Fees to be charged for all Cash App Program transaction disputes.

**Marqeta Chargeback and Dispute Resolution Fees**

Item	Description	Unit	Fee
[***]	[***]	[***]	[***]

[\*\*\*]

iii. Warrant. In addition to any other consideration due to Client hereunder, subject to the approval of Marqeta's Board of Directors, Marqeta shall grant to Client a warrant to purchase up to 1,100,000 shares of Marqeta's common stock, in substantially the form attached hereto as Schedule I.

7. This Amendment and the Original Agreement set forth the Parties' entire agreement with respect to the subject matter thereof. Except as expressly amended or modified herein, the Original Agreement is hereby ratified and remains in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment will govern and prevail. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a party hereto or electronic email attachments bearing the facsimile or electronic signature of a party hereto will constitute a valid and binding execution and delivery of this Amendment by such party in the same manner as an ink-signed original.

---

The Parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

**SQUARE, INC.**

By: /s/ Brian Grassadonia  
Name: Brian Grassadonia  
Title: Square Cash Lead  
Date: 3/13/2021

**MARQETA, INC.**

By: /s/ Tripp Faix  
Name: Tripp Faix  
Title: CFO  
Date: March 13, 2021

---

SCHEDULE I

WARRANT

---

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

Confidential

### AMENDMENT NO. 13 TO MASTER SERVICES AGREEMENT

This Amendment No. 13 to Master Services Agreement (this "Amendment") is entered into on the date of the last signature below (the "Addendum Implementation Date") by and between Square, Inc., a Delaware corporation, whose principal address is 1455 Market Street Suite 600, San Francisco, CA 94103 ("Client") and [\*\*\*], an [\*\*\*] corporation, whose principal address is [\*\*\*] ("Client Affiliate") on the one hand, and Marqeta, Inc., a Delaware corporation, whose principal address is 180 Grand Avenue, 6th Floor, Oakland, CA 94612 on the other hand (hereinafter "Marqeta"), and together with Client and Client Affiliate, the "Parties"), and amends the Master Services Agreement between Client and Marqeta dated April 19, 2016 as amended by the Amendment No. 1 to Master Services Agreement dated September 1, 2016, Amendment No. 2 to Master Services Agreement dated October 18, 2016, the Letter Addendum dated December 24, 2016, Amendment No. 3 to Master Services Agreement executed by Client on or about June 30, 2017, Amendment No. 4 to Master Services Agreement executed by Client on or about August 2, 2017, Amendment No. 5 to Master Services Agreement dated October 1, 2017, Amendment No. 6 to Master Services Agreement dated April 1, 2018, Amendment No. 7 to Master Services Agreement dated June 6, 2019, Amendment No. 8 to Master Services Agreement dated September 20, 2019, Amendment No. 9 to Master Services Agreement dated February 7, 2020, Amendment No. 10 to Master Services Agreement dated November 18, 2020, Amendment No. 11 to Master Services Agreement dated November 18, 2020, and Amendment No. 12 to Master Services Agreement dated March 13, 2021 (the "Original Agreement"). Capitalized terms used herein and not otherwise defined will have the meaning ascribed to them in the Original Agreement.

Marqeta and Client and Client Affiliate agree to amend certain provisions in the Original Agreement as follows:

1. [\*\*\*]. Section 4 of Amendment No. 11 to the Original Agreement is hereby amended in its entirety to update the Execution Window as follows:

“[\*\*\*]. The Parties will implement a separate Card Program for the [\*\*\*] (the “[\*\*\*]”) in accordance with the terms and conditions of a separate agreement (the “[\*\*\*]”). The Parties will work in good faith to develop and execute the [\*\*\*] by May 31, 2021 (the “Execution Window”), which will describe the Services to be provided by Marqeta, the responsibilities of Client Affiliate, and include any other details relevant to the development, implementation and execution of the [\*\*\*], including the compliance operating principles already shared between the Parties. The Initial Term set forth in Amendment No. 10 shall apply to the [\*\*\*]. The effect of the terms and conditions of this Amendment are contingent upon the successful execution of the [\*\*\*] within the Execution Window.”

2. This Amendment and the Original Agreement set forth the Parties’ entire agreement with respect to the subject matter thereof. Except as expressly amended or modified herein, the Original Agreement is hereby ratified and remains in full force and effect. In the event of a conflict between any term or condition set forth in this Amendment and the Original Agreement, the terms and conditions of this Amendment will govern and prevail. This Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one and the same agreement. Execution and delivery of this Amendment by exchange of facsimile copies bearing the facsimile signature of a Party hereto or electronic email attachments bearing the facsimile or electronic signature of a Party hereto will constitute a valid and binding execution and delivery of this Amendment by such Party in the same manner as an ink-signed original.

Confidential



CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

ADDENDUM TO MASTER SERVICES AGREEMENT [\*\*\*]

Marqeta, Inc. (“Marqeta”)  
180 Grand Avenue  
6th Floor  
Oakland, CA 94612  
For Notices, with a copy to:  
Attn: Legal Department  
Email: [\*\*\*]

[\*\*\*] (“Client Affiliate”)  
[\*\*\*]  
[\*\*\*]  
For Notices, with a copy to:  
Attn: [\*\*\*]  
Email: [\*\*\*]

Effective Date 5/20/2021

Date of last signature 5/20/2021

This [\*\*\*] Addendum (this “[\*\*\*]” or “Addendum”) to the Master Services Agreement dated April 19, 2016 is entered into between Marqeta and Client Affiliate (each a “Party,” and together the “Parties”) as of the Effective Date. Reference is made to Amendment No. 10 dated November 23, 2020 by and between Marqeta and Square, Inc (“Amendment No. 10”). Further, Marqeta and Client Affiliate have entered into Amendment No. 11 dated November 23, 2020 (“Amendment No. 11,” and together with Amendment No. 10 and the Master Services Agreement, the “Agreement”).

Marqeta and Client Affiliate desire to enter into the [\*\*\*] Addendum for the provision of Marqeta Processing Services (as defined in the Agreement) and [\*\*\*] Program Management Services (as defined in Schedule B) in support of the [\*\*\*]. The “[\*\*\*]” is a Card Program offered by Client Affiliate for [\*\*\*]. The terms of the Agreement shall be incorporated by reference to this [\*\*\*].

Any capitalized term used in this Addendum, and not defined herein, shall have the meaning given to such term in the Agreement. In the event of a conflict in relation to the Managed by Marqeta Services between the provisions of the Agreement and this Addendum, the provisions of this Addendum shall prevail.

Upon execution by the Parties below, this [\*\*\*] Addendum shall become a schedule to, and form part of, the Agreement. All provisions of the Agreement shall remain in full force and effect as between the original Parties thereto.

**Marqeta, Inc.**

[\*\*\*]

By: /s/ Tripp Faix  
Print: Tripp Faix  
Title: CFO  
Date: 5/20/2021

By: /s/ [\*\*\*]  
Print: [\*\*\*]  
Title: [\*\*\*]  
Date: 5/20/2021

---

**SCHEDULE A - [\*\*\*] PROGRAM  
PROCESSING SERVICES**

1. Marqeta's Obligations.

(a) Services Description. Marqeta shall provide Client Affiliate with: (1) the Processing Services and (2) the [\*\*\*] Program Management Services (collectively, the "Services"). Marqeta shall be responsible for providing the Services in accordance with Applicable Law and Client Affiliate Instructions (as defined below). Notwithstanding Section 2(a) of this Addendum, Marqeta shall be liable for any act or omission in connection with its provision of the Services that causes Client Affiliate to be in violation or non-compliance with Applicable Law, Client Affiliate Legal Requirements or Card Brand Rules. "Account" means a unique representation of the data and current financial status of a customer account relationship for a Card account under a Card Program, which account is serviced by Marqeta under this [\*\*\*] Addendum. A "Card" means a prepaid card, debit card, or any other device, technology, or medium that is issued either as a physical card, virtual card, account access device or number containing a primary account number ("PAN") that is associated with a card account. A "Card Program" means a set of solutions, offerings, and services operated by or on behalf of the Client Affiliate, in connection with which Marqeta provides the Services and Marqeta System under the terms of this [\*\*\*] Addendum. Marqeta may enhance, revise, upgrade, improve, correct, or issue a new release of all or part of the Services or System (collectively, "Enhancement(s)") at any time, provided that Marqeta provides notice of the availability and benefits of such Enhancement and the Enhancement does not materially degrade or substantially alter the Services such that Client Affiliate could no longer use such Services without material expenditure of time and resources by Client Affiliate. Marqeta will not charge Client Affiliate for any Enhancement. Except as may be necessary to comply with Applicable Law, Client Affiliate will not be required to use any Enhancement in order to continue use of the Services. If Client Affiliate elects to make use of an Enhancement, then Client Affiliate will be responsible for its own costs and expenses in connection therewith.

(b) Documentation and Onboarding. Marqeta will provide Client Affiliate with user manuals and other information that describes the features, functions, and operations of the Services ("Documentation"). The Documentation can be found on the Marqeta Website, at <https://www.marqeta.com/api>, and may be modified from time-to-time. A general description of Marqeta's onboarding services ("Onboarding Services") is available on the Marqeta Website, at <https://www.marqeta.com/marqeta-powered/onboarding-services>, and is incorporated into this [\*\*\*] Addendum and may be modified from time-to-time. Marqeta will provide Onboarding Services to Client Affiliate to facilitate and allow Client Affiliate to install application programming interfaces ("API(s)"), software, or other materials needed to use the Services.

(c) Service Level Agreement. The Service Level Agreement (the "SLA") is attached as **Schedule D**.

(d) Marqeta Service Providers. Marqeta may use any entity controlling, controlled by, or under common control with a Marqeta Affiliate or a third party when performing under this Addendum (each, a "Marqeta Service Provider"), provided that (1) such Marqeta Service Provider is bound by confidentiality obligations at least as restrictive as those set forth in this Addendum, (2) such Marqeta Service Provider agrees to comply with all applicable terms and conditions under this Addendum and the Agreement, (3) Marqeta's use of a Marqeta Service Provider shall not release Marqeta from any duty or liability to fulfill Marqeta's obligations under this Addendum or the Agreement, and (4) Marqeta shall remain primarily liable for the performance of such Marqeta Service Provider. "Affiliate" means with respect to any Person, each Person who directly or indirectly controls, is controlled by or is under common control with a Party. "Person" means any corporation, company, partnership, firm, joint venture, association, trust government agency, political subdivision, other entity, or individual.

(e) Information Sharing. Marqeta agrees to reasonably cooperate with any request from Client Affiliate for additional information in Marqeta's possession for the purpose of assisting Client Affiliate in responding to law enforcement requests or filing suspicious activity reports.

## 2. Client Affiliate's Obligations.

(a) Use of Services. Client Affiliate will access and use Marqeta Services in accordance with this Addendum, Applicable Law (defined in Section 3(b) below), and the Card Brand Rules (defined in Section 3(c) below). [\*\*\*]. A "Cardholder" means that person or entity that is issued a Card. Client Affiliate will be solely responsible for compliance with all Applicable Law applicable to the operation of its business, provision of regulatory requirements to enable Marqeta to fulfill its obligations and responsibilities, and its other responsibilities under this Addendum (collectively the "Client Affiliate Legal Requirements"). Subject to Section 1(a), Client Affiliate will [\*\*\*].

(b) Instructions and Reports. Client Affiliate will provide Marqeta and/or Marqeta Service Providers all materials, information, data, and instructions reasonably required to perform the Marqeta Services ("Client Affiliate Instructions"). Client Affiliate Instructions will be accurate and complete. Marqeta may rely on Client Affiliate Instructions without additional inquiry. Client Affiliate will regularly review Client Affiliate Instructions for accuracy and completeness and will promptly notify Marqeta of any changes or errors in such Client Affiliate Instructions. [\*\*\*]. "JIT" or "Just In Time" means a method that enables Client Affiliate to automatically authorize or decline Card transactions in real time via Marqeta's API.

(c) Card Restrictions. Client Affiliate will be responsible for [\*\*\*].

(d) [\*\*\*].

[\*\*\*]. (e) Financial Information. Client Affiliate acknowledges that Marqeta's willingness to make the Services available to Client Affiliate is dependent on [\*\*\*].

(f) Client Affiliate Service Providers. Client Affiliate may use the services of an Affiliate or any third party in exercising its rights or performing its obligations in connection with this Addendum (each, a "Client Affiliate Service Provider"). If Client Affiliate or any Client Affiliate Service Provider performs any functions related to the Marqeta Services or this Addendum, Client Affiliate will be solely responsible for obtaining all authorizations, licenses, and consents, and for paying all amounts, necessary for the System to interface with Client Affiliate's systems or those of its Client Affiliate Service Provider.

## 3. Mutual Obligations

(a) Representations and Warranties. Each Party represents and warrants that at all times (i) it has the requisite corporate power and authority to enter into this [\*\*\*] Addendum and perform under it, (ii) it is not a party to any other agreement that would hinder its ability to perform its obligations hereunder, and (iii) it is duly qualified and licensed to do business and to carry out its obligations as required by Applicable Law (as defined Section 3(b) below). Except as otherwise expressly provided in this [\*\*\*] Addendum and to the maximum extent permitted by Applicable Law, neither Party makes any representations, guarantee, conditions or warranties of any kind, nature, or description to the other Party, whether statutory, express, or implied, including any warranty, guarantee, condition or representation of non-infringement, error-free operation, merchantability, or fitness for a particular purpose.

(b) Compliance with Applicable Law. The Parties will perform their respective obligations under this [\*\*\*] Addendum in a lawful and proper manner in accordance with industry standards. Marqeta may make changes to the Services, the System, or this [\*\*\*] Addendum to comply with changes to Applicable Law, Card Brand Rules (including PCI DSS, as defined in Section 3(c) below). When this occurs, Marqeta will notify Client Affiliate as soon as reasonably possible. "Applicable Law" means laws, regulations, statutes, codes, rules, orders, licenses, certifications, decrees, standards or written policies, guidelines, directives, or interpretations imposed by any authority, including any Regulator that has or has asserted jurisdiction over the Party or matter in question, that apply to or relate to this [\*\*\*] Addendum.

---

(c) Compliance with Card Brand Rules. A “Card Brand” means any operator of a payment card network, such as Visa, Discover, or Mastercard. Each Party will comply with the rules, by-laws, and standards of any applicable Card Brand (“Card Brand Rules”). In addition, each Party will comply with Payment Card Industry Data Security Standards (“PCI DSS”), to the extent applicable to the Party’s performance of its obligations under this [\*\*\*] Addendum. Upon Marqeta’s request (no more than [\*\*\*]), Client Affiliate will verify its compliance with PCI DSS, to the extent applicable, and provide the results of the verification to Marqeta in writing.

(d) Security Standards.

(i) Each Party will implement security measures and procedures designed to: (1) ensure the security and confidentiality of Cardholder Data and Transaction Data (as defined in Section 7(b) below), (2) protect against anticipated threats or hazards to the security and integrity of Cardholder Data and Transaction Data, (3) protect against unauthorized access to or use of Cardholder Data and Transaction Data, (4) prevent unauthorized access to or use of the other Party’s system through its systems, and (5) prevent unauthorized access to or use of its own systems.

(ii) No later than [\*\*\*] following a Party’s written request to the other Party, the receiving Party will (1) permit the requesting Party, either directly or through a third-party service provider, to perform vulnerability scans of the receiving Party’s IP addresses in a manner consistent with industry best practices at a mutually agreed upon time, or (2) provide the requesting Party documentation of the results of scans of the furnishing Party’s IP addresses performed by a scanning vendor approved by the Payment Card Industry Security Standards Council within the last [\*\*\*]. For purposes of this Addendum, “Business Day(s)” means any day on which national banks are open for business to the general public.

(e) Notice of Security Breach. If either Party becomes aware of any unauthorized access to Cardholder Data, Transaction Data, or the other Party’s Confidential Information (as defined in Section 6(a) below), such Party will immediately notify the compromised Party and describe the circumstances surrounding such unauthorized access. In addition, each Party will promptly, at its own expense, take reasonable steps to minimize the violation and reasonably cooperate with the compromised Party to minimize any damage resulting therefrom.

(f) Examination by Regulator. Each Party shall fully cooperate with each Regulator of the other Party in connection with an examination of such Party by a Regulator as may be required by Applicable Law. Each Party agrees to cooperate with any request of a Regulator that is reasonably necessary for such Regulator to conduct an examination of the other Party.

(g) Audit. Marqeta agrees to share with Client Affiliate any findings, reports or results (“Audit Reports”) generated in connection with an audit or examination of Marqeta’s Services by a Regulator that may have a material impact on Client Affiliate’s compliance obligations, including, but not limited to, [\*\*\*]. No more than [\*\*\*] in any [\*\*\*] and upon at least [\*\*\*] advance written notice, Client Affiliate reserves the right to engage a third-party auditor (as mutually agreed upon by the Parties) to perform a single audit of Marqeta’s Services and associated compliance programs at Client Affiliate’s expense.

4. Fees and Payment.

(a) Fees. Client Affiliate will pay Marqeta the fees detailed in Amendment No. 11.

(b) Invoice and Payment. Marqeta will invoice Client Affiliate [\*\*\*] in arrears. Client Affiliate’s payment will be due within [\*\*\*] of the invoice date. [\*\*\*].

(c) Invoice Disputes. Client Affiliate may [\*\*\*].

(d) Card Funding and Settlement. Client Affiliate is responsible for [\*\*\*].

## 5. Intellectual Property.

(a) Parties Marks. Each Party (or its Affiliates) owns all right, title, and interest in and to, or has sufficient rights to use, any materials provided by or on its behalf in connection with this Addendum, including but not limited to its names, trademarks, service marks, or logos (“Marks”). Except for the licenses granted under this Addendum, neither Party will have any right, title, interest, or license to the other Party’s Marks. During the Term, each Party grants to the other a [\*\*\*] exclusively in connection with the Services. The Parties will obtain one another’s prior approval in writing before distributing to the public any marketing or promotional materials that use the other Party’s Marks, except that Marqeta may use Client Affiliate’s Marks without prior consent as strictly necessary to provide the Services, and Marqeta may engage in the Marketing Activities as set forth in Amendment No. 10.

(c) Ownership and License. Marqeta may provide Client Affiliate with project deliverables, plans, Documentation, reports, analyses, and other tangible materials in connection with this Addendum (collectively, the “Deliverables”). Marqeta owns all right, title, and interest, including all intellectual property rights, in and to the Deliverables, the Services, and the System and all derivatives thereof. Marqeta grants to Client Affiliate a [\*\*\*] exclusively in connection with Client Affiliate’s receipt of the Services.

(d) Enhancements. Marqeta will be the sole and exclusive owner of all intellectual property rights in any Enhancement to the System or Services, including any suggestions, enhancement requests, recommendations or other feedback, and the Parties agree that any such Enhancement will not be a “work made for hire” or a “joint work of authorship” (each as defined under the United States Copyright Act).

## 6. Confidentiality.

(a) General. Each Party may receive (“Receiving Party”) or otherwise become familiar with Confidential Information about the other Party (“Disclosing Party”). “Confidential Information” means the terms of this Addendum and information about the Disclosing Party’s technology, customer information, business activities, operations, and its trade secrets (as defined under Applicable Law), which are proprietary or confidential. Confidential Information also includes (without limitation) (i) existing or contemplated products, services, designs, technology, processes, technical data, engineering, techniques, methodologies and concepts and any related information, (ii) information relating to business plans, sales or marketing methods and customer lists or requirements of a Party, (iii) all information about current and potential future customers of a Party, and (iv) any material marked or designated “confidential” or which by its nature or the circumstances surrounding its disclosure should reasonably be regarded as confidential. Confidential Information does not include information that a Receiving Party can demonstrate: (1) was in the public domain at the time of disclosure, (2) was in the legal possession of the Receiving Party at the time of disclosure without a duty of confidentiality, or (3) was independently developed by the Receiving Party without reference to the Disclosing Party’s Confidential Information.

(b) Non-Disclosure. The Receiving Party agrees to take all reasonable measures to maintain the confidentiality and secrecy of the Confidential Information of the Disclosing Party and to avoid its disclosure, including all precautions the Receiving Party employs with respect to its confidential materials of a similar nature. Receiving Party may not disclose the Disclosing Party’s Confidential Information to any third party, except: (i) where each Party is the Receiving Party to its Affiliates, and (ii) where Marqeta is the Receiving Party to Marqeta Service Providers for the purpose of providing the Services. In all cases, the Receiving Party must ensure that the third-party recipients do not use or disclose the Confidential Information other than in accordance with the terms of this Addendum. The Receiving Party may also disclose Disclosing Party’s Confidential Information to the extent required by Applicable Law or court order, provided that the Receiving Party uses reasonable efforts to limit such disclosure and to obtain confidential treatment or a protective order and has, to the extent reasonably possible, allowed the Disclosing Party to participate in the proceeding.

## 7. Data Privacy and Information Security.

(a) No Transfer of Personal Data. The Parties acknowledge that the transfer of Personal Data from Client Affiliate to Marqeta may not be required for the performance of the Services contemplated by this Addendum. “Personal Data” means any information obtained in connection with this Addendum (i) relating to an identified or identifiable natural person, (ii) that can reasonably be used to identify or authenticate an individual, including but not limited to name, contact information, precise location information, persistent identifiers, government-issued identification numbers, passwords, or PINs, financial account numbers and other personal identifiers, or (iii) any information that may otherwise be considered Personal Data or “personal information” under Applicable Law.

(b) Cardholder Data. “Cardholder Data” has the same meaning as cardholder data in the PCI DSS Payment Application Data Security Standards Glossary of Terms, Abbreviations, and Acronyms, which at a minimum, consists of the full primary account number (“PAN”). Cardholder Data may also appear in the form of the full PAN plus any of the following: cardholder name, expiration date and/or service code. “Transaction Data” means any data, except Cardholder Data, about a transaction initiated with a Card. Client Affiliate may use Cardholder Data and Transaction Data it receives through Marqeta to perform obligations in accordance with operating a Card Program and Applicable Law. Marqeta may not use or disclose any Cardholder Data or Transaction Data for any purpose except for: (i) providing and improving the Services, (ii) performing its obligations under this Addendum, (iii) performing fraud screening and verifying identities and information, and (iv) to comply with Applicable Law or Card Brand Rules.

(c) Aggregated Data. Subject to the restrictions in this Section 7(c), Marqeta may use Aggregated Data to the extent not prohibited by Applicable Law. Aggregated Data shall be aggregated on a national or regional basis with data from Marqeta’s other clients and will not include any geographic information about Client. Marqeta (i) shall not sell any Aggregated Data to any Person, and (ii) Marqeta shall ensure that neither Client Affiliate’s identity nor the identity of any of Client Affiliate’s personnel, or any of the foregoing’s relationship to Aggregated Data, is discernible or inferable by any means (either from the data itself or the way it is presented). Marqeta shall never identify Client Affiliate as the source of any Aggregated Data Marqeta uses pursuant to this Section 7(c). If Client Affiliate reasonably believes Marqeta has identified Client Affiliate as the source of the Aggregated Data, Client shall provide Marqeta with notice of such belief, together with reasonable detail, and if applicable, documentation supporting such belief. If Marqeta identifies Client Affiliate as the source of Aggregated Data, Marqeta must stop using such Aggregated Data identifying Client Affiliate for any purpose. Under this Addendum, “Aggregated Data” means de-identified Cardholder Data, Transaction Data, or other information collected by Marqeta in connection with Client Affiliate’s use of the Services that is combined with de-identified data of a similar nature obtained from Marqeta’s other customers.

#### 8. Term and Termination.

(a) Term. The initial term of this Addendum (the “Initial Term”) will begin on the Effective Date and will expire at 11:59 p.m. (Pacific Time) on December 31, 2024. The Initial Term will automatically renew for successive one (1) year renewal terms (each, a “Renewal Term,” and together with the Initial Term, the “Term”), unless either Party provides the other Party with written notice of its intent not to renew at least one hundred eighty (180) days prior to the end of the then-current Term. The fees applicable to any Renewal Term shall be consistent with the fees set forth in Amendment No. 11 of the Agreement, unless otherwise agreed to in writing by the Parties. The “Go Live Date” is the first day of the month following the earlier of the date that Marqeta provides Client Affiliate with production credentials enabling Client Affiliate to run transactions in the production environment, or 120 days from the Effective Date.

(b) Termination for Cause. A Party may terminate this Addendum, upon written notice to the other Party, in the event that the other Party:

(i) Commits a material breach of this Addendum and fails to cure such material breach within thirty (30) days after receipt of notice, provided, that, if such material breach is a non-monetary breach and is not reasonably curable within thirty (30) days, the cure period will be extended so long as the other Party commences such cure within such thirty (30) day period and diligently pursues such cure to completion within ninety (90) days after notice is first provided; or

(ii) Becomes subject to any voluntary or involuntary bankruptcy, insolvency, judicial management, dissolution, reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) or liquidation proceeding, has a liquidator (including a provisional liquidator), receiver, administrator, administrative receiver, judicial manager, compulsory manager, trustee, agent or other similar officer appointed in respect of it or any of its assets, makes an assignment for the benefit of its creditors, admits its inability to pay its debts as they become due, or any analogous procedure or step is taken in any jurisdiction.

---

(iii) Marqeta may terminate this Addendum in the event Client Affiliate fails to pay undisputed charges when such payments are due and payable (pursuant to Section 4 above) and fails to cure such material breach within ten (10) days after receipt of notice. Such termination by Marqeta does not prejudice or waive its right to payment or to suspend performance of the Services.

(c) Termination Not for Cause.

(i) A Party may terminate this Addendum on ninety (90) days' prior written notice, if there is a change in Applicable Law or Card Brand Rules that would have a material adverse impact upon a Party's ability to perform its obligations under this Addendum. The Party terminating this Addendum will provide such ninety (90) days' notice of such termination unless otherwise required under Applicable Law or Card Brand Rules.

(ii) Marqeta may terminate this Addendum if directed to do so by a Regulator or Card Brand. Marqeta will provide one hundred eighty (180) days' notice of such termination unless it is required to provide less notice.

(d) Transition. Any notice of termination by either Party will include a proposed date for initiation of transition, if any. Except for termination of this Addendum by Marqeta for cause or at the direction of a Card Brand or Regulator, Marqeta will provide transition assistance reasonably necessary to transition the accounts for which Marqeta provides the Services to a successor service provider as agreed by the Parties in writing (the "Transition Services"); provided, that, Client Affiliate will be responsible for all costs and expenses in connection with the Transition Services, including any fees earned by Marqeta but not yet paid by Client Affiliate and any fees for the Services during the transition. Any notice of termination by Client Affiliate shall include a proposed date for initiation of Transition Services, if any. The proposed date for completion of Transition Services shall be no fewer than one hundred eighty (180) days following such written notice. If Client Affiliate elects not to receive the Transition Services, the Parties will work in good faith to implement an orderly wind-down of the Services after termination of this Addendum. The wind-down period will not exceed six (6) months.

(e) Effect of Termination. Upon expiration or termination of this Addendum, Client Affiliate will be responsible for the payment of all fees accrued, due, and payable by Client Affiliate up to the later of the date of such expiration or termination or the completion of the transition. If Client Affiliate elects to receive Transition Services, all associated costs will be due and payable no later than the date of completion of the Transition Services. In addition to any other remedies available to Marqeta at law or under this Addendum, Marqeta may, as a continuous right, set off any amounts owed to it against any outstanding amounts owed to Client Affiliate until Client Affiliate's liability owed to Marqeta under this subsection is fully paid.

(f) Termination Upon Force Majeure. Either Party may terminate a Card Program in compliance with the terms of Section 12(d).

9. Indemnification.

(a) Marqeta Indemnification. Marqeta will indemnify, defend, and hold harmless Client Affiliate from and against all costs, penalties, fees, assessments, and other losses, including reasonable attorneys' fees ("Damages"), as a result of any third-party claim or cause of action ("Claim"), arising out of, relating to, or alleging: (i) Marqeta's material breach of this Addendum, (ii) any act or omission by Marqeta in connection with its provision of the Services that causes Client Affiliate to be in violation or non-compliance with Applicable Law, Client Affiliate Legal Requirements or the Card Brand Rules, (iii) Marqeta's gross negligence, willful misconduct, or fraud in connection with this Addendum, (iv) the gross negligence, willful misconduct, or fraud of any Marqeta Service Provider in connection with this Addendum, or (v) Marqeta's infringement or alleged infringement of the intellectual property rights of any third party in connection with this Addendum. Marqeta's indemnification obligations will not apply to any Damages that arise from or relate to (1) solely with respect to indemnification obligations under Section (9)(a)(v), the combination of the Services with any products, services, or materials not supplied by Marqeta, where such

combination is not anticipated in Marqeta's Documentation, (2) any modification to the Services not made by or on behalf of Marqeta, (3) any failure by Client Affiliate to implement any Enhancements to the Services, (4) any use of the Services other than as expressly permitted under this Addendum or the Documentation, or (5) Marqeta's compliance with any Client Affiliate Instructions or reliance on any data or information received from Client Affiliate or any authorized third party on Client Affiliate's behalf.

(b) Client Affiliate Indemnification. Client Affiliate will indemnify, defend, and hold harmless Marqeta and its officers, directors, employees, and agents, from and against all Damages as a result of any Claim arising out of, relating to, or alleging: (i) Client Affiliate's material breach of this Addendum, (ii) the gross negligence, willful misconduct, or fraud of Client Affiliate or any of Client Affiliate's personnel or Client Affiliate's customers or retail partners, in connection with this Addendum, (iii) the violation of any Applicable Law or Card Brand Rules by any Client Affiliate's customers or retail partner in connection with this Addendum, (iv) Client Affiliate's infringement or alleged infringement of the intellectual property rights of any third party in connection with this Addendum, (v) any fines, fees, penalties, assessments, or other amounts imposed by any Card Brand in connection with this Addendum, (vi) the business or services of Client Affiliate, or, when applicable, any Client Affiliate's customers, or retail partner. Client Affiliate's indemnification obligations will not apply to Damages that arise solely from Marqeta's acts or omissions in connection with its provision of the Services that cause Client Affiliate to be in violation or non-compliance with Applicable Law, Client Affiliate Legal Requirements or the Card Brand Rules.

(c) Procedure. The Party seeking indemnification ("Indemnified Party") will promptly notify the indemnifying Party ("Indemnifying Party") in writing of any Claim along with a copy of any papers served. Failure to provide prompt notice of any Claim will not relieve the Indemnifying Party of its indemnification obligations except to the extent such failure materially prejudices the Indemnifying Party in defending the Claim. The Indemnified Party will tender control of the defense and settlement of any such Claim to the Indemnifying Party at the Indemnifying Party's expense and with the Indemnifying Party's choice of competent counsel. The Indemnified Party will also cooperate with the Indemnifying Party, at the Indemnifying Party's expense, in defending or settling such Claim and the Indemnified Party may join in the defense with counsel of its choice at its own expense.

10. Insurance. During the Term and any period during which Transition Services are provided, each Party will maintain in full force and effect, at its own cost and expense, (i) insurance coverage sufficient to cover its potential indemnity or reimbursement obligations, and (ii) an appropriate insurance policy or policies providing coverage in the event of its loss of confidential data, including Cardholder Data and Transaction Data the limit of which will be no less than [\*\*\*] ([\*\*\*]) per occurrence or [\*\*\*] ([\*\*\*]) aggregate. Each insurance policy will be carried in the name of the Party. A copy of each policy, and any certificates of insurance evidencing the existence of such policy, will be provided to the other Party promptly following such Party's written or e-mail request. Each insurance policy must be written by insurance carriers that have an A.M. Best rating of "A" or better and will name the other Party as an additional insured. Each Party will promptly provide notice to the other Party in the event of any notice of nonrenewal or cancellation, lapse, or termination of any insurance coverage required under this Addendum.

#### 11. Limitation on Liability.

(a) Except for (i) a Party's indemnification obligations, (ii) a Party's breach of its obligations relating to Confidential Information or Client Affiliate's intentional misuse of Personal Data, (iii) Client Affiliate's obligations to pay Marqeta the fees under this Addendum (each, an "Excluded Claim"), in no event will either Party or their respective representatives and suppliers, including any Marqeta Service Provider, be liable to the other Party, whether in contract, tort (including breach of warranty, negligence, or strict liability), or otherwise, for any loss of revenue, loss of profit, loss of business opportunity, loss of cost savings, loss of goodwill, loss of opportunity, cost of substitute facilities or equipment, downtime costs, loss or corruption of data or claims of third parties or any other indirect, incidental, consequential, special, exemplary, or punitive damages regardless of whether such Party knew or should have known of the possibility of such damages.

(b) Except for an Excluded Claim, or a Party's payment obligations under this Addendum, a Party's total cumulative liability to the other Party will not exceed the aggregate fees earned by Marqeta during the twelve (12) months immediately preceding the date on which the issue giving rise to a Party's liability under this Addendum occurred.

---

(c) Notwithstanding anything to the contrary in this Addendum, neither Party will be in breach of this Addendum or otherwise responsible or liable for non-performance of its obligations to the extent such non-performance is attributable to (i) a breach by the other Party of its obligations under this Addendum, (ii) the other Party's failure to cooperate with and perform activities reasonably required on a timely basis, (iii) in the case of Marqeta, on information and Client Affiliate Instructions provided by Client Affiliate in accordance with Section 2(b) above. In the event of the foregoing, Marqeta will be excused from any resulting delays in performing the Services and be entitled to an equitable adjustment in the SLA. Further, Marqeta will not be responsible to Client Affiliate for any claims by Client Affiliate or third parties arising from or relating to the failure of any third-party software, hardware, communications devices, Internet services, e-mail systems, or other systems or functions.

(d) No action, regardless of form, arising out of any claimed breach of this Addendum or the Services may be brought by either Party more than [\*\*\*] after discovery of the breach.

(e) Each Party has a general duty to mitigate any losses suffered by such Party, including through the enforcement of its agreements with third parties.

## 12. General.

(a) Governing Law and Jurisdiction. California law shall govern this Addendum without giving effect to conflicts of laws principles. Alameda County, California is the exclusive jurisdiction and venue for all disputes arising out of this Addendum. THE PARTIES WAIVE ANY RIGHT TO A TRIAL BY JURY.

(b) Dispute Resolution Process. In the event of a dispute between the Parties under this Addendum, the Parties will first attempt in good faith to resolve the dispute by negotiation between themselves, including at least [\*\*\*].

(c) Assignment. Neither Party may assign any rights or obligations under this Addendum without the other Party's prior written consent, which may not be unreasonably withheld; provided that either Party without such consent may assign this Addendum to an Affiliate. This Addendum will bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

(d) Force Majeure. Except for delays in payment, if the performance of this Addendum or any obligation hereunder is prevented, restricted, or interfered with by any act or condition whatsoever beyond the reasonable control of the affected Party, the Party so affected, upon giving prompt notice to the other Party, will be excused from such performance, except for the making of payments hereunder, to the extent of such prevention, restriction, or interference.

(e) Amendments; Waivers. No amendment to this Addendum will be valid unless in writing and signed by an authorized representative of each Party. The failure of either Party to insist on performance of any provision of this Addendum will not be construed as a waiver of such provision, and no waiver will be effective or enforceable unless signed by the Party against which such waiver will be enforced.

(f) Severability. If any provision of this Addendum conflicts with the law under which this Addendum is to be construed or is held invalid by a court of competent jurisdiction, that provision will be deemed to be restated to reflect, as nearly as possible, the original intentions of the Parties and the remainder of this Addendum will remain in full force and effect.

(g) Rights of Third Parties. This Addendum is between, and may be enforced only by, Client Affiliate and Marqeta and will not create any rights in third parties.

(h) Cumulative Remedies. Except as otherwise expressly provided in this Addendum, all remedies provided for in this Addendum will be cumulative and in addition to, and not in lieu of, any other remedies available to either Party at law, in equity, or otherwise.

---

(i) Notices. All notices under this Addendum shall be in writing, including via email. Each Party shall send notices to the other Party at the address or email address set forth in the table on page 1 or such other address or email address as either Party may specify in writing. Notices to Marqeta must also be addressed to the Legal Department.

(j) Counterparts. This [\*\*\*] Addendum may be executed in counterparts.

(k) Relationship of the Parties. Nothing in this [\*\*\*] Addendum is intended to, or will, create a partnership, or joint venture, or agency relationship between the Parties.

(l) Survival. The provisions of this [\*\*\*] Addendum that by their nature or terms are intended to survive the expiration or termination of this [\*\*\*] Addendum shall survive its expiration or termination.

(m) Entire Agreement. This [\*\*\*] Addendum and the Agreement represent the Parties' entire agreement and supersedes any and all prior written or oral communications, agreements, or understandings.

---

**SCHEDULE B – SUPPLEMENTAL TERMS AND CONDITIONS**

**[\*\*] Program Management Services**

Marqeta shall provide Client Affiliate with certain program management services in connection with [\*\*], which include, but are not limited to:

[\*\*]

---

SCHEDULE C - [\*\*\*]

[\*\*\*]

---



**SCHEDULE D – SERVICE LEVEL AGREEMENT**

- 1) Capitalized terms that are not defined herein are defined as set forth in the Agreement or Addendum.
  - 2) **Performance Standard.** The Performance Standard is a [\*\*\*] Transaction Success Rate of [\*\*\*] (rounded) or greater in a [\*\*\*]. [\*\*\*]:  
[\*\*\*]
  - 3) **Performance Standard Credits.** In the event that Marqeta does not meet the Performance Standard in a [\*\*\*] and Client Affiliate experienced [\*\*\*], Marqeta will pay Client Affiliate [\*\*\*]:  
[\*\*\*].
  - 4) **Service Reporting.** In order to receive any Performance Standard Credits, Client Affiliate must report a failure to meet the Performance Standard to Marqeta via [\*\*\*].
  - 5) **API Response Time Performance Target.** The API Response Performance Target is [\*\*\*].
  - 6) **Planned Outages.** Marqeta will notify Client Affiliate of scheduled downtime for maintenance or upgrades at least [\*\*\*] in advance (“Scheduled Maintenance”). Scheduled Maintenance will not exceed more than [\*\*\*] per [\*\*\*]. Measurement of Marqeta’s compliance with the Performance Standard shall exclude any Scheduled Maintenance.
  - 7) **Technical Support.** Technical support incidents will be addressed as follows:
    - a) **Technical Support Response Time Performance Target.** Client Affiliate will notify Marqeta via [\*\*\*].
      - i) **Severity Level 0/1** – Marqeta resources will initially respond within [\*\*\*] of notice from Client Affiliate of the incident and will ensure continuous support to resolve all Severity Level 0/1 incidents. Marqeta will promptly (1) advise Client Affiliate of the status of remedial efforts being undertaken with respect to such incident; (2) implement a temporary workaround and/or correct the cause of the incident; and (3) report to Client Affiliate on the root cause(s) of such incident.
      - ii) **Severity Level 2/3** – Marqeta resources will initially respond within [\*\*\*] of notice from Client Affiliate of the incident and will work to resolve Severity Level 2/3 incidents in order of their priority.
    - b) **Severity Level Descriptions.** [\*\*\*].
      - i) **Severity Level 0** – [\*\*\*].
      - ii) **Severity Level 1** – [\*\*\*].
      - iii) **Severity Level 2** – [\*\*\*].
      - iv) **Severity Level 3** – [\*\*\*].
  - 8) [\*\*\*]:  
[\*\*\*] [\*\*\*]  
[\*\*\*] [\*\*\*]  
[\*\*\*] [\*\*\*]  
[\*\*\*] [\*\*\*]  
[\*\*\*] [\*\*\*]
  - 9) [\*\*\*].
  - 10) [\*\*\*].
-

**FORM OF CHANGE ORDER**

**Marqeta Inc.**  
180 Grand Avenue,  
6th Floor  
Oakland, CA 94612

**{Client Affiliate Legal Name}**  
{Client Affiliate Address}

[\*\*\*] Addendum Effective Date

{As set forth in [\*\*\*] Addendum}

Change Order Effective Date

{“TBD”}

Client Affiliate wishes to amend or add one or more terms to the [\*\*\*] Addendum and the Parties are executing this change order (“Change Order”) to document those changes. The Parties agree as follows:

1. Additional Onboarding Services. Marqeta will provide additional Onboarding Services to Client Affiliate as necessary to implement the additional Services.
2. Addendum to Schedule [X]. The Parties agree to [update the Master Services Agreement with (describe the update *e.g. include additional fees for expedited services*)].

**Marqeta**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

**Client Affiliate**

By: \_\_\_\_\_  
Print: \_\_\_\_\_  
Title: \_\_\_\_\_

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

**Master Services Agreement**

**CHANGE ORDER**

<b>Marqeta, Inc. ("Marqeta")</b> 180 Grand Avenue 6th Floor Oakland, CA 94612	<b>Block, Inc. (formerly known as Square, Inc.) ("Client")</b> 1455 Market Street Suite 600 San Francisco, CA 94103
<b>Master Services Agreement Effective Date</b>	April 19, 2016
<b>Change Order #14 Effective Date</b>	Date of last signature

Client wishes to amend or add one or more terms or Services to the Agreement, as amended from time to time, by executing this change order ("Change Order") to document those changes. Capitalized terms which are not defined herein shall be defined as set forth in the Agreement.

The Parties agree as follows:

1. Additional Services. Marqeta will provide the following additional Services for the Cash App Program:

- [\*\*\*]

2. Additional Onboarding Services. Marqeta will provide additional Onboarding Services to Client as necessary to implement the additional Services for the Cash App Program.

3. Schedule D, "Fees – Program Setup & Processing Services": [\*\*\*] Pricing Terms for Cash App Program. Beginning on the first day of the month following the Change Order #14 Effective Date, the fees set forth below shall apply solely with respect to the Cash App Program:

[***] Processing Fees			
[***]	Description	Unit	Price
[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]

**Upon the availability of [\*\*\*] Services to Client, Marqeta will [\*\*\*].**  
Such [\*\*\*] fees will be allocated to Client using either (A) [\*\*\*] or (B) [\*\*\*].

4. This Change Order and the Agreement, as previously amended, constitute the entire agreement between the Parties and supersede any other agreements between the Parties regarding the subject matter hereof.

**Marqeta, Inc.**

By: /s/ Salman Syed

Print: Salman Syed

Title: SVP/GM, North America

Date: January 27, 2022

**Block, Inc.**

By: /s/ Jim Esposito

Print: Jim Esposito

Title: Operations Lead, Cash App

Date: January 27, 2022

**CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.**

**CONFIDENTIAL AND PROPRIETARY**

**EXECUTION COPY**

**AMENDED AND RESTATED**

**PREPAID CARD PROGRAM MANAGER AGREEMENT**

This Amended and Restated Prepaid Card Program Manager Agreement, including all schedules, exhibits, attachments, appendices and addenda attached hereto (collectively, the "Amended Program Manager Agreement") is entered into as of April 1, 2016 (the "Effective Date"), by and between Marqeta, Inc., a Delaware corporation, whose address is 6201B Doyle St, Emeryville CA 94608 ("Manager"), and Sutton Bank, an Ohio chartered bank corporation, its subsidiaries and affiliates, whose main address is 1 South Main St. Attica, OH ("Sutton Bank"). It amends and restates the Program Manager Agreement entered into between parties as of October 1, 2011.

WHEREAS, Sutton Bank operates a prepaid card service and is an approved issuer of prepaid cards on the Discover, MasterCard, and Visa Networks;

WHEREAS, Sutton Bank provides services set forth in Exhibit B (the "Sutton Bank Prepaid Card Services") and the other Program Documents in connection with Card Transactions processed on one or more Networks;

WHEREAS, Manager desires to manage one or more Cards pursuant to one or more Programs, subject to the terms and conditions of the Program Documents;

WHEREAS, Sutton Bank desires to designate Manager as the program manager for such Cards and Programs;

NOW THEREFORE, in consideration of the foregoing promises and the mutual agreements, provisions, covenants and conditions contained in this Amended Program Manager Agreement, Sutton Bank and Manager agree as follows:

**ARTICLE I - RULES OF INTERPRETATION; DEFINITIONS**

**1.1 Certain Interpretive Matters**

As used herein, (i) the terms "include" and "including" are meant to be inclusive and shall be deemed to mean "include without limitation" or "including without limitation"; (ii) the word "or" is disjunctive, but not necessarily exclusive; (iii) references to "dollars" or "\$" shall be to United States dollars; (iv) the term "his" applies to both genders; (v) any Article, Section, Subsection, Paragraph or Subparagraph headings contained in this Amended Program Manager Agreement and the Preamble at the beginning of this Amended Program Manager Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Amended Program Manager Agreement (other than with respect to any defined terms contained in the Preamble); (vi) any reference made in this Amended Program Manager Agreement to a statute or statutory provision shall mean such statute or statutory provision as it has been amended

---

through the date as of which the particular portion of the Amended Program Manager Agreement is to take effect, or to any successor statute or statutory provision relating to the same subject as the statutory provision so referred to in this Amended Program Manager Agreement, and to any then applicable rules or regulations promulgated thereunder, unless otherwise provided; (vii) the words “herein,” “hereof,” “hereunder” and words of like import shall refer to this Amended Program Manager Agreement as a whole (including its Schedules and Exhibits), unless the context clearly indicates to the contrary (for example, that a particular Section, Schedule or Exhibit is the, intended reference); (viii) words used herein in the singular, where the context so permits, shall be deemed to include the plural and vice versa; (ix) a reference in this Amended Program Manager Agreement contemplating certain action by Sutton Bank “after consultation with” or “in consultation with” or “in cooperation with” Manager does not mean that the consent or approval of Manager is required or contemplated in connection with such action; and (x) unless the context otherwise requires or unless otherwise provided herein, the terms defined in this Amended Program Manager Agreement that refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, modifications, amendments and restatements of such agreement, instrument, or document.

## 1.2 Definitions

Terms not defined in this Amended Program Manager Agreement shall have the meanings given to them in the applicable Network Rules. Except as otherwise specifically indicated, the following terms shall have the following meanings in this Amended Program Manager Agreement (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“**Activate**”, “**Activated**” or “**Activation**” means, with respect to a Card, the process separate from funding of the Card by which the Cardholder causes the Card to be usable for Transactions as provided by and subject to the applicable Cardholder Agreement. The Parties acknowledge that two types of Activation may occur with respect to Cards: some Cards may be Activated by Distributors when they are first sold so that the Card may be used for Transactions immediately upon its purchase or distribution, and other Cards may be distributed to Cardholders in an un-activated state and need to be Activated by the Cardholder, usually via telephone or online, each as provided in the Program Due Diligence Application.

“**Additional Products**” includes any other products and service of Sutton Bank that may be offered to a Cardholder in connection with the Program(s), as mutually agreed upon by the Parties.

“**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person. For the purposes of this definition, “control” means the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “common control” and “controlled” have meanings correlative to the foregoing.

“**Amended Program Manager Agreement**” has the meaning set forth in the Preamble.

“**AML**” means anti-money laundering.

**“Applicable Law”** means the (i) Network Rules, (ii) the laws, court opinions, attorney general opinions, rules and regulations of the United States or of any State or the various agencies, departments or administrative or governmental bodies thereof, and any regulatory guidance, determinations of (or agreements with) an arbitrator or Regulatory Authority and directions or instructions from (or agreements with) any arbitrator or Regulatory Authority, as the same may be amended and in effect from time to time during the Term, including, without limitation, (1) the EFTA; (2) the GLBA; (3) the Bank Secrecy Act; (4) federal and state money services business laws; (5) the prohibition against unfair and deceptive trade practices in the Federal Trade Commission Act; (6) state data security laws; and (7) the Telephone Consumer Protection Act; (8) any and all sanctions or regulations enforced by OFAC; (9) statutes or regulations of any State relating to banks, banking, prepaid cards, money transmission or unclaimed property, to the extent applicable to the issuance, sale, authorization or usage of the products and services offered under the Programs or as otherwise applicable to any of the Parties, as all the same may be amended and in effect from time to time during the Term, and (iii) the published policies and procedures of Sutton Bank, as promulgated from time to time by Sutton Bank’s Board of Directors in good faith to ensure the continued safety and soundness of Sutton Bank.

**“Applicant”** means any Person who submits a completed application for a Card.

**“Approved Programs”** has the meaning given in Section 2.1.

**“Audit Corrective Action Plan”** has the meaning given in Section 3.1(O)(v).

**“Audit Findings”** has the meaning given in Section 3.1(O)(v).

**“Auditing Party”** has the meaning given in Section 3.1(O)(ii).

**“Authorized Users”** has the meaning given in Section 3.2(D).

**“Bank BSA/AML/OFAC Requirements”** has the meaning given in Section 5.4(C).

**“Bank Indemnified Parties”** has the meaning given in Section 11.1.

**“Bank Secrecy Act”** or **“BSA”** means the federal Bank Secrecy Act (12 U.S.C. §§ 1951 et seq.), as amended by the USA Patriot Act or otherwise from time to time, and all regulations thereunder and any successor regulations.

**“BIN”** means collectively the Bank Identification Number assigned to Bank by Visa, the Interbank Card Association number assigned to Bank by MasterCard, or similar identifier assigned to Bank by other Networks for the purposes of identifying and routing electronic payment transactions.

**“BSA/AML/OFAC Procedures”** has the meaning set forth in Section 5.4(A).

**“Business Day”** means any day other than a Saturday, Sunday or legal holiday, on which Sutton Bank is open to the public for carrying on substantially all of its banking functions.

**CONFIDENTIAL AND PROPRIETARY**

**“Breakage”** means, with respect to Cardholder-Funded Cards, any Cardholder Funds remaining on the Card upon the earlier to occur of (a) the Card’s expiration date (provided the Cardholder Funds expire on such date per the Cardholder Agreement), or (b) the date the Cardholder Funds are presumed to be abandoned under applicable state unclaimed property laws, to the extent such amounts are not otherwise required to be escheated under state unclaimed property laws pursuant to Section 5.7. With respect to Corporate-Funded Cards, “Breakage” means any Corporate Funds remaining on the Card upon the Card expiration date or the disclosed redemption period for such Corporate Funds, provided the Cardholder Agreement discloses that such funds will revert to the owner of such Corporate Funds following such date, to the extent such amounts are not otherwise required to be escheated under state unclaimed property laws pursuant to Section 5.7.

**“Card”** means a reloadable or non-reloadable prepaid card or other prepaid access device or number issued by Sutton Bank as a product of Sutton Bank in connection with any Program implemented pursuant to this Amended Program Manager Agreement and under authority from a Network.

**“Card Program”** means a system of services and features, as mutually agreed by Manager and Sutton Bank, relating to a particular type of Card provided by Manager and Sutton Bank pursuant to this Amended Program Manager Agreement. This Amended Program Manager Agreement contemplates that multiple Card Programs may be offered hereunder.

**“Cardholder”** means an individual who (i) applies for a Card and is issued a Card or otherwise provided a Card by Sutton Bank, (ii) uses a Card to effect a Transaction, or (iii) purchases or uses any Additional Products offered under the Programs.

**“Cardholder Account”** means (i) the prepaid account which is associated with a Card, and includes the record of debits and credits with respect to Transactions originated by a Cardholder as detailed on the Processor’s Network, and (ii) such other accounts for Additional Products.

**“Cardholder Agreement”** means the agreement between Sutton Bank and a Cardholder governing the terms and use of a Card.

**“Cardholder Complaint”** has the meaning given in Section 5.11(B).

**“Cardholder Data”** means information that is provided to or obtained by either Party in the performance of its obligations under this Addendum or otherwise regarding Applicants and current or former Cardholders, including without limitation (i) name, postal address, e-mail address, telephone number, date of birth, taxpayer identification numbers, Cardholder Account numbers, security codes, service codes (i.e., the three or four digit number on the magnetic stripe that specifies acceptance requirements and limitations for a magnetic stripe read transaction), valid to and from dates, as well as information and data related to payment instruments and Transactions, or Transactions data using payment instruments and methodologies (e.g., charge, credit, debit, prepaid) and regardless of whether or not a physical card is used in connection with such transactions, demographic data, data generated or created in connection with Cardholder Account processing and maintenance activities, Cardholder Account statementing and Cardholder service, telephone logs and records and other documents and information necessary for the processing and maintenance of Cardholder Accounts, (ii), business name, business address, business tax identification number, and certain information on owner or officer, if the Cardholder is a business, (iii) all “Nonpublic Personal Information” and “Personally Identifiable Financial Information” (as defined in 12 C.F.R. §§ 573.3(n) and (o), respectively), and, (iv) with respect to the disposal of such information, any record containing “Consumer Information,” as that term is defined in the regulations implementing 15 U.S.C. § 1681.

**“Cardholder Funds”** means the funds provided by or on behalf of the Cardholder in connection with a requested Load to the Cardholder’s Card and that are legally owed to or owned by the cardholder.

**“Cardholder-Funded Card”** means a card funded solely with Cardholder Funds.

**“Claim”** means any and all threats, actions, demands, investigations, proceedings, claims, counterclaims, defenses, or allegations (whether formal or informal, individual or in a representative capacity) made by or on behalf of any Person, including the other Party, any consumer, Cardholder, Regulatory Authority, Network and any attorney general, district attorney or other law enforcement authority, that would not have arisen but for the Program. The term includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity (including any claim for injunctive or declaratory relief) and includes disputes based on alleged violations of any Applicable Law.

**“Client”** means a business customer of Manager’s that retains Manager to issue Cards for use by Client’s employees, customers, enrollees, subscribers and/or members (collectively, the “Client Customers”), and that sells or distributes such Cards to the Client Customers as Manager’s agent.

**“Complaint Summary”** has the meaning given in Section 5.11(D)

**“Complaints”** has the meaning set forth in Section 5.11(D).

**“Compliance Counsel”** has the meaning set forth in Section 5.2.

**“Confidential Information”** has the meaning set forth in Section 8.2.

**“Corporate Funded Card”** means a card funded solely with Corporate Funds that are not legally owed to or owned by the Cardholder.

**“Corporate Funds”** means all funds received by Sutton Bank on or on behalf of and owned by a business in connection with and/or for crediting to a Corporate Funded Card.

**“Corrective Action Plan Deadline”** has the meaning set forth in Section 3.1(O)(v).

**“Critical Services”** shall mean services that (i) require a third party to access, store, transmit or process Cardholder Data in connection with the Program, (ii) involve significant bank functions or other activities that could cause Sutton Bank to face significant risk if the third party fails to meet expectations, (iii) could have significant customer impacts, or (iv) could have a major impact on Sutton Bank operations if Sutton Bank has to find an alternate third party or if the outsourced activity has to be brought in-house.

“**Criticism**” has the meaning set forth in Section 5.11(A).

“**Customer Identifying Information**” means, collectively, the name, address(es), email address(es), telephone number(s), cell phone number(s), date of birth, and Social Security Number or Tax Identification Number of each Applicant or Cardholder.

“**Discover**” means DFS Services LLC and its successors and assigns.

“**Distribution and Service Agreement**” means the written agreement between Manager and a Distributor (and, if applicable, Sutton Bank) pursuant to the provisions of this Amended Program Manager Agreement.

“**Distributor**” means any marketer, seller of goods and/or services, or other business that has executed a Distribution and Service Agreement to distribute Cards under a Program. For avoidance of doubt, a “Distributor” does not include a Marketer who solely markets but does not distribute or service Cards under a Program.

“**Effective Date**” has the meaning set forth in the Preamble.

“**EFTA**” means the Electronic Fund Transfer Act (15 U.S.C. §§ 1693, et seq.) and Regulation E thereunder (12 C.F.R. Part 1005), each as may be amended from time to time.

“**Executive Complaints**” means (i) any complaint received by a Party from any Network or the Better Business Bureau relating to the Programs and (ii) any material written complaints received by or elevated to senior management of any Party relating to the Programs other than a Regulatory Communication.

“**FDIC**” means the Federal Deposit Insurance Corporation.

“**FFIEC**” means the Federal Financial Institutions Examination Council.

“**FFIEC Handbook**” has the meaning set forth in Section 6.6(A).

“**Financial Information**” has the meaning set forth in Section 4.1(D).

“**FinCEN**” means the Financial Crimes Enforcement Network.

“**Funding Account**” has the meaning set forth in Section 3.1(K).

“**GLBA**” means, collectively, the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801, et seq., the Privacy Regulations, and the standards for safeguarding customer information set forth in 12 C.F.R. Part 1016 and 16 C.F.R. Part 314 or such corresponding regulations as are applicable to the Programs and the Parties.

“**IDTP**” has the meaning given in Section 5.8.

“**Independent Sales Organization**” means a third party service provider sponsored by Sutton Bank pursuant to the Network Rules.

“**Information Security Requirements**” has the meaning set forth in Section 8.1(F).

“**Initial Term**” has the meaning set forth in Section 10.1(A).

“**Intellectual Property**” has the meaning set forth in Section 3.1(H).

“**Interchange**” means the revenue paid to Sutton Bank by acquiring financial institutions for Transactions, as established by a Network.

“**Legal Documents**” has the meaning given in Section 5.11(C).

“**Load**”, “**Loaded**” or “**Loading**” means the process of adding Cardholder Funds or Corporate Funds to a Card at the time such Card is Activated or subsequent thereto, including but not limited to, by way of (i) third party load programs, such as Green Dot MoneyPak, (ii) point-of-sale “swipe” transactions, or (iii) corporate or Card transfers via a web portal or otherwise.

“**Load Failure**” means circumstances in which any Load amount intended to be made on a Card is not received by Sutton Bank.

“**Losses**” means any and all actual losses, assessments, damages, indemnities, liabilities, obligations, deficiencies, adjustments, judgments, settlements, dispositions, awards, offsets, penalties, fines and interest, and reasonable attorneys’, accountants’ and experts’ fees and expenses, including any such fees and expenses incurred in any investigations, proceedings, counterclaims, defenses or appeals that could reasonably result in incurring or avoiding any Losses.

“**Manager**” has the meaning set forth in the Preamble.

“**Manager Contractors**” has the meaning set forth in Section 11.1(D).

“**Manager Indemnified Parties**” has the meaning set forth in Section 11.3.

“**Manager’s System**” has the meaning set forth in Section 3.2(D).

“**Mark**” means the service marks, trademarks and copyrights of Manager, the Networks, or Sutton Bank, including the names and other distinctive marks or logos, which identify Manager, the Networks, or Sutton Bank, respectively.

“**Marketer**” means any marketer, seller of goods and/or services, or other business that has executed a Marketing Agreement with Manager solely to assist in the development of Marketing Materials and Marketing Campaigns in connection with a Program or to enable its branding to be marketed in connection with a Program and to not distribute or service Cards under a Program. For avoidance of doubt, a “Marketer” does not include a Person who, at the direction of a Marketer, merely posts advertising or provides Marketing Materials developed by Marketer to potential Cardholders, provided such Person is affiliated with the Marketer through common ownership or control, a franchising relationship with the Marketer, or such other arrangement described in the approved Program Due Diligence Application for a Program.

“**Marketing Agreement**” means the written agreement between Manager and a Marketer pursuant to the provisions of this Amended Program Manager Agreement.

“**Marketing Campaigns**” means all marketing methods intended to generate requests for the Cards by targeting a population using specific advertising mediums, such as Internet marketing, blogging, tweeting, e-mailing, texting, direct mail marketing, telemarketing, radio or television commercial airtime, print advertising, billboard advertising, or other recognized methods of selling goods or services or acquiring sales leads.

“**Marketing Materials**” shall mean all media of any kind or nature, including without limitation, email solicitation messages, published advertising (such as newspaper and magazine advertisements), Internet media, Card art, Card carriers, Card displays, Facebook/MySpace posts, blogs, tweets, texts, banner ads, RSS feeds, telemarketing scripts, television or radio advertisements, brochures, postcards, posters, direct mailings, signage, frequently asked questions, interview or public speaking scripts and talking points, sales materials, and press releases intended for public dissemination or to promote, advertise and/or market a Program.

“**MasterCard**” means MasterCard International Incorporated and its successors and assigns.

“**Merchant**” has the meaning set forth in Section 3.1(L).

“**Merchant Rewards Account**” has the meaning set forth in Section 3.1(L).

“**[\*\*\*]**” means [\*\*\*].

“**MSB**” means the Money Services Business.

“**NACHA**” means the National Automated Clearing House Association and its successors and assigns.

“**Network**” means any Discover, NACHA, Visa, MasterCard, or any other card association or payment network selected by Bank and agreed to by Manager for the Settlement of Transactions contemplated by this Amended Program Manager Agreement.

“**Network Rules**” means the bylaws, operating rules and regulations of any applicable Network, including the PCI-DSS.

“**OFAC**” means the United States Department of Treasury’s Office of Foreign Assets Control.

“**Party**” or “**Parties**” means, as applicable, Manager and/or Sutton Bank.

“**PCI-DSS**” means the Payment Card Industry Data Security Standards established and implemented by the various payment card associations.

**“Person”** means any legal person, including any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity of any nature.

**“Prepaid Access Rule”** has the meaning given in Section 5.4(B).

**“Privacy Notices”** means all privacy policy disclosure statements required by Applicable Law, including without limit GLBA, in connection with the use of any Cardholder Data by Sutton Bank or Manager, any of Sutton Bank’s or Manager’s Affiliates or any third party engaged by Manager or Sutton Bank.

**“Privacy Regulations”** means those regulations or related interagency guidelines promulgated by federal Regulatory Authorities implementing Title V of GLBA.

**“Processing Services”** means those Services performed by Manager which are necessary to issue Cards and process Transactions in accordance with Applicable Law.

**“Processor”** means Manager solely in connection with providing Processing Services for Cards that are issued under this Amended Program Manager Agreement. Manager agrees that Manager shall provide the Processing Services for the Programs pursuant to the terms of this Amended Program Manager Agreement executed between Sutton Bank and Manager.

**“Program”** means a system of services approved by Sutton Bank under which a Cardholder may utilize a Card to conduct Transactions pursuant to the Cardholder Agreement. The Parties acknowledge that multiple Programs may exist under this Amended Program Manager Agreement based on meaningful differences, including but not limited to, Card terms and functionality, distribution locations, and Cardholder characteristics. All Programs shall be subject to the terms hereof and the prior written approval of Sutton Bank.

**“Program Accounts”** means the various deposit accounts established by Sutton Bank for purposes of facilitating the flow of funds, receiving Program reserve amounts, Cardholder Funds and Corporate Funds and the payment of Settlement Transactions to the Network.

**“Program Documents”** means all agreements and documents between Sutton Bank or Manager and any Network relating to each Program, including without limitation any issuer agreements or issuer processor agreements, as applicable, license agreements, Network Rules, operating regulations, trademark guidelines, dispute rules, technical specifications, issuer fee schedules, and all product guides, documents, rules and procedures incorporated herein or therein, together with all documents, rules and procedures of any Network that are applicable to a Program.

**“Program Due Diligence Application”** means a description and explanation of the parameters and features of a Program using the application provided by Sutton Bank, together with any accompanying exhibits or schedules.

**“Program Fraud”** has the meaning given in Section 3.1(N)(i).

**“Program Materials”** means all written and electronic materials relating to each Program utilized by Manager, including, but not limited to, Marketing Materials, training materials, policies and procedures, including without limitation, Cardholder Agreements, Cardholder service letters, any website established by Manager in connection with the Programs, customer service scripts, interactive voice response messaging, any information, notices or disclosures relating to Cards provided to Cardholders, including, but not limited to, Privacy Notices, error-resolution notices, change-in-terms notices, and disclosures required by the EFTA, and documents and any material amendments or updates thereto.

**“Program Records”** has the meaning given in Section 3.1(P)(i).

**“Program Revenues”** means all income derived from a Cardholder’s use of a Card or participation in a Program, including but not limited to, [\*\*\*].

**“Program Schedule”** means a written addendum to this Amended Program Manager Agreement, substantially in the form attached hereto as Schedule 2.1 and executed by each Party, which sets forth the Parties’ respective duties and obligations with respect to a particular Card Program.

**“Regulatory Authority”** means any federal, state or local governmental, regulatory or self-regulatory authority, agency, court, tribunal, commission or other entity having jurisdiction over Sutton Bank, Manager or the Programs, including, but not limited to, the Office of the Comptroller of the Currency, FDIC, Federal Reserve, Federal Trade Commission, and Consumer Financial Protection Bureau. It may also include, as the circumstances dictate, any non-U.S. authority having or exercising jurisdiction related to the issuance, sale, authorization or usage of the Cards, Programs or services provided under this Amended Program Manager Agreement.

**“Regulatory Communication”** means all communications from any Regulatory Authority concerning the Programs.

**“Renewal Term”** has the meaning set forth in Section 10.1(A).

**“Response to Audit Letter”** has the meaning given in Section 3.1(O)(v).

**“SEC”** means the U.S. Securities and Exchange Commission.

**“Security Contact”** has the meaning set forth in Section 9.4.

**“Security Guidelines”** means the Interagency Guidelines Establishing Standards for Safeguarding Customer Information, the FFIEC Information Technology Examination Handbook, PCI-DSS, Section 501 of GLBA and any other guidance or directives issued by a Regulatory Authority or Networks pertaining to the security of Cardholder Data.

**“Security Program”** has the meaning set forth in Section 9.1.

**“Sensitive Customer Information”** has the meaning set forth in Section 8.1(E).

**“Services”** means those services specifically described in Exhibit D and otherwise described in this Amended Program Manager Agreement.

“**Settle**” and “**Settlement**” mean the movement of funds tendered for or Loaded to Cards among Sutton Bank, other financial institutions and the Networks in accordance with Applicable Law to settle Transactions on such Cards.

“**SSAE**” has the meaning given in Section 9.2.

“**Standard Terms**” has the meaning set forth in Section 6.1(D).

“**Successor Bank**” has the meaning set forth in Section 10.5(A).

“**Sutton Bank**” has the meaning set forth in the Preamble.

“**Switchover Date**” has the meaning set forth in Section 10.5(C).

“**Term**” has the meaning set forth in Section 10.1.

“**Third Party Service Provider**” means a service provider which Manager utilizes to provide Critical Services in connection with the Program(s).

“**Transaction**” means using a Card to do any of the following: (i) make a purchase or otherwise make a payment to or for the benefit of a third party; or (ii) obtain a credit for a previous purchase; (iii) make a cash withdrawal at an automated teller machine, bank teller or via other means; (iv) to transfer value to another Card or account; (v) to Load funds to a Card, or (vi) without duplication of any of the foregoing, any other transaction involving use of a Card.

“**Transaction Fee**” means a fee charged in connection with the sale of a Card. The amount of the Transaction Fee applied to each Card will vary depending on the particular Card, and shall be calculated by Manager in accordance with a pricing schedule approved by Sutton Bank. For purposes of clarity, a Transaction Fee is charged at the time a Card is sold.

“**Visa**” means Visa U.S.A. Inc. and its successors and assigns.

“**Wind Down Period**” means the period from the date of termination or expiration of the Amended Program Manager Agreement through the date that the Parties have completed the Wind-Down Plan for the Programs entirely pursuant to Section 10.5.

“**Wind-Down Plan**” has the meaning set forth in Section 10.5(C).

## ARTICLE II - MANAGER’S ROLE; INCORPORATION OF AND COMPLIANCE WITH PROGRAM DOCUMENTS

### 2.1 Manager’s Role

Manager and Sutton Bank acknowledge that Manager is providing services with respect to the Prepaid Card Programs developed by Manager that have been reviewed and approved by Sutton Bank and for which Sutton Bank has approved Manager to provide the services described in this Amended Program Manager Agreement (each as specifically identified by Program description on Schedule 2.1 hereto, as the same may be amended from time to time) (the

“**Approved Programs**”) as an agent and representative of Sutton Bank, who has primary responsibility for each Program’s compliance with Applicable Law and the Program Documents. Notwithstanding the foregoing, Manager acknowledges that (i) it will comply with the Program Documents as such are provided to Manager by Sutton Bank; (ii) it has received and thoroughly examined the Program Documents as provided by Sutton Bank, and (ii) each Card Transaction that Manager or Sutton Bank sends to or receives from any Network constitutes Manager’s ratification of the Program Documents, as then in effect and provided to Manager by Sutton Bank.

## 2.2 Operating Regulations

Manager acknowledges that as a “permitted Agent” of Sutton Bank, the terms of the Network Rules governing an issuer’s relationship with the applicable Network also govern Manager’s relationship with the applicable Network, to the extent applicable, including, for: cardholder obligations, responsibility for fraud, collections and other risks, data security, indemnity and liability, and confidentiality. Manager represents that it has read, agreed and will comply with all terms of the applicable Network Rules, including the foregoing specifically identified provisions as such are provided to Manager by Sutton Bank.

## 2.3 General

Sutton Bank and Manager hereby each acknowledge and agree that (a) Sutton Bank has established the Programs; (b) except as otherwise expressly provided in this Amended Program Manager Agreement, Sutton Bank shall have full control and continued oversight over the Programs, including without limitation all policies, activities and decisions with respect to each Program; (c) the products and services offered under the Programs pursuant to this Amended Program Manager Agreement are products of Sutton Bank; and (d) Manager shall serve as Sutton Bank’s administrator and servicer for the Programs, to which Sutton Bank has delegated specific responsibilities relating to the marketing and servicing of the Programs, including the marketing and sale of the Cards.

## 2.4 Bank Determination of Applicable Law

As between Sutton Bank and Manager with respect to each of their respective rights and obligations under this Amended Program Manager Agreement, to the extent there is a dispute between Sutton Bank and Manager with respect to the applicability of certain provisions of the Network Rules or Applicable Laws to one or more Program(s), Sutton Bank shall have the sole and exclusive right to determine (i) which of the Network Rules, Federal, State and local laws, court opinions, attorney general opinions, rules and regulations, and regulatory guidance, regulatory determinations of (or agreements with) or written directions of any arbitrator or Regulatory Authority, and modifications thereto, apply to each Program or the Parties hereto and thus are Applicable Laws; (ii) how such Applicable Laws apply to each Program; and (iii) how and to what extent pending, settled or decided lawsuits or enforcement actions affecting Sutton Bank or any other company, and legal and regulatory developments and trends, should be addressed in each Program; provided, however, that in making such determinations, Sutton Bank shall consult with Manager, shall exercise reasonable and professional judgment, and shall consult with legal counsel as appropriate. Notwithstanding the foregoing, Manager is expected and required to comply with all Applicable Laws that apply to Manager and the performance of its obligations under this Amended Program Manager Agreement.

## 2.5 Manager's Right to Offer Programs; Statutory Authority of Regulatory Authority

Sutton Bank grants Manager the right to offer the Programs on behalf of Sutton Bank, and hereby appoints Manager as Sutton Bank's agent for the sole and limited purpose of providing the services described herein with respect to the Programs. As an authorized delegate and representative of Sutton Bank, Manager acknowledges and agrees to the following:

- (A) any Regulatory Authority has and shall have the statutory authority to regulate, examine and initiate an enforcement action against Manager with respect to the activities performed by Manager as agent or representative of Sutton Bank;
- (B) Sutton Bank and Manager, in its capacity as Sutton Bank's authorized delegate and representative, are both subject to control and supervision by the appropriate Regulatory Authority;
- (C) the Regulatory Authority may require both Sutton Bank and Manager, in its capacity as Sutton Bank's authorized delegate and representative, to (and, if required, the Parties shall) submit periodic reports to the Regulatory Authority;
- (D) the Regulatory Authority may require the Parties to (and, if required, the Parties shall) modify the terms of this Amended Program Manager Agreement or terminate Sutton Bank's relationship with Manager at any time; and
- (E) the Regulatory Authority may institute any other requirements or conditions that the Regulatory Authority deems appropriate for a particular purpose in connection with this Amended Program Manager Agreement and the rights and responsibilities set forth herein, in which case the Parties agree to comply with such requirements or conditions.

## ARTICLE III - PARTIES' RESPONSIBILITIES

### 3.1 Manager's Responsibilities

As Sutton Bank's agent and representative, Manager will develop, promote, market and sell, and operate Approved Programs on Sutton Bank's behalf in accordance with this Amended Program Manager Agreement and the Program Documents, In addition, Manager further agrees to do the following:

- (A) Execution of Agreements. It is Manager's responsibility to execute any and all necessary agreements with (i) Clients that will be distributing or selling the Cards or distributing any of the Sutton Bank Prepaid Card Services; and (ii) any of Sutton Bank's Networks.
- (B) Due Diligence.
  - (i) Program Due Diligence Application. Manager will complete a Program Due Diligence Application for each Program proposed to be offered under this Amended Program Manager Agreement and will submit such Program Due Diligence Application in advance to Bank for Bank's prior written approval. Manager shall ensure that each Program is offered in accordance with the Program Due Diligence Application approved by Sutton Bank. Sutton Bank shall have the right to conduct a risk assessment for each Program, which may include an assessment of any features of any Program product.

(ii) Client Due Diligence. Manager acknowledges that prior to signing or authorizing any Client to sell or distribute Cards hereunder, each Client must be subject to Manager's and Sutton Bank's reasonable due diligence, and be approved by Sutton Bank, which approval will not be unreasonably withheld.

(C) Marketing. Manager will use its commercially reasonable efforts to market the Approved Program(s) to prospective Cardholders and to maximize sales and distribution of the related Cards on behalf of Sutton Bank, in compliance with applicable Network Rules. There shall be no limitation on the customer base to which the Approved Program(s) are marketed. Manager will also ensure that (1) the design of each Card meets the applicable Network's design specifications, (2) Card terms and conditions, the Cardholder Agreement, packaging, point-of-sale display materials and any other associated materials comply with all requirements of the Program Documents and, where required, are approved by Sutton Bank, (3) all communications which display a Network's name, logo, bug or marks are pre-approved by that Network, and (4) all Card shipping and storage practices comply with applicable Network Rules, including but not limited to card inventory management controls. Manager further agrees that the services it provides hereunder shall be of professional quality and in accordance with industry standards and practices. Manager shall be responsible for the conduct and active monitoring and training of its employees, sales representatives, sales offices and agents with respect to all aspects of Manager's performance under this Amended Program Manager Agreement and the Programs, including without limitation their respective compliance with this Amended Program Manager Agreement and Applicable Law.

(D) Background Checks and Employee Responsibility. Without limiting the Manager's obligations in Section 3.1 (C), Manager shall (a) conduct background checks on each of its employees engaged in providing the Services on Manager's behalf, (b) provide to Sutton Bank, upon Sutton Bank's request, the name, signature, and, if available under Applicable Law, Social Security Number or similar government-issued identifying number, of each Manager employee and sales representative, and maintain such information for a period of three (3) years after the end of any such employee's employment for any reason, and (c) comply with the provisions of Section 19 of the Federal Deposit Insurance Act, as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. § 1829). Manager shall be liable for all actions or failure to act by such employees. Manager shall exercise commercially reasonable efforts to promptly rectify any non-compliant activity or other activity that, in Sutton Bank's commercially reasonable discretion, could cause harm to Sutton Bank's reputation or business. In the event an employee or potential employee's background check does not meet the standards of the Act cited in this Section 3.1(D), Manager may consult with Sutton Bank to determine if an exception is allowable under Sutton Bank's "Employment Guidelines" or similar policies or procedures.

(E) Manager Training. Manager shall provide appropriate training for its officers, employees, agents and representatives with respect to their duties, if any, related to the Program, and shall appropriately supervise all such Persons. Sutton Bank shall have the right to (a) periodically review and audit Manager's training program to ensure Manager's compliance with Sutton Bank's training program and (b) at the request of Sutton Bank, monitor and participate in any such training program.

(F) New Approved Programs. Manager must obtain Sutton Bank's prior approval to serve as program manager for each Program. Manager will submit a Program Due Diligence Application Form, attached hereto as Exhibit A, for each proposed Program for which Manager and Sutton Bank wish Manager to serve as the program manager. Sutton Bank will respond to each Program Due Diligence Application Form submitted by Manager within [\*\*\*] of receipt. If the Program Due Diligence Application Form is approved and accepted by Sutton Bank, Schedule 2.1 to this Amended Program Manager Agreement will be amended to include such Program as an Approved Program. Upon Sutton Bank and Manager's agreement to offer a Program to prospective Cardholders, Manager shall develop a marketing program to promote Cards to prospective Cardholders and Sutton Bank shall issue Cards within a designated BIN range assigned by the applicable Network for the Program.

(G) Program Modifications. Manager may suggest changes to a Program or the Cardholder Agreements, Program Materials, Marketing Campaigns, or Program Due Diligence Application at any time, subject to the prior written consent of Sutton Bank. Manager shall be responsible for all costs associated with any such changes suggested by Manager and approved by Sutton Bank. Changes to a Program or the Cardholder Agreements, Program Materials, Marketing Campaigns, or Program Due Diligence Application, including a determination that certain Program Materials or Marketing Campaigns are no longer authorized, may be made by Sutton Bank upon [\*\*\*] notice to Manager, provided, however, that such notice shall not be required if such change (i) is appropriate to respond to any concern from a Regulatory Authority, (ii) is necessary in order to cause the Program to remain in compliance with Applicable Law, or (iii) is necessary to alleviate safety and soundness concerns or manage risk for Sutton Bank in connection with the Program and providing [\*\*\*] prior notice is not feasible, in which case Sutton Bank shall provide notice as soon as commercially practicable. Sutton Bank shall take commercially reasonable steps to prevent undue expense for Manager when changing any Cardholder Agreements, Program Materials and Marketing Campaigns that are already in production. Unless otherwise mutually agreed upon by the Parties, upon Manager's receipt of written notice from Sutton Bank of any such changes to a Program or Program Documents or the Cardholder Agreements, Program Materials, Marketing Campaigns, or Program Due Diligence Applications or receipt of new Program Documents, Manager shall implement such changes as soon as commercially practicable but in no event later than [\*\*\*] from Manager's receipt of notice of such change, determination or new Program Document. Alternatively, if the modification would result in a materially adverse change to one or more Programs or if the modification would require Manager to devote significant resources, significantly amend material agreements or incur significant cost and expense, Manager shall provide Sutton Bank with notice and reasonable detail of Manager's concerns. Promptly following Sutton Bank's receipt of such notice, the Parties shall meet in good faith to resolve Manager's concerns in a mutually agreeable manner. If the Parties are unable to so resolve Manager's concerns within [\*\*\*] of Sutton Bank's receipt of such notice, Manager may elect to terminate the affected Program or Programs or transition such Program or Programs to a Successor Bank, upon prior written notice to Sutton Bank and subject to the provisions for such termination or transition as provided in Section 10.5. Manager shall take all actions deemed necessary by Sutton Bank, in Sutton Bank's commercially reasonable discretion, taking into account any legally-binding effective date with respect to any change in Applicable

Law and the legal, compliance and reputation risks to the Parties, to implement the modification and/or terminate the affected Program(s) in the manner and time period specified by Sutton Bank. Sutton Bank may seek specific performance under this Section. Manager shall bear all reasonable costs related to any changes requested by Sutton Bank pursuant to the circumstances set forth in clauses (i), (ii) or (iii) of this Section 3.1(G).

(H) Intellectual Property. Sutton Bank agrees that all intellectual or proprietary property supplied or developed by Manager associated with any proposed Program and/or Approved Program, including, inventions, trade secrets, processes, business models, methods of doing business, know-how, works of authorship, copy, artwork, designs, software, code, and other material, and all patents, trademarks, service marks, trade names and logos, copyrights, trade secrets, moral rights, and other intellectual property and proprietary rights therein (hereinafter collectively referred to as the “**Intellectual Property**”) and information (including, without limitation, any Confidential Information as defined herein), shall be and remain the sole and exclusive property of Manager. For the avoidance of doubt, nothing in this Amended Program Manager Agreement constitutes a work for hire agreement, and nothing in this Amended Program Manager Agreement constitutes an agreement by a Manager to assign or otherwise convey title to any Intellectual Property. Notwithstanding the foregoing, Manager hereby grants Sutton Bank a limited, royalty-free, non-exclusive, non-transferable license to use such Intellectual Property solely as necessary to provide the Sutton Bank Prepaid Card Services.

(I) Obligation of Manager to Provide Information. Manager must provide reports of Program activity to Sutton Bank in a mutually agreed electronic format.

(J) Sales and Settlement. All funds received from customers in connection with the loading and reloading of value on Cards shall be handled in accordance with the terms of the Program Documents and this Amended Program Manager Agreement (Manager acknowledges and agrees that the requirements under the Program Documents shall supersede any conflicting obligations or restrictions in this Amended Program Manager Agreement); provided that Manager agrees that all such funds shall be held on behalf of Cardholders and as provided in the Program Documents and the Cardholder Agreement and Manager shall ensure (and cause all Clients to ensure) that no claims, liens nor any actions of ownership or possession of such funds will be permitted by any party other than the Manager, Cardholder, the Networks or Sutton Bank.

(K) Maintenance of Funding Accounts at Sutton Bank. A Funding Account is defined as a Program Account consisting of a demand deposit account to hold adequate funds to cover the amounts owing to Cardholders as determined by Manager and in accordance with Program Documents. Sutton Bank shall, at all times during the duration of this Amended Program Manager Agreement, establish and maintain a separate Funding Account for each Program. Manager will assist Sutton Bank in establishing the Funding Accounts. Sutton Bank will notify the Manager of the account numbers and any other information necessary for the Manager to transfer funds to such accounts.

(L) Merchant Payments to Sutton Bank. A Merchant is defined as a customer of Manager that provides funds to Cardholder accounts for rewards, promotional, incentive, loyalty and other similar purposes, in accordance with the applicable Approved Program. From time to time Manager shall cause its Merchants, by timely, irrevocable wire transfer, to deposit into the appropriate Merchant Rewards Account held at Sutton Bank adequate funds to cover the amounts owing to Cardholders as determined by the Manager and its Merchants. The total liability to Cardholder for a given program is equal to the sum of the Funding Account and the Merchant Rewards account. Manager agrees that any funds deposited in the Funding Accounts and Merchant Rewards Accounts shall be for the sole purpose of satisfying claims on the Funding Accounts as provided in this Amended Program Manager Agreement and the applicable Approved Program.

(M) [\*\*\*]

(N) Fraud Monitoring, Recovery and Liability.

(i) Fraud Monitoring. Manager shall monitor usage of Program products and services by Cardholders, and the provision of Program products and services by Distributors, to track, review and report on fraudulent use of Program products and services, and the Parties shall cooperate to reduce fraud. Manager also shall adopt such fraud monitoring practices in accordance with Sutton Bank's internal procedures (as provided to Manager by Sutton Bank from time to time), standard industry practices and any Applicable Laws, as such industry practices or Applicable Laws may change over time. Manager shall provide to Sutton Bank a summary report of findings from Manager's fraud monitoring upon request.

(ii) Fraud Reporting. Each Party shall immediately notify the other Party if a Party (or, in the case of Manager, any of its Distributors or Third Party Service Providers) become aware of any attempt by any Person to obtain or use a Card by fraud, including, but not limited to, value Load fraud, provisional credit fraud, unauthorized Card use, under floor limit processing, merchant fraud, or fraud committed by an employee of Manager or any of its Distributors or Third Party Service Providers ("**Program Fraud**").

(iii) Fraud Investigation and Recovery. Manager shall cooperate fully with Sutton Bank and engage in any commercially reasonable efforts to locate and prosecute the perpetrator of any Program Fraud, and shall bear the costs of such efforts. In the event Sutton Bank has reasonable suspicion to believe that Program Fraud is taking place, Sutton Bank may in its sole discretion: (a) require Manager to halt the sale of Cards and/or Loads of Cards within a particular Card distribution channel or channels, (b) block the BIN associated with a specific Program offering or offerings, (c) freeze or suspend the suspicious Card Transactions, and (d) freeze or suspend any additional use of the remaining Cardholder Funds on such Cards, to the extent the actions described in clauses (a) through (d) above are in compliance with Applicable Law.

(iv) Liability for Fraud. Manager agrees that it shall be responsible for and liable to Sutton Bank for all expenses associated with and any losses attributable to Program Fraud, unless such expenses and losses were proximately caused by the negligence or willful misconduct of Sutton Bank. Manager shall reimburse Sutton Bank for any losses and expenses associated with Program Fraud within [\*\*\*] of receiving written notice by Sutton Bank of such Program Fraud.

(O) Program Audits and Examination Cooperation.

(i) Manager Audit Plans. Manager shall establish and maintain an internal audit plan for the Programs and its obligations under this Amended Program Manager Agreement as approved by the audit committee of Manager's Board of Directors. Manager shall also establish and maintain an audit plan applicable to each Distributor's, Marketer's and Third Party Service Provider's compliance with Applicable Laws in the performance of their obligations related to the Programs, and the Distribution and Service Agreements, the Marketing Agreements and Third Party Service Provider agreements, as applicable. Manager shall provide a copy of its audit plans to Sutton Bank, and shall respond in good faith to address any concerns raised by Sutton Bank, including with respect to the frequency, content and scope of the audits. Without limiting the foregoing, Sutton Bank may require that Manager perform an audit of any specified Distributor or Third Party Service Provider, pursuant to an audit plan and scope acceptable to Sutton Bank in its commercially reasonable discretion. Manager shall submit a written audit report to Sutton Bank in connection with each audit, and provide Sutton Bank with any additional information requested with respect to any material issues of concern identified in the audit or by Sutton Bank. Manager warrants that, as of the date of the submission of each such audit report to Sutton Bank that, to the best of Manager's knowledge, such report is true, correct, complete, and not misleading. Upon Manager's determination that any information contained in any such audit report is materially incorrect, incomplete or misleading in any way, Manager shall promptly notify Sutton Bank of the same.

(ii) Program Audits. Manager agrees at its sole cost that Sutton Bank, its authorized representatives and agents, and any Regulatory Authority or Network ("**Auditing Party**") shall have the right, at any time during normal business hours and upon reasonable prior written notice, or at any other time required by Applicable Law or by a Regulatory Authority, to inspect, audit, and examine all of Manager's facilities, records, personnel, books, accounts, data, reports, papers and computer records relating to the activities contemplated by this Amended Program Manager Agreement including, but not limited to, financial records and reports, the Security Program, associated audit reports, summaries of test results or equivalent measures taken by Manager and/or any Third Party Service Provider to ensure that the Security Programs meet the objectives of the Security Guidelines in accordance with Applicable Law and this Amended Program Manager Agreement and that Manager is otherwise in compliance with the terms of this Amended Program Manager Agreement and Applicable Law. Manager shall, and shall contractually require its Distributors and Third Party Service Providers to, make all such facilities, records, personnel, books, accounts, data, reports, papers, and computer records available to the Auditing Party for the purpose of conducting such inspections and audits, and the Auditing Party shall have the right to make copies and abstracts from Manager's or a Distributor's or Third Party Service Provider's books, accounts, data, reports, papers, and computer records directly pertaining to the subject matter of this Amended Program Manager Agreement.

(iii) BSA/AML/OFAC Audits. Sutton Bank, or a third party selected by Sutton Bank may conduct a complete audit of Manager's compliance with Manager's approved BSA/AML/OFAC Procedures, which shall include, without limitation, a review of

Manager's compliance with Sutton Bank's policies and procedures in place with respect to identifying the number of sales of Cards at any one Distributor location in one day, limiting the number of Cards activated by any one individual with the same social security number, limiting the number of Cards activated by individuals at any one physical address, and limiting the Loads to each Card. Manager will be responsible for all of the cost of these BSA/AML/OFAC audits.

(iv) Manager Cooperation. Manager agrees to cooperate, and shall contractually require all Distributors, Marketers and Third Party Service Providers to cooperate, with any examination, inquiry, audit, information request, site visit or the like, which may be required by any Regulatory Authority or Network with audit examination or supervisory authority over Sutton Bank, to the fullest extent requested by such Regulatory Authority, Network or Sutton Bank. Manager shall also provide to Sutton Bank any information which may be required by any Regulatory Authority or Network in connection with their audit or review of Sutton Bank or any Program and shall reasonably cooperate with such Regulatory Authority or Network in connection with any audit or review of Sutton Bank or any Program. Manager shall also provide, at its sole cost and expense, such other information as Sutton Bank, Regulatory Authorities or Network may from time to time reasonably request with respect to the financial condition of Manager and such other information as Sutton Bank may from time to time reasonably request with respect to third parties who have contracted with Manager relating to or in connection with this Amended Program Manager Agreement.

(v) Corrective Action Plans. Manager shall prepare a written response to Sutton Bank (a "**Response to Audit Letter**") to all criticisms, recommendations, deficiencies, and violations of Applicable Law identified in reviews conducted by Sutton Bank, any Regulatory Authority or Network ("**Audit Findings**"). The Response to Audit Letter shall be delivered to Sutton Bank within [\*\*\*] of Manager's receipt of such Audit Findings, unless directed otherwise by a Regulatory Authority or a Network. The Response to Audit Letter shall include, at a minimum, a detailed discussion of the following:

- (a) the planned corrective action to address the Audit Findings ("**Audit Corrective Action Plan**");
- (b) employee(s) of Manager tasked to remedy the Audit Findings;
- (c) remedial actions proposed to be directed to current or past Cardholders negatively impacted by the Audit Findings (provided no such action shall be taken without express written approval from Sutton Bank);
- (d) steps to be taken to prevent any recurrence of the Audit Findings;
- (e) a specific timeframe, not to exceed [\*\*\*], unless otherwise approved by Sutton Bank in advance, to implement the Audit Corrective Action Plan ("**Corrective Action Plan Deadline**");

- (f) documentation evidencing that the Audit Corrective Action Plan has been implemented;
- (g) if additional time is needed to implement the Audit Corrective Action Plan or deviations from the Audit Corrective Action Plan are necessary, a written request shall be submitted to Sutton Bank detailing the extenuating circumstances that necessitate an extension of the Corrective Action Plan Deadline and such extension request shall be subject to the reasonable approval of Sutton Bank; and
- (h) identification of any Audit Findings disputed by Manager or where corrective action is not possible or necessary, supported by a detailed explanation of Manager's position.

(P) Recordkeeping and Reporting.

(i) Recordkeeping. Unless otherwise agreed, Manager will keep, or cause to be kept, current and accurate records relating to each Program, including, but not limited to: (a) the identity of each Cardholder and the steps taken to verify such identity, if applicable to the Program; (b) all information received by Processor in each daily Settlement file; and (c) other information as may be required by Applicable Law ("**Program Records**"). With respect to each Card, Manager shall retain all Program Records for the time period required by Applicable Law, and in any event, for no less than five (5) years after the termination of any Cardholder Agreement or Program, whichever is later.

(ii) Reports and Access to Program Records. Sutton Bank shall be provided with access to any Program Records and any other information and documents it reasonably requests from time to time from Manager or any Distributor, Marketer or Third Party Service Provider retained by Manager with regard to any activity contemplated by or relating to this Amended Program Manager Agreement, and such information shall be provided in accordance with Sutton Bank's specifications and requirements, including, but not limited to, the timeframe and format in which such information and documents must be provided. Manager shall ensure that it has ready access to all Program Records, including those maintained by its Distributors and Third Party Service Providers, in order to comply with any request from Sutton Bank pursuant to this Section.

(iii) All Program Records generated by Manager and its Third Party Service Providers in connection with the Program(s) shall be the property of Sutton Bank, subject to each Party's (or a Marketer's or Distributor's) ownership interest in Joint Cardholder Data as defined in Section 7.1.

### 3.2 Sutton Bank Responsibilities

In addition to any other obligations of Sutton Bank set forth in this Amended Program Manager Agreement:

(A) Sutton Prepaid Card Services. Sutton Bank shall be responsible for providing the Sutton Prepaid Card Services.

(B) Sutton Bank System Security. Sutton Bank shall implement and will comply with its security procedures designed to (i) prevent unauthorized access to Sutton Bank's systems through computer hardware and software systems which are owned or controlled by Sutton Bank, and (ii) prevent unauthorized access to or use of Sutton Bank's systems by Sutton Bank's current and former personnel. When on site at Manager's premises, Sutton Bank personnel shall observe and adhere to Manager's policies and procedures generally applicable to visitors of Manager's premises as provided to Sutton Bank by Manager.

(C) Sutton Bank Personnel. Sutton Bank shall be responsible for any acts or omissions of Sutton Bank employees, subcontractors and authorized agents acting with Sutton Bank's authorization on Sutton Bank's behalf, which, if performed by Sutton Bank, would constitute a breach of this Amended Program Manager Agreement. For the avoidance of doubt, Sutton Bank shall in no way be responsible for the acts or omissions of Manager or its employees, subcontractors, authorized agents, Distributors, Marketers or Third Party Service Providers.

(D) System Access. Sutton Bank acknowledges that it may receive access to Manager's system, network components, or electronic databases ("**Manager's System**") in order to monitor Program activity. In such event, Sutton Bank will be responsible for the administration of Sutton Bank's access to Manager's System as follows:

(i) Sutton Bank will provide Manager with the names and contact information of the Sutton Bank employees who are authorized to access the Manager's system in order to monitor Program activity ("**Authorized Users**");

(ii) Sutton Bank will instruct Manager to disable access to Manager's System for terminated Authorized Users or Authorized Users who no longer have a need to access Manager's System; and

(iii) Sutton Bank will comply with Manager's reasonable and industry standard security procedures provided to Sutton Bank with respect to maintaining secure access to Manager's System.

(E) Notices of Changes. Except as such is limited by Applicable Law or the actions or requirements of a Regulatory Authority, Sutton Bank shall notify Manager as far as reasonably possible in advance of any: (a) change in the name or form of business organization of Sutton Bank or change in the location of its chief executive office; or (b) any material adverse change in Sutton Bank's financial condition or operations that might materially and adversely affect Sutton Bank's ability to perform its obligations under this Amended Program Manager Agreement.

(F) Notice of Proceedings. Except as such is limited by Applicable Law or the actions or requirements of a Regulatory Authority, Sutton Bank shall promptly notify Manager of any action, suit, litigation, proceeding, consent order, directive, sanction, facts and circumstances, and of all tax deficiencies and other proceedings before governmental bodies or officials, including any Regulatory Authority, affecting Sutton Bank, and the threat of reasonable prospect of same, which (i) relate to a Program or this Amended Program Manager Agreement, (ii) might give rise to any indemnification obligation pursuant to Article XI or (iii) might materially and adversely affect Sutton Bank's ability to perform its obligations under this Amended Program Manager Agreement.

(G) Sutton Bank's Capitalization. Sutton Bank shall use reasonable efforts to (i) maintain sufficient capital to support its deposits and assets and (ii) remain a well-capitalized institution, as defined under the prompt corrective actions provisions of the Federal Deposit Insurance Act, 12 U.S.C. § 1831o and 12 C.F.R. Part 6.

(H) True and Correct Information. Sutton Bank covenants that all information furnished by Sutton Bank to Manager for purposes of or in connection with this Amended Program Manager Agreement shall be, to the best of Sutton Bank's knowledge, as of the date provided, true and correct in all material respects and does not omit any material fact necessary to make the information so furnished not misleading. Except as disclosed to Manager, there is no fact known to Sutton Bank (including threatened or pending litigation) that is reasonably likely to materially and adversely affect the financial condition, business, property, or prospects of Sutton Bank.

(I) Cooperation. Sutton Bank covenants that it shall use commercially reasonable efforts to cooperate with Manager in the operation of the Programs and its obligations under the Amended Program Manager Agreement, including in respect of the settlement of disputes with Cardholders.

(J) Sutton Bank shall promptly notify Manager in writing in the event that Sutton Bank, together with its Affiliates, accumulates in excess of [\*\*\*] in assets at any given date.

## ARTICLE IV - REPRESENTATIONS AND WARRANTIES

### 4.1 Manager Representations and Warranties

Manager represents and warrants to Sutton Bank, as of the Effective Date, as follows:

(A) Existence. Manager is duly organized, validly existing and in good standing under the laws of the state of Delaware, and has its principal office in Emeryville, California.

(B) Authority. Manager has the corporate and legal authority and power to enter into this Amended Program Manager Agreement and to perform the obligations set forth in the Program Documents.

(C) Ownership; No Infringement. Manager owns, has licensed, or otherwise has the right to use any trademarks, service marks, patents and other intellectual property necessary for it to use in the operation of each Approved Program referenced herein, and to the best of Manager's knowledge any such use will not infringe upon the rights of any third party.

(D) Accuracy of Financial Information. Manager has delivered to Sutton Bank complete and accurate copies of its balance sheets and related statements of income and cash flows. All financial statements and information that have been furnished to Sutton Bank are accurate in all material respects and fairly represent, in all material respects, (i) the financial condition of Manager, including contingent liabilities of every type, which financial condition has not changed

**CONFIDENTIAL AND PROPRIETARY**

materially or adversely as of the date of this Amended Program Manager Agreement, and (ii) the terms, conditions and other information related to Manager's Programs, which terms, conditions and other information has not changed materially or adversely as of the date of this Amended Program Manager Agreement. Additionally, Manager agrees to provide Sutton Bank, within [\*\*\*] of Sutton Bank's request therefor, with copies of Manager's then-most current annual audited and/or interim unaudited financial statements, prepared in accordance with the requirements of the immediately preceding sentence, and such information concerning Manager's Programs as Sutton Bank may request. The financial statements, terms, conditions and other information referred to in this Section 4.1(D) are referred to collectively as the "**Financial Information**."

(E) Claims and Litigation. Neither Manager nor any of its Affiliates is the subject of any litigation, infringement, or enforcement action, and to the knowledge of Manager, neither manager nor any of its Affiliates is the subject of any investigation by any Person or governmental body which, if determined adversely to Manager or the Affiliate, would have a material adverse effect on (i) the business, financial condition or operations of Manager, or (ii) the ability of Manager to operate each Approved Program referenced herein, or (iii) the ability of Manager to perform its obligations under the Program Documents. Neither Manager nor any Affiliate or principal of Manager has been or is subject to (i) any criminal conviction (other than for minor traffic offenses and other petty offenses), (ii) any unpaid federal or state tax lien, (iii) administrative or enforcement proceedings commenced by the Securities and Exchange Commission, any state securities regulatory authority, the Federal Trade Commission, any federal or state banking regulator or any other federal or state regulatory agency, or (iv) any restraining order, decree, injunction or judgment in any proceeding or lawsuit alleging fraud or deceptive practice on the part of Manager or any principal or Affiliate of Manager. For the purposes of this Section 4.1(E), the term "principal" includes (i) any Person who directly or indirectly owns ten percent (10%) or more of Manager, (ii) any officer or director of Manager, and (iii) any Person actively participating in the control of Manager's business.

(F) Consents. Manager has obtained all material licenses, consents or permissions needed from any applicable governing authority or other Person to perform, its duties set forth in the Program Documents and this Amended Program Manager Agreement.

(G) Compliance. Manager adheres to all applicable Applicable Law, and has completed and implemented an anti-money laundering compliance program, a copy of which has been provided to Sutton Bank.

(H) Resources. Manager has and will maintain all staffing, operational, and financial resources that are necessary or appropriate to perform its obligations under this Amended Program Manager Agreement and its agreements with Client(s).

**Sutton Bank Representations and Warranties**

**4.2**

Sutton Bank represents and warrants to Manager, as of the Effective Date, as follows:

(A) Organization and Qualification. Sutton Bank is a state chartered bank duly organized, validly existing and in good standing under the laws of the state of Ohio. Sutton Bank is duly qualified and in good standing to do business in all jurisdictions where such qualification is necessary for it to carry out its obligations under this Amended Program Manager Agreement, except where the failure to so qualify would not have a material adverse effect on Sutton Bank's business, or where the failure to so qualify would not have a material adverse effect on Manager's or Sutton Bank's ability to continue operation of the Programs. Sutton Bank is (i) a member in good standing with each Network necessary to the operation of the Programs, and (ii) is in good standing with each Regulatory Authority with jurisdiction over it, including the Federal Deposit Insurance Corporation.

(B) Corporate Authority.

(i) Corporate Power. Sutton Bank has all necessary corporate power and authority to enter into this Amended Program Manager Agreement and to perform all of the obligations to be performed by it under this Amended Program Manager Agreement.

(ii) Authorization. This Amended Program Manager Agreement has been duly authorized by all necessary proceedings, has been duly executed and delivered by Sutton Bank and is a valid and legally binding agreement of Sutton Bank duly enforceable in accordance with its terms (except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equity principles).

(iii) Approvals. No consent, approval, authorization, order, registration or qualification of or with any court or Regulatory Authority or other governmental body having jurisdiction over Sutton Bank is required for, and the absence of which would materially adversely affect, the legal and valid execution and delivery of this Amended Program Manager Agreement, and the performance of the transactions contemplated by this Amended Program Manager Agreement.

(iv) No Conflicts. The execution and delivery of this Amended Program Manager Agreement by Sutton Bank hereunder and the compliance by Sutton Bank with all provisions of this Amended Program Manager Agreement shall not: (i) conflict with, result in the breach of, constitute a default under or accelerate, terminate, modify or cancel or require any notice or consent under any agreement, contract, lease, license, instrument or other arrangement to which Sutton Bank is a party or by which it is bound or to which any of its assets is subject, except for such violations, conflicts, breaches, defaults, accelerations, terminations or modifications that would not have a material adverse effect on its ability to fulfill its obligations under this Amended Program Manager Agreement; or (ii) violate the charter, bylaws, or any other equivalent organizational document of Sutton Bank.

(C) Litigation. There is no pending, nor to the knowledge of Sutton Bank, threatened, suit, action, arbitration or other proceedings of a legal, administrative or regulatory nature, or any governmental investigation, against Sutton Bank or any of its Affiliates or any officer, director or employee which has not been previously disclosed to Manager in writing and which would materially and adversely affect Sutton Bank's financial condition or Sutton Bank's ability to perform its obligations under this Amended Program Manager Agreement.

(D) Sutton Bank Marks. Sutton Bank has the legal right to use and to permit Manager to use, to the extent set forth herein, the Sutton Bank Marks.

(E) Intellectual Property Rights. In the event Sutton Bank provides any software or hardware to Manager, Sutton Bank has the legal right to such software or hardware and the right to permit Manager to use such software or hardware, and such use shall not violate any intellectual property rights of any third party.

(F) FDIC Insurance. Sutton Bank's deposits are insured by the Federal Deposit Insurance Corporation to the full extent permitted by and available under Applicable Law, and no proceeding has been instituted to revoke such insurance.

## ARTICLE V - PROGRAM COMPLIANCE

### 5.1 Compliance with Applicable Law

Each Party acknowledges and agrees that it shall comply with Applicable Law in the performance of its obligations under this Amended Program Manager Agreement. Manager agrees that it shall contractually obligate its Distributors, Marketers and Third Party Service Providers to comply with Applicable Law in the performance any services provided in connection with the Program. Sutton Bank may, if directed by a Regulatory Authority or for continued non compliance terminate this Amended Program Manager Agreement by giving written notice of termination to Manager, in which case the date of termination shall be as set forth in such notice.

### 5.2 Compliance Counsel

Sutton Bank may exercise its discretion to obtain legal counsel ("**Compliance Counsel**") with expertise in the field of payment instruments to assist Sutton Bank in reviewing, and to advise Sutton Bank with regard to, the compliance with all Applicable Law, and all Program Materials, policies, procedures and guidelines pertaining to the Program. Such Compliance Counsel shall be employed solely by Sutton Bank and retained in that capacity so long as Sutton Bank deems advisable. Manager shall promptly reimburse Sutton Bank for such Compliance Counsel's actual fees and disbursements for the review and advice beginning after such Compliance Counsel has provided [\*\*\*] of billable time so advising Sutton Bank, as provided in this Section 5.2, upon presentation by Sutton Bank of statements therefore setting forth such fees and disbursements in reasonable detail; provided, however, that Sutton Bank will notify Manager prior to beginning any individual project or matter after the Effective Date if Sutton Bank believes that the fees and disbursements for such individual project or matter will exceed [\*\*\*].

### 5.3 Operating Policies and Procedures

Each Party shall develop written policies and procedures associated with fulfilling its responsibilities and obligations contained herein and required by Applicable Law.

#### 5.4 BSA/AML/OFAC Compliance

(A) Manager's BSA/AML/OFAC Procedures. Manager shall comply with the applicable provisions of the Bank Secrecy Act ("**BSA**") and shall implement the comprehensive Bank Secrecy Act, customer identification, AML, OFAC program (the "**BSA/AML/OFAC Procedures**") approved by Sutton Bank from time to time, designed specifically to address the BSA/AML/OFAC risks associated with each Program. Manager shall maintain the BSA/AML/OFAC Procedures, and such other compliance measures, including a system of internal controls, to ensure ongoing compliance with the Bank Secrecy Act, independent annual testing of the BSA/AML/OFAC Procedures, the designation of an individual or individuals responsible for coordinating and monitoring the BSA/AML/OFAC Procedures and periodic training of appropriate personnel. Manager and Sutton Bank shall coordinate complete reviews of the BSA/AML/OFAC Procedures and any other BSA/AML/OFAC guidelines of Manager as it relates to the Programs at least annually, and more frequently when new enforcement trends, regulatory guidance, or changes to Applicable Law suggest that such reviews are advisable in Sutton Bank's reasonable determination.

(B) Provider of Prepaid Access. Manager shall ensure that each Distributor and Third Party Service Provider shall register as a money services business (MSB) as and to the extent required by Applicable Law, including, but not limited to, 31 CFR Parts 1010 and 1022 ("**Prepaid Access Rule**"). Regardless of whether Manager is required to register as a provider of prepaid access, Manager shall further ensure that Manager and any Distributors deemed to be "sellers" of prepaid access (as defined by the Prepaid Access Rule) comply with the Prepaid Access Rule, the BSA and any other applicable regulations promulgated by FinCEN, including, but not limited to, ensuring that Manager and all sellers of prepaid access comply with suspicious activity reporting, currency transaction reporting, anti-money laundering, and sales monitoring requirements, and maintain all records required under the Prepaid Access Rule and other Applicable Laws. Manager shall promptly accomplish all acts necessary to comply with FinCEN obligations under the Prepaid Access Rule, and shall indemnify and hold Sutton Bank harmless from any fines, penalties or sanctions of any nature resulting from Manager's not complying with the rule.

(C) Bank BSA/AML/OFAC Requirements. Manager shall further comply with any requirements established by Sutton Bank and provided to Manager to ensure BSA/AML/OFAC compliance by Sutton Bank ("**Bank BSA/AML/OFAC Requirements**"), as the same may be amended from time to time by Sutton Bank. At a minimum, the Bank BSA/AML/OFAC Requirements include the following:

- (i) prior to Activation, with respect to Programs that establish an ongoing relationship with a Cardholder or allow for re-Loads or cash withdrawals, Manager shall obtain, record and verify customer identification information regarding each such Cardholder in accordance with Applicable Law, and shall be responsible for ensuring that each such Cardholder meets Sutton Bank's Customer Identification Program as required by Applicable Law and the Bank BSA/AML/OFAC Requirements;
- (ii) Manager shall comply with all OFAC regulations, including, but not limited to: (1) ensuring that all Cardholders are screened prior to activation of a Card and periodically thereafter as required by Applicable Law through a screening system implemented to comply with OFAC regulations and the Bank BSA/AML/OFAC Requirements, and (2) complying with all OFAC and Sutton Bank directives regarding the prohibition or rejection of unlicensed trade and financial transactions with OFAC specified countries, entities and individuals; and (iii) Manager shall monitor the usage of products

and services offered under each Program to track, review and report any suspicious activity in accordance with Applicable Law and the Bank BSA/AML/OFAC Requirements, including, but not limited to, all obligations to report such suspicious activity to Sutton Bank in accordance with applicable timeframes contained within the Bank BSA/AML/OFAC Requirements, or take such other actions as shall be requested from time to time by Sutton Bank.

(D) To the extent any of Manager's obligations under this Section are performed by a third party, such third party shall be considered a Third Party Service Provider.

#### **5.5 Disclosure of Key Card Terms**

The Parties understand that the fees and substantive terms associated with a Card should be readily available for review by any Person inquiring about a Card. Each Party shall take commercially reasonable steps to ensure that prospective Cardholders have an opportunity to review the Cardholder Agreement if they desire to do so prior to submitting an application for a Card. Manager shall also ensure that customer service representatives and Manager staff and its Distributors are knowledgeable of the fees and substantive terms of each Program. The Parties shall each ensure that the Cardholder Agreement is available on any website administered by the respective Party to support a Program. Manager shall also clearly and conspicuously disclose to the Cardholder and any Applicant for a Card any dormancy fee that may be assessed each Card, how often such fees may be assessed, the conditions under which a fee may be assessed and that such fee may be assessed for inactivity.

#### **5.6 Privacy Notices**

Sutton Bank will prepare and approve a Privacy Notice to be provided to Cardholders on behalf of Sutton Bank that meets Sutton Bank's privacy policy and otherwise reflects the terms of this Amended Program Manager Agreement related to ownership and use of Cardholder Data, including Customer Identifying Information, and Manager shall be responsible for providing this Privacy Notice to each Cardholder at Manager's expense in accordance with Applicable Law, including providing the Privacy Notice in any foreign language through which Cardholders are being solicited via Sutton Bank approved Marketing Materials. In addition, Manager is responsible for preparing and delivering, at its expense, any Privacy Notice that Manager is separately required to provide to Persons under Applicable Law. Manager may choose to support the technological and disclosure requirements necessary to permit the electronic delivery of disclosures upon Cardholder consent consistent with Applicable Law, subject to Sutton Bank's prior written approval.

#### **5.7 Escheat**

Manager shall provide escheat recordkeeping services on Sutton Bank's behalf for the Programs in compliance with all state unclaimed property laws. Sutton Bank shall remit such unclaimed funds to the appropriate jurisdiction as required under Applicable Law. Manager shall be solely liable for any costs and fines related to any challenge by any Regulatory Authority with respect to escheat or unclaimed property laws, regardless of whether such cost is incurred by or such fines are assessed to Sutton Bank or Manager unless such challenge is related to Sutton Bank's failure to remit to the appropriate jurisdiction any unclaimed funds following the receipt of accurate records from Manager. Manager shall be liable to Sutton Bank for any amounts claimed by states under unclaimed property laws that represent Breakage that has been previously paid to Manager by Sutton Bank.

**5.8 Identity Theft Prevention Program (“IDTP”)**

Manager shall develop and implement an IDTP designed to detect, prevent, and mitigate identity theft in connection with the Programs. The IDTP shall be designed to comply with the provisions of 12 CFR 334.90-334.91 and 571.90-571.91 as well as the Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation set forth at Appendix J to 12 CFR Part 334. Manager shall submit the proposed IDTP to Sutton Bank for its prior review and approval.

**5.9 Unlawful Gambling**

Manager shall adopt policies and procedures to reasonably identify and block transactions related to participation of a Cardholder in illegal internet gambling as provided by the Unlawful Gambling Enforcement Act of 2006 and Regulation GG.

**5.10 Regulation E Compliance (12 C.F.R. 1005)**

Manager shall adopt policies and procedures to ensure that neither Manager nor any Distributor, Marketer or Third Party Service Provider participating in the Program markets, labels, displays or otherwise makes, represents or suggests to the public that a Card is or may be used as a “gift card” or “gift certificate” as such terms are defined by 12 C.F.R. 1005.20 if such Cards were not intended for gifting purposes pursuant to the Program Due Diligence Application approved by Sutton Bank. Manager shall further ensure that all Cards that may be re-Loaded are extended the same protections under Regulation E as are available to payroll card accounts (as that term is defined by Regulation E).

**5.11 Criticisms, Complaints and Legal Actions**

(A) Receipt of Criticism. In the event that a Party receives criticism or complaint in a Regulatory Communication or report of examination or in a related document or specific oral communication from, or is subject to formal or informal supervisory action by, or enters into an agreement with any Regulatory Authority or any Network with respect to any matter whatsoever relating to (including omissions therefrom) the Programs (any such event a “*Criticism*”), such Party, as applicable, shall advise the other Party in writing of the Criticism received within [\*\*\*] of receipt and share with the other Party relevant portions of any written documentation, or for oral communications, provide a detailed summary in writing, received from the relevant Regulatory Authority or Network, as applicable, to the extent not specifically prohibited by Applicable Law or the Regulatory Authority or Network. Following receipt of such Criticism, the Parties shall in good faith consult as to the appropriate action to be taken to address such Criticism. Manager shall take all actions deemed necessary by Sutton Bank, in its commercially reasonable discretion, to address the Criticism in the manner and time period specified by Sutton Bank. In the event the Criticism relates to the Programs and any such Criticism requires a written response to any Regulatory Authority with jurisdiction over Sutton Bank, Sutton Bank shall have final approval over the form and content of such response. Sutton Bank may seek specific performance under this Section. In the event the Criticism is directed only to Manager or is from a Regulatory Authority with jurisdiction over Manager, Manager shall have final approval over the form and content of any response required to any Regulatory Authority after consulting in good faith with Sutton Bank.

(B) Complaints and Resolution.

(i) All complaints received by a Party from a Cardholder relating to a Card or its use (“**Cardholder Complaint**”) that are material shall be promptly (i) reported to the other Party, and (ii) promptly addressed and resolved by Manager in accordance with Applicable Law and Manager’s complaint procedures; which procedures must be approved in advance by Sutton Bank.

(ii) Upon request, Manager agrees to promptly advise Sutton Bank of the results of any investigation relating to a Cardholder Complaint and provide an audit trail of information pertinent to the matter, all within any timeframes required by Applicable Law, but in no event later than [\*\*\*] after notice of the Cardholder Complaint. The audit trail of information shall be sufficiently detailed to allow Sutton Bank to fully respond to a Regulatory Authority if such Regulatory Authority inquiries about a Cardholder Complaint.

(iii) Each shall provide the other Party with notice and copies of any Executive Complaint within [\*\*\*] of receipt of such Executive Complaint. Manager shall promptly investigate each Executive Complaint and any similar complaints received by Sutton Bank that are forwarded to Manager and propose an appropriate response. Manager and Sutton Bank shall jointly approve the final responses for all Executive Complaints.

(C) Legal Actions and Requests. Each Party shall promptly notify the other Party of any legal action brought by a third party that may have a material effect on the Program(s). Each Party shall further provide the other Party with prompt notice and copies of all subpoenas, levies, garnishments or other legal requests received by the Party which require the assistance of the other Party in order to provide an accurate response, or which otherwise have a material effect on the Program(s), whether from a governmental authority, Regulatory Authority, private attorney, court or otherwise, relating to a Cardholder, a Card, a Program or this Amended Program Manager Agreement (“**Legal Documents**”). Either Party shall provide any assistance reasonably requested by the other Party in order to timely meet the response deadline of any Legal Document.

(D) Records of Program Complaints and Responses. Manager shall catalog and maintain copies of all Criticisms, Regulatory Communications, Legal Documents, Executive Complaints and Cardholder Complaints received by Manager (collectively, “**Complaints**”), and responses thereto for the period required by Applicable Law or such longer period as specified by Sutton Bank in a written notice to Manager. Manager shall provide Sutton Bank with a quarterly summary of all Complaints in the form and manner determined by or acceptable to Sutton Bank (each, a “**Complaint Summary**”). Sutton Bank (i) shall have access at all times to pending and closed Complaints and responses, and (ii) in Sutton Bank’s sole discretion, may audit a reasonable number of such Complaints.

**5.12 Manager State and Federal Licensing and Registration Requirements**

Manager shall obtain and maintain, and shall ensure that each Distributor and Third Party Service Provider obtains and maintains, all licenses, registrations, permits and approvals necessary to perform their respective obligations in connection with the Programs in compliance with Applicable Law, including without limitation any state money transmitter licenses. In addition, Manager shall ensure that each Distributor and Third Party Service Provider shall register as a money services business (MSB) as and to the extent required by federal law. For purposes of compliance with state money transmitter licensing laws, Manager shall ensure that each Distributor is either (i) sponsored by Manager as an authorized delegate pursuant to appropriate agency agreements with Manager, or (ii) is appropriately licensed as a money transmitter or check seller or registered as a money services business, as applicable, to the extent required by federal or state money services business, money transmitter or sale of checks laws or the Bank Secrecy Act.

**5.13 Network Membership/Registration**

Sutton Bank shall (i) remain a member in good standing in the Networks associated with the Programs marketed by Manager on behalf of Sutton Bank, (ii) provide such BINs and similar identifiers necessary in conjunction with such products and services, (iii) register Manager with the Network(s) as a third-party provider (e.g., an Independent Sales Organization with Visa or as a Member Service Provider with MasterCard); (iv) timely pay all normal fees, dues and assessments associated with its membership, and (v) abide in all material respects with the Network Rules. Manager shall fully comply with the terms of any documents and agreements executed with any Network. Manager and Sutton Bank shall deliver to each other, within [\*\*\*] of receipt, a copy of all notices or correspondence (other than Confidential Information) received from the Networks relating to the Programs marketed by Manager on behalf of Sutton Bank unless such communication is time-sensitive, in which case, such communication shall be delivered as soon as reasonably practicable.

**5.14 Network Obligations**

Each Party shall take all actions as may be reasonably required from time to time by any Network in connection with maintaining the Programs' compliance with the Network Rules. Additionally, (i) Manager shall be responsible for all fees, charges, fines, penalties or other costs assessed from time to time by any Network in connection with any Program related to Manager's acts or omissions, and, if such fees, charges, fines, penalties or other costs are paid by Sutton Bank, then Manager shall reimburse Sutton Bank for all such amounts, and (ii) Sutton Bank shall be responsible for all fees, charges, fines, penalties or other costs assessed from time to time by any Network in connection with any Program related to Sutton Bank's acts or omissions, and, if such fees, charges, fines, penalties or other costs are paid by Manager, then Sutton Bank shall reimburse Manager for all such amounts.

### 5.15 FDIC Pass-Through Coverage

With respect to all Cards eligible for pass-through federal deposit insurance coverage, Sutton Bank shall structure the Program Accounts in which Cardholder Funds and Corporate funds are deposited in a manner sufficient to afford Cardholder Funds and Corporate Funds the benefits of pass-through federal deposit insurance coverage under Federal Deposit Insurance Corporation regulations, including taking steps to maintain the Sutton Bank's books and records in a manner that reflects that such Program Accounts and the Cardholder Funds contained therein are held in a fiduciary capacity on behalf of the relevant Cardholders. Manager shall maintain books and records of Cardholders and Cardholder Funds balances so as to permit the Cardholder Funds on deposit in the applicable Program Accounts to qualify for pass-through federal deposit insurance coverage. In the event the Cardholder Funds in the applicable Program Accounts are no longer eligible for pass-through federal deposit insurance coverage due to a change in Applicable Law or a directive from a Regulatory Authority, Sutton Bank will promptly notify Manager of same.

## ARTICLE VI - DISTRIBUTOR, MARKETER AND THIRD PARTY SERVICE PROVIDER AGREEMENTS

### 6.1 Development of Distributor and Marketer Group

(A) New Distributor and Marketer Selection. Subject to this Article VI, Manager may from time to time select new Distributors and Marketers to participate in the Programs, following which Manager shall enter into Distribution and Service Agreements with such Distributors and a Marketing Agreement with such Marketers. Manager is hereby authorized to enter into agreements with each Distributor and Marketer which set forth the terms by which such Distributors and Marketers shall be compensated for its marketing and sale of Cards, as applicable. Manager shall be responsible for administering the business relationships with its Distributors and Marketers.

(B) Distributor Approval. No Distributor may participate in the Programs as a Distributor unless: (i) Sutton Bank approves the Distributor's application; and (ii) Manager and the Distributor (and if applicable, Sutton Bank) execute a Distribution and Service Agreement with Standard Terms that have been approved by Sutton Bank pursuant to Section 6.1(C).

(C) Marketer Approval. Manager shall be entitled to retain Marketers to market the Programs provided that: (i) each such Marketer meets the underwriting guidelines mutually agreed upon by the Parties, as may be amended from time to time; and (ii) Manager and the Marketer execute a Marketing Agreement with Standard Terms that have been approved by Sutton Bank pursuant to Section 6.1(D).

(D) Distributor and Marketing Agreements. Manager will provide to Sutton Bank the following standard terms to be incorporated into its Distribution and Service Agreements and Marketing Agreements for Sutton Bank's review and approval prior to use: confidentiality and data security obligations, settlement obligations, compliance obligations, Card security obligations, and obligations to obtain Sutton Bank approval for Programs and marketing materials and cooperate in Sutton Bank audits, as and to the extent applicable to Distributors or Marketers (the "**Standard Terms**"). Any material deviations from the Standard Terms shall require the prior written consent of Sutton Bank, and any such modifications to any Standard Terms after it has been executed by the Distributor or Marketer must be approved by Sutton Bank, such approval shall not be unreasonably withheld or conditioned, and Manager and Sutton Bank agree that it shall not be unreasonable for Sutton Bank to refuse a deviation from the Standard Terms or modification to the Standard Terms of an existing Distribution and Service Agreement or

Marketing Agreement if Sutton Bank determines in its commercially reasonable judgment that such deviation or modification could expose Sutton Bank to legal or reputational risk, risk of lawsuit or regulatory action, or otherwise would be inconsistent with Sutton Bank's risk policies. Manager shall provide to Sutton Bank copies of all executed Distribution and Service Agreements and Marketing Agreements, including all amendments, supplements and modifications thereof, promptly upon Sutton Bank's written or e-mail request.

## 6.2 Third Party Service Provider Agreement and Approval and Processing Services

A Third Party Service Provider shall not provide services for the Programs unless such Third Party Service Provider is approved by Sutton Bank, nor shall Manager permit or direct a Third Party Service Provider to integrate or communicate with any other third party to provide Critical Services in connection with the Program(s) (with the exception of the Third Party Service Provider's customary subcontracting relationships maintained in the ordinary course of business) without Sutton Bank's prior written approval. Manager shall notify Sutton Bank in writing of any changes in Third Party Service Providers at least [\*\*\*] prior to entering into a contractual relationship with a new Third Party Service Provider and at least [\*\*\*] days (or such shorter time or promptly following termination in the event of termination for cause) prior to terminating any contractual relationship with any existing Third Party Service Provider. No material change in the scope of responsibilities of an approved Third Party Service Provider agreement may be made without Sutton Bank's prior written approval. For avoidance of doubt, except for Distributors, Marketers and Third Party Service Providers providing Critical Services in connection with this Amended Program Manager Agreement, Manager may engage a third party to assist Manager in performing its obligations hereunder without obtaining Sutton Bank's approval, provided Manager enters into a written agreement with such third party and provides Sutton Bank with the names and services performed by such third parties, as and to the extent reasonably requested by Sutton Bank from time to time.

(A) Processing Services. Manager shall provide to designated Sutton Bank personnel training on Processor's systems to access all Program information and reports on Processor's system relating to the Programs, subject to compliance with Manager's network access and security policies and procedures. Notwithstanding anything to the contrary contained in this Amended Program Manager Agreement, Sutton Bank shall have the right (but not the obligation), at any time following a material breach by Processor or direction from a Regulatory Authority, to assume responsibility for the Processing Services and to perform through another third party designated by Sutton Bank, all services in connection therewith. Any third party and documented fees and expenses reasonably incurred by Sutton Bank in good faith in connection with the exercise of its rights set forth in this Section shall be paid by the Manager and Sutton Bank shall [\*\*\*]. Notwithstanding the foregoing, if Sutton Bank exercises its right to assume the responsibility for the Processing Services, Manager shall have the right to terminate this Amended Program Manager Agreement pursuant to Article X.

(B) Approval of Assumption of Responsibilities by Manager or its Affiliates. In the event that Manager or any of Manager's Affiliates chooses to perform any of the functions that, as of the time of such choice or the Effective Date of this Amended Program Manager Agreement (whichever is later), are being performed by any other Third Party Service Provider, Manager or such Affiliate, as applicable, must be approved by Sutton Bank, which approval shall not be unreasonably withheld, and must enter into an appropriate agreement with Sutton Bank to provide such services.

### 6.3 Changes to Agreements

Sutton Bank may in its commercially reasonable discretion require that Manager modify the Standard Terms in any Distribution and Service Agreement, or Third Party Service Provider agreement, to reflect changes in Applicable Law or in response to a Criticism. In the event such a change occurs, Manager will notify affected counterparties of such change and any related changes in procedures. If such changes will have a material adverse impact on Manager or otherwise require Manager to devote significant resources or incur significant costs or expenses, Manager shall promptly notify Sutton Bank in writing or via e-mail and Manager and Sutton Bank shall meet in good faith to mutually agree upon a resolution. If Manager and Sutton Bank cannot so agree on a resolution, then Manager or Sutton Bank may terminate the applicable Program by providing the other Party with written notice no later than [\*\*\*] following such the date of such meeting or other date as mutually agreed upon by the Parties. In such case, Manager shall still be obligated to [\*\*\*] unless Manager elects to terminate the entire Amended Program Manager Agreement pursuant to Sections 10.1 or 10.2.

### 6.4 Compliance by Distributors, Marketers and Third Party Service Providers

(A) Manager shall assist Sutton Bank by monitoring the conduct of Distributors, Marketers and Third Party Service Providers and their proper compliance with respect to all aspects of their performance under the Programs, including without limitation their respective compliance with this Amended Program Manager Agreement, Applicable Laws and their respective Distributor, Marketer and Third Party Service Provider agreements.

(B) Manager shall reimburse Sutton Bank for Losses incurred by Sutton Bank arising out of Manager's, a Distributor's, a Marketer's or a Third Party Service Provider's actions, failures to act or failure to comply with Applicable Law, the Network Rules, this Amended Program Manager Agreement or the applicable Distributor, Marketer or Third Party Service Provider agreement, to the extent such actions, failures to act or failure to comply relate to the Programs, unless such action or failure results from acting in accordance any policy, procedure or instruction of Sutton Bank.

### 6.5 Denial or Termination of Distributor, Marketer or Third Party Service Provider

(A) Manager acknowledges and agrees that Sutton Bank's decision whether to approve or reject any entity that is under consideration to become a Distributor or Third Party Service Provider, and whether to continue permitting any Distributor, Marketer or Third Party Service Provider to participate in the Program, shall be final and that Sutton Bank may direct Manager to terminate any Distributor, Marketer or Third Party Service Provider with respect to the Programs in the event that, in Sutton Bank's commercially reasonable judgment, such Distributor, Marketer or Third Party Service Provider could expose Sutton Bank to legal, financial, or reputational risk, risk of lawsuit or Criticism, otherwise engages in types of businesses or conduct that is inconsistent with Sutton Bank's corporate philosophies or risk tolerance, or, in the case of a Third Party Service Provider, fails to perform to reasonable industry standards.

(B) Sutton Bank agrees to notify Manager in writing prior to the effective date of termination of any Distributor or Marketer hereunder which notice will include an explanation of the grounds for the termination. To the extent Manager disagrees with Sutton Bank's termination decision under this Section, Manager shall have the opportunity to present countervailing facts or positions for reconsideration by Sutton Bank. Sutton Bank shall have sole final discretion on this issue, however. The notice period for termination of any Distributor or Marketer will be, in most instances, [\*\*\*] prior notice; however, Sutton Bank may require a shorter notice period of [\*\*\*] when in Sutton Bank's reasonable judgment additional time beyond [\*\*\*] would materially increase Sutton Bank's exposure. In instances involving criminal or illegal activity or fraud, the Distributor or Marketer may be immediately suspended pending the effective termination date.

(C) In the event Sutton Bank determines pursuant to the terms hereof to terminate an existing Distributor, Marketer or Third Party Service Provider, Sutton Bank shall, subject to Applicable Law, cooperate with Manager to (i) transition the applicable service(s) to another Distributor or Third Party Service Provider, approved by Sutton Bank, or Program(s) undertaken with such Distributor or Third Party Service Provider to another issuing bank, or (ii) such other action or plan as mutually agreed upon by Sutton Bank and Manager.

#### 6.6 Distributor and Third Party Service Provider Due Diligence, Training and Monitoring

(A) Due Diligence. Prior to referring any entity to Sutton Bank to become, as applicable, a Distributor or Third Party Service Provider, Manager shall perform a due diligence review and document such review of the entity and, as applicable, its principal owners and management, in accordance with any requirements provided by Sutton Bank and, with respect to Third Party Service Providers, as otherwise is consistent with the FFIEC's IT Examination Handbook (including the booklets therein entitled "Supervision of Technology Service Providers" and "Outsourcing Technology Services"), as such handbook is amended from time to time (collectively, the "**FFIEC Handbook**").

(B) Financial and Other Monitoring. Manager shall perform periodic financial monitoring of all Distributors and Third Party Service Providers, such monitoring to be consistent with Applicable Law and the pre-funding risk inherent in the relationship with such Distributor or Third Party Service Provider, including, but not limited to, the Network Rules and, in the case of any Third Party Service Provider, the FFIEC Handbook. Manager shall request Distributors and Third Party Service Providers to furnish Sutton Bank with such financial and other information as Sutton Bank may from time to time reasonably request. Manager shall promptly notify Sutton Bank of any information Manager receives that is reasonably likely to have a material adverse effect on the creditworthiness of any Distributor or Third Party Service Provider or that could affect a Distributor's, Marketer's or Third Party Service Provider's ability to meet its obligations under the Programs. Manager also shall promptly notify Sutton Bank in the event Manager determines that a Distributor, Marketer or Third Party Service Provider is engaged in any activities that Manager believes may be reasonably likely to result in Criticism or material legal, financial or reputational risk to Sutton Bank or Manager or risk of lawsuit against Sutton Bank or Manager.

(C) Security Measures and Controls. Manager shall periodically monitor each Distributor's and Third Party Service Provider's operations, policies and procedures, such

monitoring to be consistent with the requirements and guidance reflected in the FFIEC Handbook, and shall contractually obligate each Distributor and Third Party Service Provider (to the extent it may have access to Cardholder Data) to have proper security measures in place for the protection of Cardholder Data that are in compliance with Applicable Law, including, if applicable, the PCI-DSS as implemented by the applicable Network.

(D) Training. Manager shall provide to each Distributor and Third Party Service Provider that provides Cardholder-facing services (e.g., call center providers) all necessary and appropriate training and support required to implement the Programs, all in a form and substance reasonably satisfactory to Sutton Bank and in accordance with Applicable Law and standard industry practices as such industry practices may evolve during the term of this Amended Program Manager Agreement.

(E) Third Party Service Provider Site Certifications. If requested by Sutton Bank consistent with this Section or if required by Sutton Bank or Applicable Law, Manager shall perform periodic site certifications reasonably satisfactory to Sutton Bank of each Third Party Service Provider in order to determine that such entity has proper facilities, equipment, licenses and permits to perform its services related to the Program, in each case in accordance with the criteria established by Sutton Bank and communicated to Manager. Manager shall submit a written inspection report to Sutton Bank in connection with each such site certification in such form as Sutton Bank shall reasonably designate, and Manager warrants that, as of the date of the submission of such inspection report to Sutton Bank, to the best of Manager's knowledge, the report is true, correct, complete and not misleading. Upon Manager's determination that any information contained in any such inspection report is materially incorrect, incomplete, or misleading in any way, Manager shall promptly notify Sutton Bank of same.

(F) Secret Shopping. Sutton Bank may from time to time reasonably require Manager to conduct a secret shopper program to monitor sales of Cards by one or more Distributors in the manner mutually agreed upon by the Parties. Such secret shopping program will be designed to review the Distributor's Card sales practices and merchandising.

#### **6.7 Existing Distributors, Marketers and Third Party Service Providers**

Manager shall provide Sutton Bank such information as reasonably requested with respect to all Distributors, Marketers and Third Party Service Providers. To the extent Manager has existing relationships with "resellers" that offer Manager's Cards services to third parties on Manager's behalf, Sutton Bank agrees to review such "resellers" solely for purposes of determining whether such "resellers" may become approved by Sutton Bank as Distributors hereunder.

#### **6.8 Access to Third Party Service Providers**

Manager hereby authorizes Sutton Bank, in connection with Sutton Bank's routine oversight for the Programs, to (i) communicate directly with any Third Party Service Provider, and (ii) to obtain from such Third Party Service Provider any reports and information relating to any Program that Sutton Bank deems necessary or appropriate, and Manager hereby authorizes Third Party Service Providers to communicate directly with Sutton Bank and provide such reports and information to Sutton Bank; provided, however, that Sutton Bank will not exercise these rights to conduct or to allow Sutton Bank's auditors to conduct formal audits of the Third Party Service Providers.

## 6.9 Expenses and Liability

Unless agreed upon otherwise by the Parties, Manager shall be responsible for all fees and expenses payable to each Distributor, Marketer and Third Party Service Provider, and shall remain liable for any services performed by any Distributor, Marketer and Third Party Service Provider. A dispute between Manager and a Distributor, Marketer or Third Party Service Provider shall not relieve Manager from performing any of its obligations hereunder.

## ARTICLE VII - CARDHOLDER INFORMATION

### 7.1 Ownership of Accounts, Cardholder Data and Program Materials

Except as otherwise provided in this Amended Program Manager Agreement, as between the Parties, Sutton Bank shall own all Cardholder Data and Cardholder Accounts, Cardholder Agreements and Program Materials and shall have all rights, powers and privileges with respect thereto subject to Sutton Bank's agreement hereunder to transfer such records to a new sponsor bank upon termination or expiration of this Amended Program Manager Agreement. During the Term, Manager may use Cardholder Data as expressly provided in this Amended Program Manager Agreement and in accordance with the Privacy Notices. Notwithstanding the foregoing, the Parties agree that certain aspects of Cardholder Data shall be deemed to be the joint property and Confidential Information of both parties (or a Marketer or Distributor, as applicable), to the extent Manager (or the applicable Marketer or Distributor) collects such information from Cardholders in the ordinary course of business and not solely in connection with the Program(s) ("**Joint Cardholder Data**"). Sutton Bank shall not, directly or indirectly, use, or sell or otherwise transfer any right in or to, the Joint Cardholder Data other than as provided herein or as mutually agreed by the Parties.

### 7.2 Sharing of Cardholder Data and Program Materials

Notwithstanding anything to the contrary in this Amended Program Manager Agreement, sharing of any information between Manager and Sutton Bank and the use thereof shall be subject to their respective privacy policies, Security Guidelines and Applicable Law. Subject to the limitations in this Section, upon Manager's reasonable request, Sutton Bank shall provide Cardholder Data or segments for use by Manager in connection with the discharge of Manager's obligations or exercise of Manager's rights under this Amended Program Manager Agreement or in accordance with the Privacy Policy. Except as provided in Section 7.1, neither Manager nor its Affiliates, Distributors, Marketers, or Third Party Service Providers may without the prior written consent of Sutton Bank disclose Cardholder Data or any segment thereof to any third party or Affiliate, except to the extent permitted by this Amended Program Manager Agreement or required under Applicable Law. To the extent that Manager discloses Cardholder Data to one or more of its Affiliates, Third Party Service Providers, or Distributors or permits such Affiliate(s), Third Party Service Provider(s), or Distributor(s) to use Cardholder Data in accordance with this Section, Manager agrees to cause such parties to comply with the provisions of this Article VII.

### 7.3 Data Obtained Independently by Manager

Nothing contained in this Article VII or elsewhere in this Amended Program Manager Agreement shall apply to, limit or prohibit the use in any manner of, any information or data owned or held by Manager or its Affiliates, or any Third Party Service Provider, Marketer or Distributor, or any of their respective Affiliates to the extent such information or data has been independently obtained by Manager or its Affiliates from a source other than Sutton Bank, even if such information or data is duplicative of Cardholder Data.

## ARTICLE VIII - INFORMATION SECURITY AND CONFIDENTIALITY

### 8.1 Cardholder Data Security

(A) Each Party acknowledges and agrees that this Amended Program Manager Agreement constitutes an agreement for Manager to perform services for Sutton Bank as contemplated in Title V of GLBA and the Privacy Regulations. Without limiting the generality of the terms of this Amended Program Manager Agreement, Manager and Processor each agree that they shall protect the privacy of Cardholder Data to at least the same extent that Sutton Bank must maintain that confidentiality under GLBA and the Privacy Regulations. Without limiting the generality of the foregoing sentence, except as otherwise provided in any Program Schedule, neither Manager nor Processor shall:

(i) use any Cardholder Data except to perform its obligations under this Amended Program Manager Agreement (unless such Cardholder Data is used for Manager's internal business purposes), or

(ii) disclose any Cardholder Data other than to:

- (a) any Network or any other entity to which disclosure is necessary in connection with the processing a Transaction;
- (b) a Third Party Service Provider in connection with a permitted use of such Cardholder Data under this Section 8.1, provided that each such Third Party Service Provider agrees in writing to maintain all such Cardholder Data as strictly confidential in perpetuity and not to use or disclose such information to any person other than Sutton Bank, Manager or Processor, except as required by Applicable Law or any Regulatory Authority (after giving Sutton Bank, Manager or Processor, as applicable, prior notice and an opportunity to defend against such disclosure) or as permitted under Sutton Bank's Privacy Policy; provided, further, that each such Third Party Service Provider maintains, and agrees in writing to maintain, an information security program that is designed to protect Cardholder Data and information related to Transactions, and which complies with the requirements under the Network Rules, including but not limited to the requirement for such Third Party Service Provider, upon termination of any of its associated Card Programs, to securely destroy all Cardholder Data in its possession associated with such Card Program as quickly as circumstances permit in accordance with best industry practices and provide a written notice to Sutton Bank that the destruction of the Cardholder Data has been completed;

**CONFIDENTIAL AND PROPRIETARY**

- (c) its employees, consultants, attorneys and accountants with a need to know such Cardholder Data in connection with a permitted use of such Cardholder Data under this Section 8.1; provided that (1) any such person is bound by terms substantially similar to this Section 8.1 as a condition of employment or of access to Cardholder Data or by professional obligations imposing comparable terms; and (2) such Party shall be responsible for the compliance by each such person with the terms of this Section 8.1; or
- (d) any Regulatory Authority (1) in connection with an examination of any Party; or (2) pursuant to a specific requirement to provide such Cardholder Data by such Regulatory Authority or pursuant to compulsory legal process; provided that such Party seeks the full protection of confidential treatment for any disclosed Cardholder Data to the extent available under Applicable Law governing such disclosure, and with respect to clause (2), to the extent permitted by Applicable Law, such Party (x) provides at least [\*\*\*] prior notice of such proposed disclosure to the other Parties if reasonably possible under the circumstances, and (y) seeks to redact the Cardholder Data to the fullest extent possible under Applicable Law governing such disclosure.

(B) During the Term of this Amended Program Manager Agreement, the Cardholder Data shall be owned by Sutton Bank and shall be subject to Sutton Bank's privacy policy set forth in each Privacy Notice, and the manner in which such Cardholder Data may be used, shared and disclosed by the Parties during the Term shall be as set forth herein or as addressed in the Program Schedule for each particular Card Program, all in accordance with the Privacy Regulations and Applicable Law. Sutton Bank shall not, directly or indirectly, use, or sell or otherwise transfer any right in or to, the Cardholder Data other than as provided herein or as mutually agreed by the Parties in a Program Schedule. Sutton Bank shall ensure that its privacy policy and each Privacy Notice permits, subject to Applicable Law, (i) Sutton Bank to share Cardholder Data with Manager, Processor and their respective Third Party Service Providers, and (ii) Manager and Processor to use Cardholder Data in the manner described herein or as permitted by Applicable Law.

(C) With respect to the sharing, use and disclosure of Cardholder Data following the expiration or termination of this Amended Program Manager Agreement in its entirety or any Program Schedule, Manager shall securely destroy all Cardholder Data in its possession associated with such terminated Program Schedule(s) as quickly as circumstances permit in accordance with best industry practices and provide a written notice to Sutton Bank that the destruction of the Cardholder Data has been completed.

(D) Manager shall establish commercially reasonable administrative, technical and physical safeguards for Cardholder Data in its control or possession from time to time. Such safeguards shall be designed for the purpose of: (i) insuring the security of such records and information, (ii) protecting against any known threats or hazards to the security or integrity of such records and information; and (iii) protecting against unauthorized access to or use of such records and information that would result in substantial harm or inconvenience to any Cardholder; (iv) ensure against the proper disposal of Cardholder Data. Such safeguards shall be established in accordance with Applicable Law, including, without limitation, Section 501 of GLBA and the Interagency Guidelines Establishing Standards for Safeguarding Customer Information adopted pursuant to Section 501 of GLBA.

(E) Subject to any obligations placed upon Manager or Processor by a law enforcement agency, such Party agrees to fully disclose to Sutton Bank any actual or suspected breach in security which results in unauthorized intrusions into such Party's computer and other information systems that may materially affect Sutton Bank and the Cardholders or otherwise may involve the potential unauthorized disclosure, access to, acquisition of, or other loss or use of Cardholder Data, including "sensitive customer information." As soon as such Party has reason to believe that it has a security breach, and in no event later than [\*\*\*] after the discovery of any such breach, it shall notify Sutton Bank in writing and provide (to the extent Manager or Processor has the following information): (i) a description of the breach or loss, including the data it occurred, (ii) the number of individuals or accounts affected and their states of residence, (iii) the information accessed, acquired, lost, or misused; (iv) whether the breach or loss was computerized in nature or a paper loss, (v) whether such information was encrypted or unencrypted, (vi) whether encryption keys or passwords may have been compromised, and (vii) a description of the steps taken to investigate the incident, secure systems or recover lost information, and prevent the recurrence of further security breaches or losses of the same type. For purposes of this subsection (E), "**Sensitive Customer Information**" includes a consumer's name, address, or telephone number in conjunction with the consumer's social security number, driver's license number, account number, credit or debit card number, or a personal identification number or password that would permit access to the customer's account, or any combination of components of customer information that would allow someone to log onto or access a customer's account, such as a username and password, or password and account number. In addition, in the event of an actual or suspected breach in security of Manager's or Processor's computer or other information systems, such Party agrees to permit an independent qualified third party auditor to perform an investigation (including the installation of monitoring or diagnostic software or equipment) to locate the source and scope of the breach and provide Sutton Bank with any material Sutton Bank-related information that such independent auditor discovers with respect to the breach, all at the expense of Manager or Processor respectively.

(F) Each Party has designed and implemented an information security program that is designed to protect Cardholder Data and information related to Transactions that complies with the requirements under the Network Rules. At all times during the term of the Amended Program Manager Agreement, each Party shall be in compliance with all information and data security requirements promulgated by the Network and applicable to card issuers (as set forth in the Network Rules) and the Interagency Guidelines Establishing Standards for Safeguarding Customer Information (collectively the "**Information Security Requirements**"), as the same may be revised from time to time. Each Party shall provide the other Parties with copies of all reports on compliance, quarterly and annual status forms and other reports filed by such Party with the Network in accordance with the Network Rules.

## 8.2 Confidential Information

(A) Each Party acknowledges that it may receive Confidential Information of the other Parties. For purposes of this Amended Program Manager Agreement, "**Confidential Information**" includes the terms of this Amended Program Manager Agreement, any customer information (other than Cardholder Data), financial data and budgetary or proprietary business information, income or sales data or projections, customer lists, business operations, policies, procedures and techniques, advertising summary or tracking reports or other reports generated in accordance with this Amended Program Manager Agreement, schematics, ideas, techniques, know how, concepts, development tools and processes, procedures, computer printouts, computer programs, design drawings and manuals, and improvements, patents, copyrights, technology, source codes, business methods, trade secrets (including all intellectual property contained in the foregoing, or other intellectual property of any kind or nature, plans for future development and new product concepts, contemplated products, research, development, and strategies. Cardholder Data shall not be Confidential Information, but rather shall be subject to the provisions of Section 8.1 above. The term "Confidential Information" shall not include information which, prior to delivery, (i) was already in the recipient Party's possession; (ii) is or becomes generally available to the public through lawful means, other than as the result of a disclosure by the recipient Party or its representatives; (iii) becomes available to a recipient Party without confidential or proprietary restriction by a third party who rightfully possesses the information without confidential or proprietary restrictions; or (iv) the recipient Party can demonstrate that it was independently developed by such recipient Party. Except as otherwise specifically provided in this Amended Program Manager Agreement, each Party agrees that it will not, publish, communicate, divulge, or disclose to any person, firm, or corporation any Confidential Information of any other Party, except in the performance of the terms of this Amended Program Manager Agreement. No Party shall distribute any material labeled as "Visa Confidential" to outside parties without written authorization from Visa. Each Party shall comply with all Applicable Law, including the PCI-DSS, in regards to all Confidential Information and Cardholder Data.

(B) Each Party agrees that it will not use any Confidential Information of any other Party except (i) for the benefit of any other Party, and (ii) as necessary to fulfill its obligations or exercise its rights under this Amended Program Manager Agreement, and only for such purposes and only for the time that it is necessary to do so, except to the extent it is otherwise permitted under this Amended Program Manager Agreement. Each Party will take commercially reasonable security precautions, at least as great as the precautions it takes to protect its own Confidential Information and as may be required by Applicable Law, with respect to the Confidential Information of any other Party which it receives and will disclose such Confidential Information only on a need to know basis and only to its subsidiary, agent or subcontractor who is obligated to treat such Confidential Information in a manner consistent with all the obligations of this Amended Program Manager Agreement. Liability for damages due to disclosure of the Confidential Information by any such third party shall be with the Party that disclosed the Confidential Information to the third party. Each Party shall promptly notify the other Parties upon discovery of any loss or unauthorized disclosure of the Confidential Information of any Party. This Section 8.2 supplements any separate written confidentiality agreement or nondisclosure agreement between any of the Parties, and in the event any such agreement conflicts with the terms hereof, this Amended Program Manager Agreement shall control.

### 8.3 Required Disclosures

In the event that the recipient of Confidential Information is requested or becomes legally compelled to disclose any Confidential Information of any other Party ) pursuant to a subpoena or court order; a summons, order, demand or other judicial or governmental process issued by a Regulatory Authority; or in connection with any regulatory report, audit, inquiry or other request for information from such a Regulatory Authority; or as required by Applicable Law, it is agreed that such recipient Party will provide the disclosing Party with prompt written notice of such request(s) to enable the disclosing Party to seek a protective order to protect and preserve the confidential nature of the Confidential Information. In such event, each Party agrees that it will furnish only that portion of the Confidential Information which is legally required and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded to that portion of the Confidential Information and other information which is being disclosed. To the extent the recipient Party is prohibited from notifying the disclosing Party of a subpoena, order, summons or demand, by the terms of same, the recipient Party shall exercise its reasonable efforts to narrow the scope of disclosure as provided in the forgoing sentence. Each Party shall immediately notify the other upon discovery of any loss or unauthorized disclosure of the Confidential Information of any other Party.

## ARTICLE IX - SECURITY BREACHES; DISASTER RECOVERY

### 9.1 Security Program

In the event that Manager or any Third Party Service Provider accesses, stores, transmits or processes Cardholder Data, Manager shall, and shall require any Third Party Service Providers to, as applicable, establish and maintain appropriate administrative, technical and physical safeguards designed to (i) protect the security, confidentiality and integrity of the Cardholder Data, (ii) ensure against any anticipated threats or hazards to its security and integrity, (iii) protect against unauthorized access to or use of such information or associated records which could result in substantial harm or inconvenience to any Cardholder or applicant, and (iv) ensure the proper disposal of Cardholder Data (collectively, the "**Security Program**"). At all times during the Term, (x) Manager shall use the same degree of care in protecting the Cardholder Data against unauthorized disclosure as it accords to its other confidential customer information, but in no event less than a reasonable standard of care, and (y) the Security Program shall be in compliance with Applicable Law, the Security Guidelines and all information and data security requirements promulgated by the Networks and applicable to card issuers (as set forth in the Network Rules), as the same may be revised from time to time. Any material change to the Security Program by Manager shall be approved in advance by Sutton Bank.

### 9.2 SSAE Report

Manager shall provide to Sutton Bank on an annual basis the Statement on Standards for Attestation Engagements ("**SSAE**") No. 16, *Reporting on Controls at a Service Organization*. Manager shall also provide Sutton Bank with copies of all other reports on compliance, quarterly and annual status forms and other reports filed by Manager with any Network in accordance with the Network Rules, if applicable.

### 9.3 Testing

Manager's Security Program shall be reviewed and tested internally at least annually, at Manager's expense, in order to demonstrate compliance with all Applicable Law, including documented policies and procedures and an internal audit and quality assurance program. Manager shall further cause, at its expense, independent testing of Manager's Security Program, which testing shall include, but is not limited to, penetration testing, vulnerability scans, and a PCI-DSS assessment performed by a qualified security assessor approved by the PCI Security Standards Council. The schedule of such testings, audits and quality reviews shall be provided to Sutton Bank at least annually and results from each such tests, audits or reviews shall be promptly provided to Sutton Bank in writing in accordance with the schedule or upon the request of Sutton Bank.

### 9.4 Security Contact

Each of the Parties has provided to the other Party the name and contact information of such Party's designated primary and secondary "**Security Contact**" appointed for the purpose of being contacted in connection with (i) any security breach or failure requiring immediate notification to a Party with respect to the unauthorized use or disclosure of Cardholder Data or (ii) any use or disclosure of a Party's Confidential Information except in the manner permitted by Article VIII. A Party may from time to time change its primary and secondary Security Contact by providing written notice of such change in accordance with the notice requirements herein. In the event a named Security Contact is no longer in the employ of the applicable Party, or is otherwise unable or unwilling to perform the duties of a Security Contact as set forth herein, then a replacement Security Contact shall be named by such Party as soon as possible but in no event later than [\*\*\*] after the Security Contact has ceased employment with such Party or the occurrence of the event giving rise to such Security Contact's inability or unwillingness to perform such duties. Each Party shall further ensure that either the primary Security Contact or the secondary Security Contact is available at any given time to fulfill the purposes of this Section, unless otherwise approved in advance in writing by the other Party.

### 9.5 Storage of Information

Manager will only store Cardholder Data and Program Records at its data center locations which have been approved by Sutton Bank (or in the case of approved Distributors or Third Party Service Providers, the third party address approved by Sutton Bank). Any change of the location of a data center must be approved by Sutton Bank at least [\*\*\*] in advance of Cardholder Data or Confidential Information being stored at such new location.

### 9.6 Notification

Manager agrees that in the event there is a breach of security of Manager or any Third Party Service Provider resulting in unauthorized disclosure of Cardholder Data or other Confidential Information of Sutton Bank, Manager will promptly, and in no event later than [\*\*\*] after the discovery of any such breach, notify the primary, or if unreachable, the secondary Security Contact

of Sutton Bank (as identified in Section 9.4) of such breach, the nature of such breach, and the corrective action taken to respond to the breach and shall take all steps at its own expense to immediately limit, stop or otherwise remedy such misappropriation, disclosure or use, including, but not limited to, notification and cooperation and compliance with Regulatory Authority. Manager acknowledges and agrees that in the event of a security breach, Sutton Bank shall engage an assessor to determine the extent of the breach. Manager shall give the assessor access to Manager's facilities, records and personnel, as requested by the assessor, and shall be responsible for all costs, expenses and fees of the assessor. Manager shall provide to Sutton Bank, upon receipt, any and all reports or documents prepared by or received from the assessor.

#### 9.7 Expense Reimbursement

(A) Manager Reimbursement. If Manager or any Third Party Service Provider suffers a data security breach that results, in Sutton Bank's sole discretion, in the engagement of Sutton Bank resources to investigate and/or correct the breach Manager shall reimburse Sutton Bank for Sutton Bank's reasonable expenses with respect to the following, except to the extent that such breach was proximately caused by Sutton Bank's gross negligence, or willful misconduct or fraud, or breach of Sections 3.2(B) or 3.2(D) of this Amended Program Manager Agreement:

(i) providing notices and information regarding unauthorized access to Cardholder Data which results in the misuse of such information, or the reasonable possibility that misuse of such information shall occur, involving any Cardholder Data which is attributable, in whole or in part, to Manager or any Distributor, Third Party Service Provider or Manager Affiliate to (i) appropriate law enforcement agencies, Regulatory Authorities and Networks, and (ii) affected Applicants and Cardholders to the extent Sutton Bank deems such notices required by Applicable Law or as Sutton Bank otherwise deems necessary or appropriate in the exercise of its commercially reasonable judgment;

(ii) providing fraud monitoring and consumer report (credit report) monitoring services to affected Applicants and Cardholders to the extent Sutton Bank deems such services to be necessary or appropriate in the exercise of its commercially reasonable judgment; and

(iii) replacing Cards or other access devices if Sutton Bank reasonably determines replacement is necessary as a result of such unauthorized access to Cardholder Data which is attributable to Manager, its Affiliates or Distributors or Third Party Service Providers. Manager shall pay any such undisputed amounts within [\*\*\*] of its receipt of Sutton Bank's documentation supporting such expense. Without limiting the foregoing, Manager shall reimburse Sutton Bank for any Losses incurred by Sutton Bank as a result of unauthorized access to Cardholder Data or Confidential Information through Manager or a Distributor or Third Party Service Provider.

#### 9.8 Disaster Recovery Plan

At all times during the Term and for so long as this Amended Program Manager Agreement remains in effect, Manager shall and shall require all Third Party Service Providers to, prepare and maintain disaster recovery, business resumption, and contingency plans appropriate for the nature

and scope of the activities of and the obligations to be performed by Manager or any Third Party Service Providers hereunder. Manager shall ensure that such plans are sufficient to enable Manager or the Third Party Service Provider to promptly resume, without giving effect to the Force Majeure provisions herein, the performance of its obligations hereunder in the event of a natural disaster, destruction of facilities or operations, utility or communication failures or similar interruption in operations and shall ensure that all material records, including, but not limited to, Cardholder Data, are backed up in a manner sufficient to survive any disaster or business interruption. These plans shall ensure that, without giving effect to the Force Majeure provisions herein, such resumption takes place no later than the timelines set forth in the aforementioned plans. Manager shall make available to Sutton Bank copies of all such disaster recovery, business resumption, and contingency plans and shall obtain Sutton Bank's prior written approval before making any material modifications to such plan. Manager and any Third Party Service Provider shall periodically, and no less than annually, test such disaster recovery, business resumption, and contingency plans as may be appropriate and prudent in light of the nature and scope of the activities and operations of Manager and its obligations hereunder. Manager shall further facilitate and cooperate with any requests by Sutton Bank to participate in, monitor or audit the annual testing process of Manager or a Third Party Service Provider under this Section. A complete report of the results of such annual testing shall be promptly provided to Sutton Bank upon request.

## ARTICLE X - TERM AND TERMINATION

### 10.1 Term

(A) Term. The initial term of this Amended Program Manager Agreement shall commence on the Effective Date and terminate at midnight on the fifth (5th) anniversary of the Effective Date (the "**Initial Term**"), unless sooner terminated in accordance with the terms hereof. This Amended Program Manager Agreement shall be automatically renewed on the same terms and conditions for a two (2) year term ( a "**Renewal Term**") (the Initial Term, collectively with the Renewal Term, the "**Term**") thereafter, unless any Party provides written notice to the other Parties of its intent not to renew at least one hundred eighty (180) days prior to the expiration of the Initial Term or any Renewal Term then in effect.

(B) Mutual Consent. This Amended Program Manager Agreement may be terminated at any time during the Term, without cost or penalty, by mutual consent of Sutton Bank and Manager, or by either Party upon one hundred eighty (180) days prior written notice to the other Party.

### 10.2 Termination for Cause

(A) By Sutton Bank. Sutton Bank may terminate this Amended Program Manager Agreement at any time during the Term:

(i) Immediately upon notice in the event of a breach or series of breaches by Manager of the Program Documents that are material either individually or in the aggregate, if such breach or breaches are not cured within thirty (30) days after receipt by Manager of a written notice from Sutton Bank alleging breach and requiring Manager to cure such breach or breaches;

(ii) Immediately upon notice in the event Manager has failed to pay any amounts to Sutton Bank when due as set forth in the Program Documents, and such amount is not paid within five (5) Business Days after Manager receives notice of such nonpayment;

(iii) Immediately upon notice in the event (1) Manager is placed into conservatorship or receivership or proceedings are commenced and remain unstayed for a period of at least thirty (30) days to wind up, dissolve, liquidate or reorganize Manager, (2) proceedings are instituted against Manager by or before any regulatory authority to terminate Manager's license or other regulatory approval or to cause any of Manager's officers or directors to cease and desist from any alleged unsafe or unsound practice, (3) Sutton Bank, in its reasonable discretion, determines that there exists an imminent and material threat to the security of Sutton Bank's prepaid card services or any network accessed or operated by Sutton Bank, if applicable, as a result of any act or omission by Manager or an agent of Manager, including, without limitation, Manager's failure to comply with any Network Rules with respect to the issuer's responsibilities for data security verification and certification, which could result in a substantial detriment to Sutton Bank, if applicable; or (4) Sutton Bank, in its reasonable discretion, determines that Manager's failure to comply with any provision of Applicable Law or any other requirements, including licensing requirements, imposed upon Manager by any federal or state governmental authority has resulted in or may reasonably be expected to result in an imminent and material threat to Manager's legal capacity to materially comply with Manager's duties and obligations under the Program Documents; or

(iv) Immediately upon notice in the event that Manager creates circumstances giving rise to a substantial risk of loss and/or harm to the goodwill of any Network if such circumstances are not eliminated within thirty (30) days after receipt by Manager of a written notice from Sutton Bank alleging such circumstances and requiring Manager eliminate such circumstances.

(B) By Manager. Manager may terminate this Amended Program Manager Agreement at any time during the Term immediately upon notice in the event: (1) of a breach or series of breaches by Sutton Bank of the Program Documents that are material either individually or in the aggregate, if such breach or breaches are not cured within 30 days after receipt by Sutton Bank of a written notice from Manager alleging breach and requiring Sutton Bank to cure such breach or breaches; (2) Sutton Bank is placed into conservatorship or receivership or proceedings are commenced and remain unstayed for a period of at least thirty (30) days to wind up, dissolve, liquidate or reorganize Sutton Bank; (3) proceedings are instituted against Sutton Bank by or before any Regulatory Authority to terminate Sutton Bank's ability to issue prepaid cards or other regulatory approval or to cause any of Sutton Bank's officers or directors to cease and desist from any alleged unsafe or unsound practice and such proceedings remain unstayed for a period of at least thirty (30) days; (4) Sutton Bank is no longer an approved issuer of prepaid cards on any Network with respect to which a Card Program exists, (5) Sutton Bank has failed to pay any amounts to Manager when due as set forth in this Amended Program Manager Agreement or the Program Documents, and such amount is not paid within fifteen (15) Business Days after Sutton Bank receives notice of such nonpayment; (6) Manager, in its reasonable discretion, determines that Sutton Bank's failure to comply with any provision of Applicable Law or any other

**CONFIDENTIAL AND PROPRIETARY**

requirements imposed upon Sutton Bank by any federal or state governmental authority has resulted in or may reasonably be expected to result in an imminent and material threat to Sutton Bank's capacity to materially comply with Sutton Bank's duties and obligations under the Program Documents or this Amended Program Manager Agreement if such failure is not cured within 30 days after receipt by Sutton Bank of a written notice from Manager describing the failure in commercially reasonable detail and requiring Sutton Bank to cure the failure; (7) Sutton Bank is determined to be in "troubled condition" (as such term is defined in or interpreted in accordance with Applicable Law); (8) if Sutton Bank, together with its Affiliates, accumulates assets that, in the aggregate, are equal to, or greater than, [\*\*\*], which will have the effect of removing Sutton Bank from the small issuer exemption under 12 CFR Part 235.5(a)(1) or any successor provision; or (9) Sutton Bank is prohibited from adding volume to the Programs or adding new Programs in order to [\*\*\*] due to a directive from a Regulatory Authority rendered against Sutton Bank provided such directive is not attributable to the Program(s) or the actions or omissions of Manager or any Manager Contractor; provided such directive remains unstayed for a period of at least thirty (30) days; and provided Sutton Bank has not agreed to [\*\*\*] so long as the directive is outstanding.

(C) Change in Law. In the event that any material change in any Applicable Law, or in the interpretation of such Applicable Law, makes continued performance by any party under the then-current terms and conditions of the Program Documents illegal and the Parties, using their reasonable best efforts, are unable to agree upon modifications to the Program Documents to avoid such illegality, then any party may terminate this Amended Program Manager Agreement, without penalty, by written notice to the other Party, which notice will be effective upon the earlier to occur of (i) the 90th day following delivery of the notice to the other Party or (ii) the effective date of such change in Applicable Law. To be effective, any written notice terminating this Amended Program Manager Agreement pursuant to this Section 10.2(C) must include a detailed explanation and evidence of the illegality created as a result of such change in Applicable Law.

(D) Other Remedies. In the event of any occurrence giving rise to a termination right under Section 10.2(A) above, Sutton Bank may at its election, without exercising, waiving or limiting such termination right in connection with, such occurrence, elect to require that Manager cease selling or distributing new Cards and entering into new Programs. In addition, in the event that any Client(s) fails to make any Settlement Payment or to maintain a required balance in the Settlement Account, Sutton Bank may suspend performance of any Sutton Bank obligations under the Program Documents if such Client fails to make the Settlement Payment or maintain the required balance in the Settlement Account within two (2) Business Days after Client receives notification of such failure.

### **10.3 Effect of Termination or Expiration**

(A) Actions to Give Effect to Termination. Upon any termination of this Amended Program Manager Agreement or expiration of the Term, subject to Section 10.4, Sutton Bank and Manager will, as soon as reasonably practicable, execute such documents and do such things as may be reasonably necessary to give effect to the termination provisions of this Amended Program Manager Agreement.

(B) Survival of Obligations. Each party will continue to be responsible for any obligations incurred under this Amended Program Manager Agreement or the other Program Documents prior to any termination of this Amended Program Manager Agreement or expiration of the Term, including but not limited to the obligation to pay any amounts that accrued prior to termination or expiration of this Amended Program Manager Agreement that remain owed to the other party(ies) after such termination or expiration.

#### 10.4 Cessation of Card Sale and Distribution after Termination or Expiration

Subject to Section 10.5, upon any expiration or termination of this Amended Program Manager Agreement or expiration of any Approved Program, Manager will immediately cease selling or distributing (including the cessation of both direct sales and third party sales through Clients) Cards under this Amended Program Manager Agreement or the Approved Program, as applicable.

#### 10.5 Wind Down Period; Orderly Transition

(A) General Obligations. Upon the expiration or termination of this Amended Program Manager Agreement, (i) Manager may elect to either transition one or more Programs to an alternative card issuer designated by Manager (any such institution, a "**Successor Bank**") in accordance with Applicable Law and pursuant to Section 10.5(B) or (ii) one or more Programs may be wound down in accordance with Applicable Law and pursuant to Section 10.5(C). Each Party acknowledges that the main goals of the Wind Down Period are (in order of priority) (i) to benefit the Cardholders by minimizing any possible burdens or confusion and (ii) to protect and enhance the names and reputations of the Parties, both of whom have invested their names and reputations in the Programs, the Programs and Cards issued hereunder. Unless otherwise required by Applicable Law or any Regulatory Authority, upon the expiration or termination of this Amended Program Manager Agreement for any reason, the Parties agree to cooperate in good faith to wind down or transition each Program in a commercially reasonable way as soon as reasonably possible to provide for a smooth and orderly transition or wind-down. Such cooperation will include continued acceptance of Cards presented for payment until such Cards expire or are cancelled as set forth below, and continued provision of customer service to all outstanding Cardholders in accordance with the terms of this Amended Program Manager Agreement up until the Cards expire or are terminated.

(B) Manager Transition Election. In the event that Manager elects to transition one or more Programs to a Successor Bank pursuant to Section 10.5(A), Sutton Bank's obligations shall include: (i) executing and delivering a transfer agreement containing terms and conditions generally consistent with banking industry practice (including customary representations, warranties and obligations) for the transfer of the Programs and related BINs to the Successor Bank; and (ii) taking all other actions necessary to transfer the Programs and BINs to such Successor Bank. Sutton Bank's documented reasonable out-of-pocket costs associated with the transition activities described in this Section shall be reimbursed by Manager within thirty (30) days of receipt of Sutton Bank's invoice therefore; provided that Sutton Bank has notified Manager of such costs prior to incurring such costs.

(C) Wind-Down Plan. As soon as reasonably practicable after expiration of this Amended Program Manager Agreement, or receipt of delivery of a termination notice with respect to this Amended Program Manager Agreement or one or more Programs, Manager shall provide to Sutton Bank in writing a proposed transition or wind-down plan, detailing (i) whether the affected Program(s) are to be wound down or transferred to a Successor Bank; and (ii) a proposed timeline, which shall designate a date as of which the affected Programs shall be wound down or transferred from Sutton Bank to a Successor Bank ("**Switchover Date**"). Sutton Bank and Manager shall meet promptly thereafter to review such proposed plan and to determine a mutually acceptable transition or wind-down plan (a "**Wind-Down Plan**"); provided, however, that if Sutton Bank and Manager fail to reach mutual agreement on the Wind-Down Plan within thirty (30) days, Sutton Bank shall establish a Wind-Down Plan that is appropriate for the affected Program(s) and that is, to the extent practicable, substantially similar to other wind-down plans used by Sutton Bank for other programs similar to the affected Program(s) hereunder, in which case such Wind-Down Plan shall be deemed to be approved by Manager. The wind-down or transition of any affected Program(s) shall occur as soon as reasonably possible and in no event later than one hundred eighty (180) days after expiration of this Amended Program Manager Agreement; provided, however, that such time period may be extended by mutual written agreement of the Parties.

(D) Wind Down Period General Obligations. During the Wind Down Period, the Parties shall continue to be bound by and comply with the terms of this Amended Program Manager Agreement and perform all of their obligations hereunder and shall remain liable for the representations and warranties, covenants and indemnification obligations under this Amended Program Manager Agreement. If Sutton Bank determines in its sole discretion that Manager has failed to continue to provide customer service to the affected Cardholders during the wind-down period in accordance with the terms of this Amended Program Manager Agreement, Manager shall take all necessary steps to either (i) effect the transfer to Sutton Bank of control of the toll free telephone numbers and websites used by Manager with respect to such Program or (ii) redirect Cardholders using such telephone numbers and websites to such toll-free telephone numbers and websites as designated by Sutton Bank.

(E) Further Assurances. Each Party shall; (i) give such further assurances to the Successor Bank and shall execute, acknowledge and deliver all such acknowledgments, assignments and other instruments and take such further action as may be reasonably necessary and appropriate to effectively vest in the Successor Bank the full legal and equitable title to Sutton Bank's rights in any affected Program(s) being transitioned to the Successor Bank and (ii) make commercially reasonable efforts to assist the Successor Bank in the orderly transition of the sponsorship of the Program. The Parties agree to work in good faith to assure a smooth transition of the Program and continuity of operations with respect to the Program.

## ARTICLE XI - INDEMNIFICATION AND LIABILITY

### 11.1 Indemnification Obligation By Manager

Manager covenants and agrees to indemnify and hold Sutton Bank, its Affiliates, and their respective officers, directors, employees, agents, successors and permitted assigns ("*Bank Indemnified Parties*") harmless against any Losses, arising out of third party Claims in connection with:

(A) any failure on the part of Manager to perform or comply with any covenant or obligation required to be performed or complied with by Manager under or pursuant to this Amended Program Manager Agreement,

(B) any inaccuracy, breach or untruthfulness of any representation or warranty made by Manager under or pursuant to this Amended Program Manager Agreement,

(C) any infringement or alleged infringement of any third party's marks or intellectual property rights in connection with the Cards or the Program or as a result of Sutton Bank's use of the Manager Marks hereunder,

(D) any noncompliance with or violation of any Applicable Laws (including without limitation with respect to Program Materials and Marketing Campaigns), the gross negligence or willful misconduct of Manager, or any of Manager's Affiliates, employees, officers, directors, Distributors, Marketers, Third Party Service Providers or agents, representatives or independent contractors (all such contractors, agents and representatives, including Distributors, Marketers and Third Party Service Providers, the "**Manager Contractors**"),

(E) any wrongful acts or omissions of Manager or Manager Contractors in connection with the improper use of Cardholder Data or in connection with the transfer of the Program(s) to a Successor Bank,

(F) any failure on the part of Manager or any Manager Contractor to comply with or discharge any of its or their obligations, liabilities or other amounts due or owing by Manager or such Manager Contractor to any third party, including, in the case of Manager, due or owing to any Manager Contractor,

(G) any unauthorized or fraudulent access to or use of Cardholder Data caused by the action or inaction, or intentional misconduct of an employee of Manager or Manager Contractors, or arising from a security breach to computer systems maintained by Manager or maintained by Manager Contractors on behalf of Manager.

(H) any Losses arising solely from the Sutton Bank's failure to comply with the Applicable Law or a direction or requirement from a Regulatory Authority or Network where such failure arose out of Manager's failure to meet its obligations under this Amended Program Manager Agreement or to obtain and provide all information to Sutton Bank needed for Sutton Bank to comply, unless Sutton Bank failed to inform Manager of the need for such actions or the need to cease taking such actions; or

(I) any misrepresentation or false or misleading statement made by Manager or Manager Contractors to any Person, Regulatory Authority or legislative body regarding Sutton Bank, a Program, this Amended Program Manager Agreement or the terms or conditions hereof.

**11.2 Limited Exception and Conditions**

Manager's indemnification obligations under Section 11.1 shall exclude any Losses, to the extent such Losses arise directly from (A) an act of fraud, embezzlement or criminal activity by a Bank Indemnified Party, (B) the gross negligence, willful misconduct or bad faith by a Bank Indemnified Party, (C) failure of the Sutton Bank to comply with, or to perform its obligations under, this Amended Program Manager Agreement, or (D) Losses arising from noncompliance with or violation of any Applicable Law by Manager or a Manager Contractor solely to the extent that such Parties acted in good faith in accordance with Sutton Bank's written instructions and/or requirements regarding Applicable Law.

**11.3 By Sutton Bank**

Sutton Bank covenants and agrees to indemnify and hold Manager, Manager Contractors, and each of their respective Affiliates, and their respective officers, directors, employees, agents, and permitted assigns (the "**Manager Indemnified Parties**") harmless against any Losses, arising out of third party Claims in connection with:

(A) any failure on the part of Sutton Bank to perform or comply with any covenant or obligation required to be performed or complied with by Sutton Bank under or pursuant to this Amended Program Manager Agreement,

(B) any inaccuracy, breach or untruthfulness of any representation or warranty made by Sutton Bank under or pursuant to this Amended Program Manager Agreement,

(C) any infringement or alleged infringement of any third party's marks or intellectual property rights as a result of Manager's use of the Sutton Bank Marks hereunder,

(D) the gross negligence or willful misconduct of Sutton Bank or its employees, officers, directors, vendors, agents, representatives or independent contractors (excluding Manager or Manager Contractors),

(E) any wrongful acts or omissions of Sutton Bank in connection with the improper use of Cardholder Data or in connection with the transfer of Network responsibilities hereunder to a Successor Bank, in each case excluding any Losses to the extent such Losses arise from the acts or omissions of Manager, including any failure to comply with the terms of this Amended Program Manager Agreement,

(F) any unauthorized or fraudulent access to or use of Cardholder Data caused by the gross negligence or intentional misconduct of an employee of Sutton Bank or of its Affiliates, or arising from a security breach to computer systems maintained by Sutton Bank or maintained by third parties (other than Manager or a Manager Contractor) on behalf of Sutton Bank; or

(G) any misrepresentation or false or misleading statement made by Sutton Bank or its Affiliates to any Person, Regulatory Authority or legislative body regarding Manager, a Program, this Amended Program Manager Agreement or the terms or conditions hereof.

**11.4 Limited Exception and Conditions**

Sutton Bank's indemnification obligations under Section 11.3 shall exclude any Losses to the extent such Losses arise directly from (A) an act of fraud, embezzlement or criminal activity by a Manager Indemnified Party, (B) the gross negligence, willful misconduct or bad faith by a Manager Indemnified Party, or (C) failure of the Manager to comply with, or to perform its obligations under, this Amended Program Manager Agreement.

## 11.5 Defense of Claims

(A) Notice. If any Claim is commenced that may give rise to a right of indemnification, or any knowledge is received of a state of facts which, if not corrected, may give rise to a right of indemnification, the indemnified party shall give prompt written notice to the indemnifying party. The failure to give such notice shall not, however, relieve the indemnifying party of its indemnification obligations except to the extent that the indemnifying party is actually harmed thereby.

(B) Right to Defend Claim. The indemnifying party shall have the right to defend any such Claim in its name and at its expense, shall select the counsel for the defense of such Claim as approved by the indemnified party, which approval shall not be unreasonably withheld or delayed, and shall cooperate with the indemnified party in the conduct of the defense against such Claim; provided, however, that the indemnifying party shall not have the right to defend any such Claim if (i) it fails to employ appropriate counsel approved by indemnified party to assume the defense of such Claim or refuses to replace such counsel upon the indemnified party's reasonable request; (ii) the indemnified party advises the indemnifying party that there are issues which could raise possible conflicts of interest between the indemnifying party and the indemnified party or that the indemnified party has claims or defenses that are separate from or in addition to the claims or defenses of the indemnifying party; or (iii) such Claim seeks an injunction or cease and desist order; provided further, that Manager may not, as an indemnifying party or otherwise, defend against a Claim or select the counsel for the defense of a Claim if the Claim was brought by a Regulatory Authority. If the Parties are unable to resolve the issue, then the matter will be resolved in accordance with Section 12.2. In each such case set forth in this Section 11.5, the indemnified party shall have the right to direct the defense of the Claim and retain its own counsel, and the indemnifying party shall pay the cost of such defense, including reasonable attorneys' fees and expenses.

(C) Indemnifying Party Election. If the indemnifying party elects and is entitled to compromise or defend such Claim it shall within thirty (30) days (or sooner, if the nature of the Claim so requires) notify the indemnified party of its intent to do so, and the indemnified party shall, at the expense of the indemnifying party, cooperate in the defense of such Claim. In such case, the indemnified party shall have the right to participate in the defense of any Claim with counsel selected by it. Except as provided in this Article, the fees and disbursements of such counsel shall be at the expense of the indemnified party.

(D) Indemnifying Party Obligation. The indemnifying party shall have no obligation to pay the monetary amount of the settlement of any Claim entered into by the indemnified party without the prior written consent of the indemnifying party (which consent shall not be unreasonably withheld or delayed). Notwithstanding the indemnifying party's right to direct the defense against any Claim, the indemnifying party shall not have the right to compromise or enter into an agreement settling any claim, suit, demand or action without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld or delayed).

**11.6 No Special Damages**

UNLESS OTHERWISE AGREED, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, EVEN IF SUCH PARTY HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES ARISING FROM OR RELATED TO THIS AMENDED PROGRAM MANAGER AGREEMENT; PROVIDED, HOWEVER, THAT THE LIMITATIONS SET FORTH IN THIS SECTION SHALL NOT APPLY TO OR IN ANY WAY LIMIT THE INDEMNITY OBLIGATIONS UNDER THIS AMENDED PROGRAM MANAGER AGREEMENT.

**11.7 Disclaimers of Warranties**

ALL SERVICES PROVIDED BY THE PARTIES HEREUNDER ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND EXCEPT AS EXPRESSLY STATED IN THIS AMENDED PROGRAM MANAGER AGREEMENT EACH PARTY SPECIFICALLY DISCLAIMS ALL WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, ARISING OUT OF OR RELATED TO THIS AMENDED PROGRAM MANAGER AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MARKETABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, AND IMPLIED WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE, EACH OF WHICH IS HEREBY EXCLUDED BY AGREEMENT OF THE PARTIES.

**ARTICLE XII - GENERAL**

**12.1 Assignment**

No party may assign this Amended Program Manager Agreement without the express written consent of the other party.

**12.2 Dispute Resolution; Governing Law**

(A) In the event of any dispute, controversy, or claim arising out of or relating to this Amended Program Manager Agreement or the construction, interpretation, performance, breach, termination, enforceability or validity thereof (hereinafter, a "**Dispute**"), the Party raising such Dispute shall notify the other promptly and no later than sixty (60) days from the date of its discovery of the Dispute. In the case of a Dispute relating to account or Transaction statements or similar matter, the failure of a Party to notify the other Party of such Dispute within sixty (60) days from the date of its receipt shall result in such matter being deemed undisputed and accepted by the Party attempting to raise such Dispute.

(B) The Parties shall cooperate and attempt in good faith to resolve any Dispute promptly by negotiating between persons who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for administration and performance of the provisions or obligations of this Amended Program Manager Agreement that are the subject of the Dispute.

(C) This Amended Program Manager Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Ohio, without regard to that state's conflict of laws principles. Jurisdiction and venue for the formal resolution of any disputes relating to this Amended Program Manager Agreement shall lie exclusively in the Federal and State Courts of Ohio any such claims shall be governed by Ohio law without giving effect to any choice of law rules. Each Party agrees that service of process in any action or proceeding hereunder may be made upon such Party by certified mail, return receipt requested, to the address for notice set forth herein.

(D) EACH PARTY ALSO, KNOWINGLY AND WILLINGLY, AND FOLLOWING CONSULTATION WITH COUNSEL, HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AMENDED PROGRAM MANAGER AGREEMENT.

### **12.3 Entire Agreement; Amendments**

This Amended Program Manager Agreement and the other Program Documents constitute the entire agreement of the parties with regard to the specific subject matter thereof and supersede all prior written and/or oral understandings between the parties. Except as otherwise expressly provided herein, this Amended Program Manager Agreement may not be amended, modified or changed in any way except by a written instrument executed by an authorized representative of each party. Notwithstanding any other term or provision of this Section 12.3, in the event Sutton Bank and Manager agree to establish an additional Approved Program under this Amended Program Manager Agreement, as described in Section 3.1(F), the terms and conditions of the applicable exhibits to this Amended Program Manager Agreement will be updated to reflect the terms of the new Approved Program (as reflected in the Sutton Bank -approved Program Application Form and on Schedule 2.1 hereto) without further execution by any party, and such additional Approved Program shall be governed by the terms of this Amended Program Manager Agreement and the other Program Documents.

### **12.4 Counterparts**

This Amended Program Manager Agreement may be executed in counterparts, each of which will be deemed an original and both of which together will constitute one instrument.

### **12.5 Third Party Beneficiaries**

This Amended Program Manager Agreement is for the sole and exclusive benefit of the Parties and nothing in this Amended Program Manager Agreement will be construed to grant to any Person (other than the Parties, and their respective successors and permitted assigns) any right, remedy or claim under or in respect of this Amended Program Manager Agreement or any provision hereof; provided however that Sutton Bank's subsidiaries and affiliates used by Sutton Bank in connection with any Program are each intended third party beneficiaries of all rights and protections, including limitations of liability and indemnification, to which Sutton Bank is entitled under the Program Documents.

**12.6 Survival**

Upon later of any termination of this Amended Program Manager Agreement, Switchover Date or any Wind Down Period, the Parties will retain any rights or remedies available to such party under this Amended Program Manager Agreement or in law or at equity. Subject to any specific limitations on survival set forth herein, the following Articles and Sections of this Amended Program Manager Agreement will survive the termination or expiration of this Amended Program Manager Agreement in accordance with their terms: Sections 12.2 and 12.3, Sections 12.5 through 12.8, Article I, Article IV, Article VII, Article VIII, Article X and Article XI.

**12.7 Force Majeure**

No Party shall be liable for any failure or delay on its part to perform, and shall be excused from performing any of its non-monetary obligations hereunder if such failure, delay or non-performance results in whole or in part from any cause beyond the absolute control of the party, including any act of God, act of war, riot, actions of terrorists, earthquake, fire, explosion, natural disaster, flooding, embargo, sabotage each a "**Force Majeure Event**"); provided, however, that the Party suffering the Force Majeure Event shall immediately implement its Disaster Recovery Plan. A Party desiring to rely upon any of the foregoing as an excuse for failure, default or delay in performance shall, when the cause arises, give to the other Party prompt notice in writing of the facts which constitute such cause, and, when the cause ceases to exist, give prompt notice thereof to the other Party. This Section 12.7 shall in no way limit the right of a Party to this Amended Program Manager Agreement to make any claim against third parties for any damages suffered due to said cause.

**12.8 Specific Performance**

The Parties acknowledge and agree that the remedy at law for any breach by either Party of its confidentiality covenants and obligations under Article VIII of this Amended Program Manager Agreement is inadequate and that the non-breaching Party, in addition to any other relief available to it, will be entitled to specific performance by the breaching Party to the extent permitted by Applicable Law.

**12.9 Representation**

Each party acknowledges that it has been duly represented by counsel of its choice and fully understands all terms of this Amended Program Manager Agreement. No assumption or inference will be made or granted based on drawer or drafter of this Amended Program Manager Agreement, the Network Rules, and all other Program Documents.

*[Signatures on Following Page]*

**CONFIDENTIAL AND PROPRIETARY**

**EXECUTION COPY**

IN WITNESS WHEREOF, with the intention to be bound by the terms of this Amended Program Manager Agreement, the Parties have executed this Amended Program Manager Agreement as of the day and year first above written by causing their respective authorized representatives to sign where indicated below.

**SUTTON BANK**

By: /s/ J. Anthony Gorrell

Title: EVP & CFO

Address for Notices:

SUTTON BANK  
1 S. MAIN ST., PO BOX 505  
ATTICA, OHIO 44807  
ATTN: J. ANTHONY GORRELL, EVP & CFO  
FACSIMILE: [\*\*\*]

**[MANAGER] MARQETA, INC.**

By: /s/ Omri Dahan

Title: Chief Revenue Officer

Address for Notices:

MARQETA, INC.  
6201B DOYLE ST.  
EMERYVILLE, CALIFORNIA 94608  
ATTN: ERIC BACHMAN, COO  
FACSIMILE: [\*\*\*]

---

**SCHEDULE 2.1**

**APPROVED PROGRAMS**

**Program 1**

Program Name/Description

MARQETA

Issuer

SUTTON BANK

Client

MARQETA

Program Expiration Date

**Program 2**

Program Name/Description

Issuer

Client

Program Expiration Date

IN WITNESS WHEREOF, each of Manager and Sutton Bank hereby acknowledges and agrees that this **Schedule 2.1[ ]**, executed as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, is intended to supplement and be incorporated into that certain Amended Program Manager Agreement entered into by the parties as of \_\_\_\_\_, 20\_\_.

**Sutton Bank**

**Manager**

By: Tony Gorrell

By: \_\_\_\_\_

Title: EVP, CFO

Title: \_\_\_\_\_



**EXHIBIT A**  
**PROGRAM APPLICATION FORM**

[Separately provided]

---

**EXHIBIT B**

**SUTTON BANK PREPAID CARD SERVICES**

1. Sponsor Programs with Networks, including obtaining all required Network approvals.
  2. Comply with all Network Rules pertaining to issuing financial institution
  3. Oversee and review all aspects of Programs with respect to compliance with all Applicable Law pertaining issuing prepaid cards
  4. Manage Program Accounts
  5. Implement new programs with Networks
  6. Issuing Cards for Approved Programs in accordance with the applicable Program Schedule and Cardholder Agreement
  7. Approving each Program and Additional Products that may be provided under each Program or any non-financial products or services requiring Bank approval that may be offered to Cardholders in accordance with the terms of this Amended Program Manager Agreement
  8. Approving all new Program Due Diligence Application Forms, Program Schedules, Cardholder Agreements, Program Materials and Marketing Campaigns and any changes to a such documents in accordance with Sections 3.1(B), 3.1(C), 3.1(F) and 3.1(G) of the Amended Program Manager Agreement.
  9. In accordance with Section 5.4, approving Manager's BSA/AML/OFAC Procedures;
  10. Providing Manager with any notifications received from a Network (other than PCI Standards) with respect to any Program or any changes in Network Rules
  11. Working closely with Manager to develop and enhance the Programs to meet Bank's strategic objectives and goals, including by reviewing, assessing and approving in its commercially reasonable discretion, any modifications proposed by Manager
  12. Upon reasonable request by Manager, providing Manager with any reconciliation reports for each Program Account maintained by Manager at Bank, and, to the extent Program funds flow through a non-Manager Program Account at Bank, reconciliation reports for each such Account.
-

EXHIBIT C

\*\*\*

---

**EXHIBIT D**

**MANAGER SERVICES**

The following is a general description of the Services to be provided by Manager on Sutton Bank's behalf, either in-house or through Third-Party Service Providers. Where an inconsistency exists between the general descriptions of Services to be provided to Sutton Bank under this Amended Program Manager Agreement and the specific descriptions contained in any other documentation, including correspondence, operations manuals, procedures manuals, or implementation manuals (other than an inconsistency consisting solely of a greater degree of detail in such documentation than in this Amended Program Manager Agreement), the provisions of this Amended Program Manager Agreement shall control. No such material change to the Services shall be effective without Sutton Bank's prior written consent.

Processing all applications and establishing all Cardholder Accounts on behalf of Sutton Bank, including, but not limited to:

- providing Cardholder Agreements;
- application of Sutton Bank's rules to incoming Card applications
- submitting to Sutton Bank applications for approval
- providing information to Processor to establish the Cardholder Accounts
- collecting and maintaining Cardholder identification
- screening Cardholder applicants for compliance purposes
- conducting initial review of all Cardholder Accounts to ensure compliance with BSA/AML/OFAC laws and directives
- authorizing Card Activation
- setting of PIN

Card creation, production and shipment, including:

- Card design
- purchase and safekeeping of plastic stock
- embossing and encoding of Cards
- printing of Card carriers
- mailing or other delivery of Cards
- preparation and mailing of all other documents required or otherwise to be sent to Cardholders
- providing monthly and other periodic account statements
- customer service in accordance with the terms of this Amended Program Manager Agreement
- all other Program-related mailings to Cardholders including shipping costs and postage
- any other services necessary or desirable to effectuate the Program or as agreed upon by Sutton Bank and Manager from time to time.

Back office support functions, including:

- individual Cardholder Account maintenance
  - Transaction and payment authorization, decline, processing, clearing and settlement and all accounting relating to Cards
  - statement preparation and issuance
-

- clearing and Settlement
- balancing and reconciling
- fraud prevention and security control
- data capture and reporting and information management services
- providing Sutton Bank with reports detailing transactions and servicing with respect to each Program or Additional Product marketed by Manager on behalf of Sutton Bank as may be mutually agreed upon by the Parties from time to time at no additional cost to Sutton Bank within the reasonable capacity of Manager;
- exercising commercially reasonable efforts to monitor changes in Applicable Law related to the Programs and notifying Sutton Bank of any such changes of which Manager becomes aware that may impact Sutton Bank and the Programs in a material manner
- providing appropriate notices to Sutton Bank as required hereunder
- helpdesk and technical support for Sutton Bank

Customer Service, including:

- Cardholder account and Transaction dispute processing and resolution, and any other informal disputes or resolutions as needed from the Cardholder, as promptly as commercially reasonable, and not later than full resolution within sixty (60) days
- Lost and stolen Card reporting processing and disbursing Cardholder refunds on behalf of Sutton Bank for each Program in accordance with Applicable Law

FIRST AMENDMENT TO THE AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT

THIS FIRST AMENDMENT TO THE AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT ("First Amendment") is made by and between Marqeta, Inc., a Delaware corporation, whose address is 180 Grand Avenue, Oakland, CA 94612 ("Marqeta") and Sutton Bank, an Ohio chartered bank corporation, its subsidiaries and affiliates, whose main address is 1 South Main St. Attica, OH 44807 ("Sutton Bank"). This First Amendment amends the Amended and Restated Prepaid Card Program Manager Agreement with an effective date of April 1, 2016 ("Agreement"). This First Amendment shall be effective as of the last date executed by a Party below ("First Amendment Effective Date"). Capitalized terms which are not defined herein shall be defined as set forth in the Agreement.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto agree to make the following changes to the Agreement:

1. The first sentence in Section 10.1(A) to the Agreement "Term" shall be deleted in its entirety and restated as follows, if the First Amendment Effective Date is December 1, 2017:

The initial term of this Amended Program Manager Agreement shall commence on the Effective Date and terminate at midnight on the seventh (7th) anniversary of the Effective Date (the "**Initial Term**"), unless sooner terminated in accordance with the terms hereof.

2. The updated revenue sharing and fees set forth herein shall be effective beginning December 1, 2017.
  3. Exhibit C to the Agreement, section titled "[\*\*\*]" is deleted and restated as follows:  
[\*\*\*]
  4. Exhibit C to the Agreement, section titled "[\*\*\*]" is deleted and restated as follows:  
[\*\*\*]
  5. The following section titled "[\*\*\*]" shall be added to Exhibit C to the Agreement:  
[\*\*\*]
  6. This First Amendment and the Agreement constitute the entire agreement between the Parties and supersede any other agreements between the Parties in regard to the subject matter hereof.
  7. Prior to the First Amendment Effective Date, Marqeta will provide Sutton Bank evidence of its waiver from the Pulse network for PINLESS eCommerce.
  8. Before January 31, 2018, Marqeta and Sutton will meet in good faith to agree on [\*\*\*].
-

**CONFIDENTIAL AND PROPRIETARY**

9. This First Amendment may be executed by the Parties in separate counterparts and transmitted by fax or e-mail of a scanned copy, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this First Amendment as of the dates set forth below.

**Sutton Bank**

**Marqeta, Inc.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

---

SECOND AMENDMENT TO THE AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT

THIS SECOND AMENDMENT TO THE AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT (this "Second Amendment") is made by and between Marqeta, Inc., a Delaware corporation, whose address is 180 Grand Avenue, Oakland, CA 94612 ("Manager") and Sutton Bank, an Ohio state-chartered bank corporation, its subsidiaries and affiliates, whose main address is 1 South Main St., Attica, OH 44807 ("Sutton Bank"). This Second Amendment amends the Amended and Restated Prepaid Card Program Manager Agreement, effective as of April 1, 2016, as amended by the First Amendment to the Amended and Restated Prepaid Card Program Manager Agreement, effective as of December 21, 2017 (as amended, the "Agreement"). This Second Amendment shall be effective as of September 1, 2018 (the "Amendment Effective Date"). Capitalized terms which are not defined herein shall be defined as set forth in the Agreement.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto agree to make the following changes to the Agreement:

1. The definition of "[\*\*\*]" in Section 1.2 of the Agreement "Definitions" is deleted and restated as follows:

"[\*\*\*]" means [\*\*\*].

2. The first sentence in Section 10.1(A) of the Agreement "Term" is deleted and restated as follows:

The initial term of this Amended Program Manager Agreement shall commence on the Effective Date and terminate at midnight on the seventh (7th) anniversary of the Amendment Effective Date (the "**Initial Term**"), unless sooner terminated in accordance with the terms hereof.

3. The following Section 10.2(E) shall be added to Section 10.2 of the Agreement "Termination for Cause":

(E) Early Termination Fee. In the event Manager unilaterally terminates this Amended Program Manager Agreement for any reason other than those set forth in Section 10.2(B) or 10.2(C), Manager shall pay an early termination fee based on the time remaining in the Term, as set forth in Exhibit C. The Parties acknowledge and agree that the early termination fee payable under this Section 10.2(E) constitutes liquidated damages and not a penalty, and is in addition to all other rights of Sutton Bank, including the right to specific performance under Section 12.8 of this Amended Program Manager Agreement. The parties further acknowledge that (i) the amount of loss or damages likely to be incurred is incapable or is difficult to precisely estimate and (ii) the early termination fee provided hereunder bears a reasonable relationship to, and is not plainly or grossly disproportionate to, the probable loss likely to be incurred in connection with any early termination by Manager.

4. Exhibit C to the Agreement is deleted and restated in its entirety in the form attached hereto.

**CONFIDENTIAL AND PROPRIETARY**

5. All provisions of the Agreement, as expressly amended and modified by this Second Amendment, shall remain in full force and effect. After this Second Amendment becomes effective, all references in the Agreement referring to the Agreement shall be deemed to be references to the Agreement as amended by this Second Amendment. This Second Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Agreement other than as set forth herein.
6. This Second Amendment may be executed by the Parties in separate counterparts and transmitted by fax or e-mail of a scanned copy, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties have by their duly authorized representatives executed this Second Amendment as of the dates set forth below.

Sutton Bank

**By:** /s/ J. Anthony Gorrell  
**Name:** J. Anthony Gorrell  
**Title:** EVP & CFO  
**Date:** Nov 2, 2018

Marqeta, Inc.

**By:** /s/ Omri Dahan  
**Name:** Omri Dahan  
**Title:** Chief Revenue Officer  
**Date:** Nov 2, 2018

EXHIBIT C

[\*\*\*]

**Third Amendment to Prepaid Card Program Manager Agreement**

THIS THIRD AMENDMENT TO AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT (this “**Third Amendment**”) is effective as of August 1, 2020 (“**Third Amendment Effective Date**”), by and between SUTTON BANK, an Ohio state- chartered bank (“**Sutton Bank**”) and MARQETA, INC., a Delaware corporation (“**Manager**”) (each of Bank and Manager a “Party” and collectively the “Parties”).

WHEREAS, the Parties executed and delivered that certain Amended and Restated Prepaid Card Program Manager Agreement, dated as of April 1, 2016 (the “**Agreement**”);

WHEREAS, the Parties wish to amend the Agreement in the manner set forth herein; and

WHEREAS, pursuant to Section 12.3, “Entire Agreement; Amendments” of the Agreement, the desired amendments requested must be contained in a written agreement signed by the Parties,

NOW THEREFORE, in consideration of the mutual covenants, agreements and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto for themselves and their successors and assigns do hereby agree, represent and warrant as follows:

1. **Definitions.** Capitalized terms used in this Third Amendment without definition shall have the meanings ascribed to such terms in the Agreement.

2. **Amendment to Section 3.1 “Manager’s Responsibilities,” Subsection (K), “Maintenance of Funding Accounts at Sutton Bank.”** Section 3.1, “Manager’s Responsibilities,” Subsection (K), “Maintenance of Funding Accounts at Sutton Bank” is hereby rescinded and restated in its entirety as follows:

(K) Maintenance of Funding Accounts at Sutton Bank. A “**Funding Account**” is defined as a Program Account consisting of a demand deposit account holding adequate funds to cover the amounts owing to Cardholders as determined by Sutton Bank in consultation with Manager and in accordance with Program Documents. Sutton Bank shall, at all times during the duration of this Amended Program Manager Agreement, establish and maintain Funding Accounts for all Programs. Manager will assist Sutton Bank in establishing the amounts contained in the Funding Accounts. Sutton Bank will notify the Manager of the account numbers and any other information necessary for the Manager to transfer funds to such accounts.

- (i) For all Programs except as provided in Section 3.1(K)(ii), Manager agrees to establish and maintain a minimum amount of funds within the Funding Accounts (the “**Funding Amount**”), as [\*\*\*], calculated as of [\*\*\*], in an amount equal to [\*\*\*].

For clarity, the minimum Funding Amount will be calculated by adding [\*\*\*] and then dividing by [\*\*\*] and then multiplying by [\*\*\*].  
The minimum balance in the Funding Account shall be adjusted [\*\*\*].

---

- (ii) Notwithstanding Section 3.1(K)(i), the Funding Amount shall not be required for [\*\*\*].
  
- (iii) Sutton Bank may use the Funding Amount [\*\*\*] associated with any Program.
  
- (iv) Manager shall replenish each Funding Account required in this Section 3.1 within [\*\*\*] of Manager's receipt of notification from Sutton Bank that [\*\*\*]. If Manager fails to replenish any Funding Account, Sutton Bank [\*\*\*]. Upon the termination of any Program, including due to termination of this Agreement, all funds held in the applicable Funding Account(s) shall be returned to Manager, [\*\*\*] after all Cards have expired or otherwise terminated.

3. **Amendment to Section 3.2, "Sutton Bank Responsibilities."** Amendment to Section 3.2, "Sutton Bank Responsibilities" Section 3.2, "Sutton Bank Responsibilities" of the Agreement is hereby amended by adding a new subsection (K) stating "Sutton Bank agrees that, during the Term, Sutton Bank shall not [\*\*\*]. Further, during the Term, with respect to any Program listed in Exhibit E, "Covered Programs," Sutton Bank shall not, without the prior written consent of Manager, [\*\*\*]. With respect to a Covered Program, the foregoing restriction will not apply in the event that [\*\*\*]. Without limitation to the foregoing, Sutton Bank additionally agrees to refrain [\*\*\*]. The Parties acknowledge that the obligations of this section 3.2(K) are reasonable and necessary for the protection of the goodwill of the business conducted by Manager. The Parties farther agree that notwithstanding Section 11.6 of the Agreement, damages may not be a sufficient remedy for a breach of the provisions contained in this section 3.2(K) and Manager or Sutton Bank, as applicable, is entitled to specific performance or injunctive relief (as appropriate) as a remedy for any breach or threatened breach by the other Party, in addition to any other remedies available at law or in equity. The obligations contained in this Section 3.2 (K) will no longer apply in the event that Marqeta agrees to sell its assets, operations or business related to card issuance and processing to a third party.

4. **Amendment to Section 5.4.** Section 5.4 is hereby amended by adding the following Subsection immediately after Subsection (D):  
[\*\*\*].

5. **Amendment to Section 5.11(B)(i), "Complaints and Resolution."** Section 5.11(B)(i) of the Agreement is hereby amended by adding the following sentence immediately after the existing last sentence: "The Parties shall negotiate in good faith, by and between persons who possess the requisite authority to act for each Party, which persons shall exercise their respective best efforts, for purpose of updating the existing complaint management procedures between Sutton Bank and Manager, with the intent to create written procedures that address (among other topics) Manager's obligations around response times and reporting. Such negotiations shall commence no later than fourteen (14) days after the Third Amendment Effective Date, with the goal of executing a definitive agreement on or before December 31, 2020"  

---

**CONFIDENTIAL AND PROPRIETARY**

6. **Amendment to Section 10.1, “Term,” Subsection (A), “Term.”** Section 10.1, “Term,” Subsection (A), “Term” of the Agreement is hereby amended by replacing the first sentence “The initial term of this Amended Program Manager Agreement shall commence on the Effective Date and terminate at midnight on the seventh (7th) anniversary of the Amendment Effective Date (the “*Initial Term*”), unless sooner terminated in accordance with the terms hereof.” with “The initial term of this Amended Program Manager Agreement shall commence on the Effective Date and terminate at midnight on the ninth (9th) anniversary of the Amendment Effective Date (the “*Initial Term*”), unless sooner terminated in accordance with the terms hereof.”

7. **Amendment to Section 10.1, “Term,” Subsection (B), “Mutual Consent.”** Section 10.1, “Term,” Subsection (B), “Mutual Consent” is hereby rescinded and restated in its entirety as follows: “This Agreement may be terminated at any time during the Term, without cost or penalty, by mutual consent of Sutton Bank and Manager.”

8. **Amendment to Article XII—“General.”** Article XII of the Agreement is hereby amended by adding a new Section 12.10, “Notice,” stating “Except where service of process is required, where a Party is required to provide the other Party with notice, written notice, or notification under this Agreement, the Parties agree email will be sufficient.”

9. **Amendment to Exhibit C, “[\*\*\*] AND EXPENSE.”** Exhibit C to the Agreement is hereby rescinded and restated in its entirety in the form attached hereto.

10. **Addition of Exhibit E.** Exhibit E is hereby added to the Agreement in the form attached hereto.

11. **Conflict.** In the event of any conflict between the terms of the Agreement and this Third Amendment, this Third Amendment shall control.

12. **Effect of Third Amendment.** Except as expressly revised herein, the Agreement shall remain in full force and effect as written.

13. **Miscellaneous.** This Third Amendment shall be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without regard to its conflict of laws principles. This Third Amendment may be executed by facsimile and in counterparts, each of which shall be deemed an original, and all of which when taken together shall be deemed one and the same instrument. The Agreement, as revised hereby sets forth the entire agreement of the Parties with respect to the subject matter hereof and thereof, supersedes any and all prior contemporaneous agreements or understandings, whether written or oral, between the Parties with respect to such subject matter. This Third Amendment shall inure the benefit of and be binding upon the Parties and each of their respective successors and assigns. Section headings used in this Third Amendment are included herein for convenience of reference only and will not constitute a part of this Third Amendment for any other purpose.

---

IN WITNESS WHEREOF, the Parties have executed this Third Amendment as of the date first above set forth.

**SUTTON BANK**

By: /s/ J. Anthony Gorrell  
Name: J. Anthony Gorrell  
Title: CEO  
Date: September 30, 2020 | 2:40 PM PDT

**MARQETA, INC.**

By: /s/ Omri Dahan  
Name: Omri Dahan  
Title: Chief Revenue Officer  
Date: September 30, 2020 | 8:55 AM PDT

---

**EXHIBIT C**

**[\*\*\*] AND EXPENSE**

[\*\*\*]

Sutton Bank shall pay Manager all card transaction interchange associated with any approved Program

**FEES AND EXPENSES OF PROGRAM MANAGER**

**A. Manager shall pay to Sutton Bank for [\*\*\*] Programs Excluding [\*\*\*]**

For all Networks, Manager will pay to Sutton Bank the Fee listed in *Table 1* below of aggregate settled net dollar volume of all transactions (including [\*\*\*], and [\*\*\*]) conducted using Cards issued under Program(s) on a [\*\*\*]. However, this calculation will exclude the [\*\*\*] (as provided in Section C of this Exhibit) as well as [\*\*\*]. This model is a [\*\*\*], tiered model whereby all volumes are calculated at the appropriate tier and then [\*\*\*]. Such fees are settled [\*\*\*]. For example, [\*\*\*]. Such amounts will be netted from interchange payments paid to Manager by Sutton Bank within [\*\*\*] of the end of each [\*\*\*] in which the applicable transactions have occurred. Each such payment shall be accompanied by a report, detailing the transaction dates and amounts and the aggregate net dollar volume on which such payment is based.

*Table 1*

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

**B. Manager will pay a fee for all [\*\*\*] Programs excluding [\*\*\*]**

For all Networks, Manager will pay to Sutton Bank Fees listed in *Table 2* below of aggregate settled net dollar volume of all settled transactions (including [\*\*\*], and [\*\*\*]) conducted using Cards issued under Program(s) issued on a [\*\*\*]. However, this calculation will exclude the [\*\*\*] (as provided in Section C of this Exhibit). This model is a [\*\*\*] tiered model whereby all volumes are calculated at the appropriate tier and then [\*\*\*], invoiced [\*\*\*]. For example, [\*\*\*]. Such amounts will be netted from interchange payments paid to Manager by Sutton Bank within [\*\*\*] of the end of each [\*\*\*] in which the applicable transactions have occurred. Each such payment shall be accompanied by a report, detailing the transaction dates and amounts and the aggregate net dollar volume on which such payment is based.

Table 2

	[***]		[***]	[***]
[***]		[***]	[***]	[***]
[***]		[***]	[***]	[***]
[***]		[***]	[***]	[***]
[***]		[***]	[***]	[***]
[***]		[***]	[***]	[***]

For any [\*\*\*] in which the [\*\*\*] settled transaction volume exceeds [\*\*\*], a single fee of [\*\*\*] will apply to [\*\*\*].

**C. Transaction Volume Fee for [\*\*\*]**

For all Networks, Manager will pay to Sutton Bank the fees in Table 3 below on all [\*\*\*] volume (between [\*\*\*]) conducted using Cards issued under the [\*\*\*] calculated independently of each other. This model is a [\*\*\*] tiered model. Fee leveraged on funds settled to cardholder account. Settled [\*\*\*].

Table 3

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

For any [\*\*\*] in -which the [\*\*\*] volume exceeds [\*\*\*], the transaction volume fee -will not be calculated using Table 3 above or the [\*\*\*] tiered model, but rather a single fee of [\*\*\*] -will apply to [\*\*\*].

Manager will pay Sutton Bank a fee of [\*\*\*] for all [\*\*\*] volume, excluding [\*\*\*] volume, on the [\*\*\*].

Manager will pay Sutton Bank a fee of [\*\*\*] for all [\*\*\*] transactions associated with the [\*\*\*].

**D. No [\*\*\*] Activity Fee**

There shall be no fees leveraged on [\*\*\*] activity.

**E. Pass Through Expenses**

For Pass Through Expenses listed in Table 4 below, Sutton Bank will pass such expenses to Manager as actual costs and without mark-up. Invoiced as occurs. Such Pass Through Expenses must be attributable to a Program of the Manager and substantiated by documentation from the applicable third party. Pass Through Expenses must be passed through to Manager within [\*\*\*] from the date they are assessed/invoiced by the applicable third party, otherwise they will be considered



**MARQETA MONTHLY** [\*\*\*]

Sutton Bank shall pay Manager a [\*\*\*] on a [\*\*\*] basis according to *Table 7*—[\*\*\*] by transferring funds to the bank account identified by Manager. Sutton Bank shall provide to Manager a [\*\*\*] invoice with each payment which documents the calculation of [\*\*\*]. Sutton Bank will calculate (1) the [\*\*\*], and (2) the [\*\*\*] by multiplying the [\*\*\*] by the applicable [\*\*\*] in *Table 7*. For example, if the [\*\*\*] invoice amount for a [\*\*\*] is calculated to be [\*\*\*] based on [\*\*\*] for a total of [\*\*\*], then a [\*\*\*] of [\*\*\*] would be applied to calculate a [\*\*\*] amount of [\*\*\*]. The same calculation would be applied to the [\*\*\*] portion of the [\*\*\*] invoice.

The first [\*\*\*] payment will apply to the [\*\*\*] received by Marqeta in [\*\*\*]. Thereafter, each [\*\*\*] payment will apply to each [\*\*\*] invoice for [\*\*\*] and [\*\*\*] programs billed to Marqeta throughout the Initial Term of the Agreement.

*Table 7*— [\*\*\*]

	[***]	[***]
[***]	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
[***]	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]

**MISCELLANEOUS CHARGES**

Manager will pay to Sutton Bank the following fees, which will be payable upon Manager’s receipt of a fee statement (“Fee Statement”) that provides a detailed accounting of each fee, including at minimum: the type of fee, how the fee was calculated, the data used to calculate the fee, any reasons or reason codes associated with the cause of the fee (e.g. why a wire was returned), an identifier (such as account token) indicating the Client that is the source or cause of the fee, the applicable Program name, and any additional fee-specific information listed below. The fee statement shall be provided to Manager along with the monthly invoice, covering the prior’s month’s activity. Sutton and Manager agree to suspend the assessment of the fees for a period of 60 days from the signing of this Third Amendment to mutually agree on the procedures regarding each of these fees.

- i. Temporary Fee for Manual Return Wires— [\*\*\*] return wire Fee charged for all manually returned wires for any consumer or business that wires monies to Sutton for a program account where wire functionality is not approved as part of the fact sheet. The Temporary Fee for Manual Return Wires will only be payable through [\*\*\*].
  - ii. Call Center Fee— [\*\*\*] per call or email handled by Sutton Bank Fee charged to Manager for all calls received by Sutton Bank by any consumer or business for a Program requesting assistance in regard to said Program, excluding calls transferred to Manager’s toll-free number.
-

**CONFIDENTIAL AND PROPRIETARY**

- iii. Regulatory complaint not responded to [\*\*\*] prior to the complaint response due date, [\*\*\*] per occurrence. Fee charged to manager for any and all complaints received from governmental authorities that are sent to Manger for a response and Manager fails to respond to Sutton Bank within this time frame. Payment for this fee will be contingent upon Sutton Bank following the complaints policies and procedures established between the Parties.
- iv. ACH Recall Notices. Manager shall respond to any ACH Recall Notice received from the U.S. Treasury within [\*\*\*], and any ACH Recall Notice received from any ODFI within [\*\*\*]. Failure to comply with the above requirements for any reason shall result Manager's payment of a [\*\*\*] penalty fee to Sutton for each untimely response to a U.S. Treasury ACH Recall Notice, and a [\*\*\*] penalty fee to for each untimely response to an ODFI ACH Recall Notice.

**VISA FEES**

Sutton Bank and Manager acknowledge that there are [\*\*\*] total Visa fees in dispute. Sutton Bank and Manager will [\*\*\*] of the disputed Visa fees. Manager's portion will payable over the [\*\*\*] period beginning [\*\*\*]. Such amounts (approximately [\*\*\*] per [\*\*\*]) will be netted from amounts paid to Manager by Sutton Bank.

**DECLINED ATM FEE CHARGES REBATE**

Sutton Bank and Manager acknowledge that Manager included declined ATM transactions in the monthly invoice count. [\*\*\*]. Sutton Bank agrees that if Manager provides a revised monthly count within [\*\*\*] of the signing of this Third Amendment, Sutton will rebate the ATM declined portion of the charges from [\*\*\*] through [\*\*\*]. Manager agrees to provide the following information for such period: number of ATM Total Transactions, number of approved ATM transactions and number of declined ATM transactions. Sutton will total the amount of these declined transactions and multiply them by the applicable rate and divide by the remaining months in the year. This amount will then be deducted from the current [\*\*\*] invoice through the 2020 year.

**Billing Disputes**

Sutton Bank and Manager agree that Expenses are deemed accurate, and the full amount will be deducted from Manager's account [\*\*\*] of receipt by Manager.

---



April 12, 2021

**CONFIDENTIAL COMMUNICATION**

**Re: Waiver of obligation to negotiate tri-party agreement**

This letter agreement (“Agreement”) serves as confirmation of the agreement between Sutton Bank (“Sutton”) and Marqeta, Inc. (“Marqeta” and together with Sutton, the “Parties”) that each Party hereby releases the other Party from, and waives its right to enforce against the other Party, the obligations imposed by Section 4 of the Third Amendment to the Amended and Restated Prepaid Card Program Agreement, effective as of August 1, 2020, by and between the Parties (the “Third Amendment”). For convenience, Section 4 of the Third Amendment is replicated and attached hereto as Exhibit A.

The Parties agree that this Agreement is confidential, and its contents are intended only for the use of the Parties. This letter may not be reproduced or circulated without the other Party’s prior written consent.

The Parties have executed this Agreement as of the date first above set forth.

**Sutton Bank**

By: /s/ Tony Gorrell  
Tony Gorrell  
Chief Executive Officer and Director  
Sutton Bank 1 South Main St.  
Attica, OH 44807

**Marqeta, Inc.**

By: /s/ Philip Faix  
Philip Faix  
Chief Financial Officer  
Marqeta, Inc. 180 Grand Ave., 6th FL.  
Oakland, CA 94612

---

EXHIBIT A

SECTION 4 OF THE THIRD AMENDMENT

**4. Amendment to Section 5.4.** Section 5.4 is hereby amended by adding the following Subsection immediately after Subsection (D):

(E) [\*\*\*]

CERTAIN CONFIDENTIAL INFORMATION, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE (I) IT IS NOT MATERIAL AND (II) THE REGISTRANT CUSTOMARILY AND ACTUALLY TREATS THE INFORMATION AS PRIVATE AND CONFIDENTIAL.

#### **Fourth Amendment to Prepaid Card Program Manager Agreement**

THIS FOURTH AMENDMENT TO AMENDED AND RESTATED PREPAID CARD PROGRAM MANAGER AGREEMENT (this “**Fourth Amendment**”) is effective as of July 1, 2021 (“**Fourth Amendment Effective Date**”), by and between SUTTON BANK, an Ohio state-chartered bank (“**Sutton Bank**”) and MARQETA, INC., a Delaware corporation (“**Manager**”) (each of Bank and Manager a “Party” and collectively the “Parties”).

WHEREAS, the Parties executed and delivered that certain Amended and Restated Prepaid Card Program Manager Agreement, originally dated as of April 1, 2016 and amended from time to time (the “**Agreement**”);

WHEREAS, the Parties wish to amend the Agreement in the manner set forth herein; and

WHEREAS, pursuant to Section 12.3, “Entire Agreement; Amendments” of the Agreement, the desired amendments requested must be contained in a written agreement signed by the Parties,

NOW THEREFORE, in consideration of the mutual covenants, agreements and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereto for themselves and their successors and assigns do hereby agree, represent and warrant as follows:

1. **Definitions.** Capitalized terms used in this Fourth Amendment without definition shall have the meanings ascribed to such terms in the Agreement.

2. **Amendment to Section 3.1 “Manager’s Responsibilities,” Subsection (K)(ii).** Section 3.1, “Manager’s Responsibilities,” Subsection (K)(ii) is hereby rescinded and restated in its entirety as follows:

Notwithstanding Section 3.1(K)(i), the Funding Amount shall not be required for: [\*\*\*].

3. **Amendment to Section 5.4.** Section 5.4, Subsection (E) is hereby rescinded.

4. **Amendment to Section 10.1, “Term,” Subsection(A), “Term.”** Section 10.1, “Term,” Subsection (A), “Term” of the Agreement is hereby amended by replacing the first sentence “The initial term of this Amended Program Manager Agreement shall commence on the Effective Date and terminate at midnight on the ninth (9th) anniversary of the Amendment Effective Date (the “**Initial Term**”), unless sooner terminated in accordance with the terms hereof.” with “The initial term of this Fourth Amended Program Manager Agreement shall commence on the Fourth Amendment Effective Date and terminate at midnight on September 1, 2028.

5. **Amendment to Exhibit C, “[\*\*\*] AND EXPENSE.”** Exhibit C to the Agreement is hereby rescinded and restated in its entirety in the form attached hereto.

6. **Amendment to Exhibit E.** Exhibit E to this Agreement is hereby rescinded and restated in its entirety in the form attached hereto.

7. [\*\*\*]. Further amendments relating to any [\*\*\*] are hereby made pursuant to Schedule 1 attached hereto.

8. **Conflict.** In the event of any conflict between the terms of the Agreement and this Fourth Amendment, this Fourth Amendment shall control.

9. **Effect of Fourth Amendment.** Except as expressly revised herein, the Agreement shall remain in full force and effect as written.

10. **Miscellaneous.** This Fourth Amendment shall be governed by and construed and enforced in accordance with the internal laws of the State of Ohio without regard to its conflict of laws principles. This Fourth Amendment may be executed by facsimile and in counterparts, each of which shall be deemed an original, and all of which when taken together shall be deemed one and the same instrument. The Agreement, as revised hereby sets forth the entire agreement of the Parties with respect to the subject matter hereof and thereof, supersedes any and all prior contemporaneous agreements or understandings, whether written or oral, between the Parties with respect to such subject matter. This Fourth Amendment shall inure the benefit of and be binding upon the Parties and each of their respective successors and assigns. Section headings used in this Fourth Amendment are included herein for convenience of reference only and will not constitute a part of this Fourth Amendment for any other purpose.

IN WITNESS WHEREOF, the Parties have executed this Fourth Amendment as of the date first above set forth.

**SUTTON BANK**

By: /s/ J. Anthony Gorrell \_\_\_\_\_

Name: J. Anthony Gorrell \_\_\_\_\_

Title: Chief Executive Officer \_\_\_\_\_

**MARQETA, INC.**

By: /s/ Tripp Faix \_\_\_\_\_

Name: Tripp Faix \_\_\_\_\_

Title: Chief Financial Officer \_\_\_\_\_

**EXHIBIT C**

**[\*\*\*] AND EXPENSE**

[\*\*\*]

Sutton Bank shall pay Manager all card transaction interchange associated with any approved Program.

**FEES AND EXPENSES OF PROGRAM MANAGER**

**A. Manager shall pay to Sutton Bank for [\*\*\*] Programs excluding [\*\*\*] Programs**

For all Networks, Manager will pay to Sutton Bank the Fee listed in *Table 1* below of aggregate settled net dollar volume of all transactions (including [\*\*\*]) conducted using Cards issued under all Programs agreed by the Parties from time to time to be [\*\*\*] for the purpose of calculating fees (“[\*\*\*]”). However, this calculation will exclude the [\*\*\*] (as provided in Section C of this Exhibit). This model is a [\*\*\*], tiered model whereby all volumes are calculated at the appropriate tier and then [\*\*\*]. For example, [\*\*\*]. Such amounts will be netted from interchange payments paid to Manager by Sutton Bank within [\*\*\*] of the end of each [\*\*\*] in which the applicable transactions have occurred. Each such payment shall be accompanied by a report, detailing the transaction dates and amounts and the aggregate net dollar volume on which such payment is based.

*Table 1*

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

**B. Manager will pay a fee for all [\*\*\*] Programs excluding the [\*\*\*]**

For all Networks, Manager will pay to Sutton Bank Fees listed in *Table 2* below of aggregate settled net dollar volume of all transactions (including [\*\*\*]) conducted using Cards issued to consumer cardholders under all Programs agreed by the Parties from time to time to be [\*\*\*] for the purpose of calculating fees (“[\*\*\*]”). However, this calculation will exclude the [\*\*\*] (as provided in Section C of this Exhibit). This model is a [\*\*\*], tiered model whereby all volumes are calculated at the appropriate tier and then [\*\*\*]. For example, [\*\*\*]. Such amounts will be netted from interchange payments paid to Manager by Sutton Bank within [\*\*\*] of the end of each [\*\*\*] in which the applicable transactions have occurred. Each such payment shall be accompanied by a report, detailing the transaction dates and amounts and the aggregate net dollar volume on which such payment is based.

*Table 2*

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

For any [\*\*\*] in which the [\*\*\*] settled transaction volume exceeds [\*\*\*], a single fee of [\*\*\*] will apply to [\*\*\*].

**C. Transaction Volume Fee for the [\*\*\*]**

For all Networks, Manager will pay to Sutton Bank the fees in *Table 3* below on all net settled [\*\*\*] volume conducted using Cards issued under the [\*\*\*], calculated by aggregating signature transaction

volume from [\*\*\*]. With respect to Tier I through Tier V (inclusive), fees are calculated on a [\*\*\*], tiered model whereby all volumes are calculated at the appropriate tiers and then added together to arrive at the total fee. With respect to Tier VI through Tier IX (inclusive), fees are calculated on a “[\*\*\*]” model whereby the total volume is calculated at [\*\*\*]. Fees will be drawn from the cardholder account on a [\*\*\*] basis.

Table 3

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

For all Networks, Manager will pay to Sutton Bank the fees in Table 4 below on all net settled [\*\*\*] volume, conducted using Cards issued under [\*\*\*], calculated by aggregating [\*\*\*] volume from [\*\*\*] on a “[\*\*\*]” model whereby the total volume is calculated at [\*\*\*]. Fees will be drawn from the cardholder account on a [\*\*\*] basis.

Table 4

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

Manager will pay Sutton Bank a fee of [\*\*\*] for all [\*\*\*] associated with [\*\*\*].

**D. No Fee on RDFI Activity**

There shall be no fees leveraged on [\*\*\*] received by Sutton Bank in its capacity as [\*\*\*].

**E. Pass Through Expenses**

For Pass Through Expenses listed in *Table 5 below*, Sutton Bank will pass such expenses to Manager as actual costs and without mark-up. Invoiced as occurs. Such Pass Through Expenses must be attributable to a Program of the Manager and substantiated by documentation from the applicable third party. Pass Through Expenses must be passed through to Manager within [\*\*\*] from the date they are assessed/invoiced by the applicable third party, otherwise they will be considered waived. Pass Through Expenses that have not been disputed within [\*\*\*] of receipt by Manager and that have been paid or deducted from Manager’s account are deemed paid in full.

Table 5

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

**EARLY TERMINATION**

The Early Termination Fee shall be determined by multiplying (i) the average of the [\*\*\*] during the [\*\*\*] period preceding the effective date of termination (or, if no [\*\*\*] invoice has been received, the estimated total [\*\*\*] billing for each Service to be received hereunder), by (ii) [\*\*\*], as set forth in the table below, by (iii) the number of

[\*\*\*]; plus any unamortized fees or third party costs existing on Sutton Bank's books on the date of termination. Upon request by Manager, Sutton Bank shall disclose to Manager the amount of any such [\*\*\*].

c. Table 6 of the Early Termination is modified as follows:

Table 6

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

[\*\*\*]

[\*\*\*]

[\*\*\*]

Table 7

[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

**MARQETA [\*\*\*]**

Sutton Bank shall pay Manager a [\*\*\*] on a [\*\*\*] basis according to Table 8 – [\*\*\*] by transferring funds to the bank account identified by Manager. Sutton Bank shall provide to Manager a [\*\*\*] invoice with each payment which documents the calculation of the [\*\*\*]. Sutton Bank will calculate (1) the [\*\*\*], and (2) the [\*\*\*] by multiplying the [\*\*\*] by the applicable [\*\*\*] in Table 8. For example, if the [\*\*\*] invoice amount for a [\*\*\*] is calculated to be [\*\*\*], then a [\*\*\*] of [\*\*\*] would be applied to calculate a [\*\*\*] amount of [\*\*\*]. The same calculation would be applied to the [\*\*\*] portion of the [\*\*\*] invoice.

Table 8 \_-[\*\*\*]

	[***]	[***]
[***]	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
[***]		
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]

## MISCELLANEOUS CHARGES

Manager will pay to Sutton Bank the following fees, which will be payable upon Manager's receipt of a fee statement ("Fee Statement") that provides a detailed accounting of each fee, including at minimum: the type of fee, how the fee was calculated, the data used to calculate the fee, any reasons or reason codes associated with the cause of the fee (e.g. why a wire was returned), an identifier (such as account token) indicating the Client that is the source or cause of the fee, the applicable Program name, and any additional fee-specific information listed below. The fee statement shall be provided to Manager along with the [\*\*\*] invoice, covering the prior's [\*\*\*] activity.

- i. Regulatory complaint not responded to [\*\*\*] prior to the complaint response due date, [\*\*\*] per occurrence. Fee charged to manager for any and all complaints received from governmental authorities that are sent to Manger for a response and Manager fails to respond to Sutton Bank within this time frame. Payment for this fee will be contingent upon Sutton Bank following the complaints policies and procedures established between the Parties.
- ii. ACH Recall Notices. Manager shall respond to any ACH Recall Notice received from the U.S. Treasury within [\*\*\*], and any ACH Recall Notice received from any ODFI within [\*\*\*]. Failure to comply with the above requirements for any reason shall result Manager's payment of a [\*\*\*] penalty fee to Sutton for each untimely response to a U.S. Treasury ACH Recall Notice, and a [\*\*\*] penalty fee to for each untimely response to an ODFI ACH Recall Notice.

## Billing Disputes

Any third party charges (e.g. [\*\*\*]) passed through to the Program Manager must be attributable to Program Manager's Programs and substantiated by documentation from the applicable third party. Such third party charges must be passed through to Manager within [\*\*\*] from the date they are assessed by the applicable third party, otherwise they will be considered waived.



**Schedule 1**

[\*\*]

[\*\*]

**List of Subsidiaries of Marqeta, Inc.**

Marqeta UK LTD

Marqeta Australia Pty Ltd

Marqeta Singapore Pte. Ltd.

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-256914) pertaining to the Amended and Restated 2011 Equity Incentive Plan, as amended, the 2021 Stock Option and Incentive Plan, and the 2021 Employees Stock Purchase Plan of Marqeta, Inc. of our report dated March 11, 2022, with respect to the consolidated financial statements of Marqeta, Inc, included in this Annual Report (Form 10-K) for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Redwood City, California  
March 11, 2022

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO  
SECURITIES EXCHANGE ACT OF 1934 RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Gardner, certify that:

1. I have reviewed this annual report on Form 10-K of Marqeta, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [Omitted];
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2022

By: /s/ Jason Gardner  
Jason Gardner  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO  
SECURITIES EXCHANGE ACT OF 1934 RULES 13a-14(a) AND 15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael (Mike) Milotich, certify that:

1. I have reviewed this annual report on Form 10-K of Marqeta, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. [Omitted];
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2022

By: /s/ Michael (Mike) Milotich  
Michael (Mike) Milotich  
Chief Financial Officer  
(Principal Financial and Accounting  
Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Gardner, Chief Executive Officer of Marqeta, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Marqeta, Inc. for the fiscal year ended December 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Marqeta, Inc.

Date: March 11, 2022

By: /s/ Jason Gardner  
Jason Gardner  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael (Mike) Milotich, Chief Financial Officer of Marqeta, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Marqeta, Inc. for the fiscal year ended December 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Marqeta, Inc.

Date: March 11, 2022

By: /s/ Michael (Mike) Milotich  
\_\_\_\_\_  
Michael (Mike) Milotich  
Chief Financial Officer  
(Principal Financial and Accounting  
Officer)