

Payroll Card Service Terms and Conditions



These Prepaid Payroll Card Service Terms and Conditions ("Terms & Conditions") govern Customer access to and use of the Employer Card Administration website ("Service") for the purpose of setup, issuance, loading, and management of Cards to be issued to participating Customer cardholders (each a "Participating Cardholder") to receive compensation from the Customer in lieu of Customer's issuance of paper checks to a Participating Cardholder.

1. **Definitions.** "Card" means a reloadable prepaid card issued through Columbia. There is a limited purpose, prepaid subaccount associated with the Card in which the funds loaded to the Card and Card transactions are tracked. Participating Cardholders may only access the funds in this prepaid subaccount with their Card in accordance with the Cardholder Agreement ("Cardholder Agreement"). The words "we", "us", and "our" refer to Columbia Bank ("Columbia"). The words "you" and "your" refer to the business customer utilizing the Service ("Customer"). Visa® is a registered trademark of Visa® USA, Inc. References to Card usage include references to such usage whether through physical presentment at a POS or ATM, providing the card number over the phone, through the internet or otherwise, and/or using the Card's PIN, whether such usage is made by you or someone you allow to make such usage.
2. **Acceptance.** By accessing or using the Service, you agree to be bound by these Terms & Conditions, as well as any other agreements, disclosures, rules, or notices relating to the Service as may be posted on Columbia's website or otherwise made available to you, as applicable, and as amended from time to time (collectively, "Agreement"). If you do not agree to be so bound, you must not access or use the Service. Use of the Service after the effective date of any such agreement, disclosure, rules, or notices constitutes acceptance of the same.
3. **Ownership.** The Service is property of Bank. We can revoke your right to use the Service at any time, with or without cause and with or without notice.
4. **Use of the Service.** Subject to the Agreement, Bank will provide the Service to Customer and Customer may only offer the Card to legitimate third parties that it does business with and has a contractual relationship with in connection with the [referral of lease customers]. Customer shall not require anyone to use the Card if such requirement is legally prohibited. To each Participating Cardholder, Columbia will issue a Visa- branded Card, per the instructions provided by the Customer in accordance herewith, through which Customer may transfer funds to the Participating Cardholder as provided herein.
5. **Customer Warranties.** Customer warrants to Bank as follows.
 - (a) At the time of each Participating Cardholder's enrollment, Customer will provide to each Participating Cardholder a Bank-specified registration package containing Bank's Cardholder Agreement, Privacy Disclosure and such other documents as Bank may specify. Such materials must be prepared by Bank or, if prepared by or on behalf of Customer, must be approved in writing by Bank in advance.
 - (b) At the time of each Participating Cardholder's enrollment, Customer will obtain from each Participating Cardholder a signed enrollment form, in the form originally provided by or approved in writing by Bank and will ensure that all of the information requested on the enrollment form has been provided and is correct. Customer shall retain the completed enrollment form, together with any other documents or information required by Bank to verify the identity of the Participating Cardholder, for as long as the Participating Cardholder retains a Card and for seven (7) years thereafter.
 - (c) At the time of each Participating Cardholder's enrollment and/or in conjunction with Customer's administration of its [third party contractor] payment policies, Customer has correctly identified each Participating Cardholder, and each employee's participation is in compliance with all laws, including, without limitation, all laws relating to money laundering or the prevention of terrorism.
 - (d) Customer will not designate as Participating Cardholders, nor maintain as Participating Cardholders, any persons who are not Customer's bona fide providers of independent contractor [referral/brokerage] services to Customer.
 - (e) Customer understands that the Service is a funds distribution service only. Customer is solely responsible for compliance with all applicable federal, state and local laws, rules and regulations relating to payroll, compensation and employment matters, including, without limitation, as applicable (A) federal and state wage and hour laws; (B) proper withholding and timely remittance of any and all taxes related thereto (e.g., local, state and federal income, payroll or social security taxes); and (C) delivery of payments and tax reporting information to Participating Cardholders.
 - (f) Customer will appropriately segregate duties between individuals responsible for ordering cards for Participating Cardholders and individuals responsible for submitting ACH transfer of funds files.
6. **Issuance of Cards.** Customer will enroll its Participating Cardholders via the Service or by such other method as may be mutually agreed between Customer and Bank in writing. On the basis of such entry, Bank will issue a Card to each Participating Cardholder. Bank reserves the right, in its sole discretion, to decline to issue a Card to any of Customer's employees, or to suspend or revoke any Card at any time. If Bank issues a Card to any of Customer's Participating Cardholders who is a minor, customer will be responsible for any losses that Bank may incur as a result of that Participating Cardholder's asserting his or her minority as a defense in order to avoid paying any amounts due to Bank with respect to the Card.
7. **Delivery of Card with Cardholder Agreement.** Each Card issued to a Participating Cardholder will be accompanied by a URL link to Columbia's website where the most recent version of the Cardholder Agreement (including, without limitation, the fee schedule) governing the Participating Cardholder's use of the Card is available. Bank may change the Cardholder Agreement, including, without limitation, the fees to be imposed on Participating Cardholders, at any time, as provided in these Terms and Conditions. Bank generally will deliver each Card directly to the Participating Cardholder by mail based on the delivery information for the Participating Cardholder supplied by Customer. If Bank is unable to deliver a Card to any Participating Cardholder, Bank will notify Customer of the non-delivery and Customer shall obtain current delivery information from the Participating Cardholder and provide such current information immediately upon Customer's receipt of it. Customer shall be responsible for any losses Bank may incur as a result of Customer's failure to originally or subsequently provide Bank with accurate delivery information on any Participating Cardholder.
8. **Transfer of Funds.** Bank shall not be responsible to Customer or to any Participating Cardholder if Bank is unable to complete a requested ACH transfer of funds to or from any Participating Cardholder at the time or in the manner Customer requested as a result of Customer's failure to supply Bank with the funds, transfer instructions or any other information required to complete the requested transfer, or if Bank does not complete a requested transfer after Customer is no longer authorized to use the Service or after a Participating Cardholder is no longer employed by Customer.
9. **Confirmation of Participating Cardholder Receipt of Card.** Customer must confirm receipt of the requested Card with each Participating Cardholder before initiating any funds transfer to that Participating Cardholder's Card. If Customer fails to confirm this receipt of the Card, Customer will be responsible for the Participating Cardholder's inability to access any funds transferred to the Card and for all fraud or other losses that Bank incurs in connection with any unauthorized use of funds transferred to that Card.
10. **Use of Cards.** Each Participating Cardholder may access or use the funds available on his or her Card at ATM terminals owned by Bank or owned by a network in which Bank is a participant and at the teller of any bank displaying the VISA logo. Customer agrees that (i) funds loaded onto a Participating Cardholder's Card become the property of that Participating Cardholder and are maintained by Bank in a Bank pooled account established for the purpose of receiving transfers from its Card customers to fund their employee Card, and will be accounted for in a limited-purpose, stored-value subaccount for each Participating Cardholder; (ii) neither Customer nor any Participating Cardholder will be paid interest on funds that are loaded onto a Participating Cardholder's Card; and (iii) Bank is authorized to transfer funds from each Participating Cardholder's Card subaccount in accordance with any instructions received from the terminals or any bank displaying the VISA logo, and to pay the amount of any such transfer, plus any fees charged in connection with the transfer, to the appropriate party or parties. Bank will not be responsible for any Participating Cardholder's inability to access funds on a Card at any time when the Card's balance is temporarily subject to reissuance and/or transfer to another card or account due to Customer no longer being authorized to use the Service or due to Participating Cardholder no longer being employed by Customer.
11. **Customer's Use of Third-Party Payroll Processing Vendor.** If Customer has entered or enters into an agreement with a third party vendor providing ACH funds transfer service ("Vendor"), Customer will entrust Customer's information regarding Participating Cardholders to be used in connection with the Cards to Vendor, and Bank is entitled to conclusively rely on any such information provided to it by Customer's Vendor, as if it were provided directly to Bank by Customer. Customer shall maintain sufficient collected funds to cover its net obligations for the Cards. Customer authorizes Bank to

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transfer funds from time to time from Customer's Account to Bank's Prepaid Card pooled account to correspond with the amount to be loaded onto the Cards of Customer's Participating Cardholders, as directed by Customer or by Vendor on behalf of Customer. Columbia's Prepaid Card pooled account shall be the internal account at Bank from which Prepaid Cards, including Cards issued to employees of Bank customers other than Customer, will be paid. Bank may charge any of Customer's accounts with Bank if, for any reason, the funds transferred from Customer's Account to Bank's Prepaid Card pooled account are insufficient to cover Customer's payment obligations to Participating Cardholders as reported by Customer or by Vendor on Customer's behalf. Bank's sole obligation to Customer or any third party for any claims arising out of errors or omissions in the Services rendered by Bank shall be to attempt, in good faith, to have Customer or Vendor furnish correct ACH funds transfer information, reports or other data, and to notify Customer or Vendor, as the case may be, to correct its computer data files, provided that Customer or Vendor on Customer's behalf, advises Bank of any error or omission prior to Customer's next regular Card ACH funds transfer. Customer acknowledges that Bank will have no obligation to maintain records or other means whereby it can reproduce Customer's payments or ACH funds transfer file, reports or data.

Customer is responsible to ensure that only its Authorized Representatives have access to the Service and that those persons use it only in the manner authorized by Customer. Bank shall incur no liability for any damages caused by any unauthorized use. Customer is also responsible for ensuring that all Card ACH funds transfer information related to the amounts to be loaded on Customer's Cards contain accurate information, including, without limitation, the accurate name to which the funds transfer is payable, the Card number or Bank Card pooled subaccount number and the exact amount of the funds transfer.

12. **Bank's Duties.** The extent of Bank's duties under this Service is, subject to the limitations of liability and other terms hereof, to transfer funds from time to time from Customer's Account to Columbia's pooled Card account to be loaded on to the Cards of Customer's Participating Cardholders pursuant to the information and authorization from Customer or Vendor as set forth above. Bank shall not be responsible for the accuracy of any information produced by either Customer or Vendor or for the accuracy of the completed transfers to (loading of) Cards based on information provided by Customer or Vendor. Nothing contained herein shall be deemed to relieve Customer of any duty that may be imposed by state or federal law on Customer, including, without limitation, any laws requiring Customer to maintain records regarding its Participating Cardholders. Nothing contained herein shall be construed to imply that a joint venture or partnership is created between Customer, Bank and/or any other person or entity, including, without limitation, any Vendor.
13. **Lost, Stolen or Destroyed Card.** If Customer becomes aware that a Card has been lost, stolen or destroyed, Customer shall advise the affected Participating Cardholder to report the lost, stolen or destroyed Card to Bank in accordance with the procedures set forth in the Cardholder Agreement. After the Participating Cardholder reports the loss, theft or destruction of his or her Card in accordance with the Cardholder Agreement, a "hot card" designation will be placed against the lost, stolen or destroyed Card, the Participating Cardholder's balance will be transferred to a new Card subaccount, and a replacement Card will be issued to the Participating Cardholder, provided, however, Bank may condition the issuance of a replacement Card upon its receipt of any affidavits, declarations or other documents Bank determines are reasonable in order to verify or confirm that the Card has actually been lost, stolen or destroyed.

Customer may also contact Bank to report a lost, stolen or destroyed Card it becomes aware of but, until the affected Participating Cardholder reports the loss, theft or destruction of his or her Card in accordance with the Cardholder Agreement, the Customer's report will result only in the placement of a "hot card" designation on the Card in question and the transfer of the Participating Cardholder's balance out of the lost, stolen or destroyed Card subaccount, but not the issuance of a replacement Card.

Upon receipt of any report from Customer and/or an affected Participating Cardholder of a lost, stolen or destroyed Card, Bank will exercise good faith and ordinary care in implementing policies and procedures described above. If Bank inadvertently permits a withdrawal or a transaction on the affected Card after a proper report by the affected Participating Cardholder, but prior to its termination and replacement, or fails to correct or reverse an ACH transfer properly requested by Customer, Customer is required to prove that a direct loss has been suffered by it and, if so, the amount of such loss, before Customer shall be entitled to receive a credit to its Account. If Bank determines that it is legally obligated to credit the Customer's Account, and in fact does so, Bank shall have all of Customer's rights and remedies against the Cardholder and Customer agrees to cooperate and assist Bank in its effort to collect the amount of the withdrawal or transaction.

14. **Transfers From Customer Account to Bank Prepaid Card Pooled Account.**

- (a) Customer authorizes Bank to transfer funds of Customer from the designated Account of Customer at Bank when requested to do so in an instruction by Customer to Bank.
- (b) Funds will be transferred in accordance with mutually-agreed upon security procedures. Such procedures are solely for the purpose of verifying the origination (but not errors in transmission or content) of funds transfer orders. Customer agrees that any such procedures are commercially reasonable. If a funds transfer order received by Bank purports to have been transmitted or authorized by Customer and Bank has acted in compliance with such procedures, then such funds transfer order shall be deemed effective, and Customer shall be obligated with respect thereto.
- (c) Bank in its sole discretion may execute funds transfers in any order convenient to Bank. Bank shall not be liable for failure to execute any funds transfer order for which Customer has not provided Bank with complete information or which would violate these Terms & Conditions or any other agreement between Customer and Bank or any applicable law. Customer shall submit funds transfer orders to Bank prior to the daily cut-off time established by Bank from time to time. Any funds transfer order received by Bank after its daily cut-off time may be processed on the next banking day. Customer assumes responsibility for verifying availability of funds at the time of funds transfer orders.
- (d) If more than one funds transfer is made at or about the same time and the available funds in the applicable Customer Account do not cover all of such funds transfer orders, Bank at its option may execute as many of such funds transfer orders as possible within the dollar limits of such available funds, in any order convenient to Bank.

15. **ACH Funds Transfers.**

- (a) If agreed to by Bank, Customer may initiate ACH Credit Entries to its Account in accordance with Bank's security procedures, and other relevant provisions of the Agreement, including, without limitation, all of the provisions regarding the ACH Services.
- (b) If Customer initiates ACH Credit Entries through a Vendor or other third-party provider, such Vendor or other third-party provider is the agent of Customer and not of Bank. If Customer uses a Vendor or other third-party provider, Customer shall be deemed to have authorized Bank to follow the instructions of such Vendor or other third-party provider to the same extent and under the same conditions as would apply if the instructions came direct from Customer and Customer shall be responsible for insuring that such Vendor or other third-party provider and Customer fully comply with the ACH Rules, as now existing or hereafter amended, applicable to third-party providers, including "third-party senders," and with these Terms & Conditions. Bank is not responsible for the acts or omissions of any such Vendor or other third-party provider and Customer agrees to be liable for and hold Bank harmless from, any losses caused by the acts or omissions of the Customer's Vendor or other third-party provider.
- (c) Customer is responsible for any transfers initiated by Customer or a Vendor, including, without limitation, any underpayment, overpayment, or disputed amount.

16. **Right of Set Off.** Any obligation or monies due may be charged to any account in your name (including any joint owner), and you hereby grant to us a security interest in any account with us to secure any money owed to us, regardless of the amount of contribution by any of you to the account(s). You agree that the security interest granted to us is consensual and is in addition to our common law right of set off. You also grant us the right, on our own behalf and on behalf of our affiliates, to set off against any and all money in your Account to pay any money due or obligation owed by you. You acknowledge that the obligations secured by our security interest and set off rights granted hereby include all present and future obligations

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owed by you to us or any of our affiliates. You agree that we may act in accordance with instructions received from any of our affiliates regarding disposition of money in your accounts without any further consent or action by you. We may exercise our right of set off and our security interest without recourse to other collateral, if any, and even if such action causes you to have transactions drawn returned, or any other consequence. If we exercise our rights hereunder, we will notify you to the extent required by applicable law. Our right of set off and security interest may not apply to your account(s) to the extent expressly prohibited by applicable law.

17. **Termination.** We may suspend or terminate your privileges under the Agreement with or without notice, except as prohibited by law. You may terminate your privileges under the Agreement at any time (if done through a phone call, we may require that the termination be confirmed in writing). Once your privileges have been terminated (by us or by you), you will not use the Service. The provisions of the Agreement will survive termination of the Agreement as the context may naturally dictate.
18. **Amendments.** We can amend the terms of the Agreement at any time upon notice to you. Subject to the requirements of applicable law, any amendments to the Agreement will become effective at the time stated in our notice. Use of the Service after the effective date of the amendment constitutes acceptance of the amendment. You will have no right to amend the Agreement.
19. **Assignment.** You may not assign or transfer any or all of your rights or obligations under the Agreement. We may assign any or all of our rights or obligations under the Agreement to any third party or parties in our sole discretion and without notice to you, subject to applicable law.
20. **No Waiver.** We can delay enforcing our rights or remedies for any length of time and for any number of times without losing or in any way impairing those or any other of our rights or remedies. The fact that we may honor a transaction does not obligate us to do so again, nor does it waive any of our rights or remedies. Without limiting the foregoing, the delay or failure of Columbia to exercise any right, remedy, power or option, or to insist upon compliance with any provision of the Agreement, will not constitute a waiver of that or any other right, remedy, power, option, or provision, nor a waiver of that or any other breach, nor a waiver of our right at any time thereafter to require compliance with that or any other provision. No waiver will be effective against Columbia unless it is expressly stated in a writing signed by Columbia.
21. **Notices.** Any notice we send you will be considered effective when it is sent in the U.S. mail to the address in our records, or, at our option, when transmitted or made available to you pursuant to any other method to which you have agreed in connection with the Card, including, with respect to changes to the Agreement, any means or method described in the Agreement. You agree to notify us immediately of any changes in any applicable information, including, without limitation, any changes of your name, your address, or phone number. We may use any source available to us to update and validate the accuracy of your information, but we have no obligation to do so. Unless otherwise provided in the Agreement, notice from you must be in writing. Written notice from you will not be deemed given to us until it has been received by one of our representatives who is authorized by us to consider and act on your notice. If we are required by law or agreement with you to act on any notice you have given to us, you agree that we will have a reasonable opportunity to act.
22. **Governing Law.** This Agreement and your Card will be controlled by and construed and enforced under the laws of the State of Oregon without regard to Oregon's conflict of laws principles (i.e., as applicable to agreements made and performed in Oregon) and, as applicable, Federal law. Any action, suit, or proceeding relating, directly or indirectly, to the Card or this Agreement, whether sounding in contract, tort, or otherwise, will be brought exclusively in Lane County, Douglas County, or Washington County, Oregon, or federal court located in Portland, Oregon, and the parties irrevocably submit to the exclusive jurisdiction of that court for any such action, suit or proceeding, and hereby waive any right to contest such exclusive jurisdiction or change such venue on any grounds.
23. **Interpretation.** The section headings shall in no way be held to explain, modify, or aid in the interpretation of the provisions hereof. Wherever possible, each provision will be interpreted in a manner as to be valid, legal, and enforceable under applicable law. If any provision is declared invalid, illegal, or unenforceable in any jurisdiction, it shall be modified to render it valid, legal, and enforceable in the manner that best advances the spirit of the Agreement and/or such provision shall be deemed deleted, as the subject court or arbitrator(s) shall determine, and the remaining provisions will continue in full force and effect in the subject jurisdiction. The rule of construing ambiguities against the drafter shall not apply.
24. **DISCLAIMER.** COLUMBIA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE SERVICES PROVIDED TO YOU UNDER THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT. All COLUMBIA SERVICES ARE PROVIDED "AS IS," "WHERE IS" AND WITHOUT RECOURSE TO COLUMBIA.
25. **LIMITATION OF LIABILITY.** TO THE EXTENT SUCH LIMITATION OF LIABILITY IS PERMITTED BY LAW, (I) COLUMBIA WILL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES OR LOSSES, WHETHER OR NOT FORESEEABLE, (II) COLUMBIA WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE ARISING DIRECTLY OR INDIRECTLY FROM OR IN CONNECTION WITH ANY INACCURACY, ACT OR FAILURE TO ACT ON THE PART OF ANY PERSON NOT WITHIN OUR REASONABLE CONTROL, OR ANY ERROR, FAILURE, OR DELAY IN EXECUTION OF ANY TRANSACTION RESULTING FROM CIRCUMSTANCES BEYOND OUR REASONABLE CONTROL, INCLUDING, BUT NOT LIMITED TO, ANY INOPERABILITY OF COMMUNICATIONS FACILITIES OR OTHER TECHNOLOGICAL FAILURE, AND (III) COLUMBIA WILL NOT BE LIABLE FOR ANYTHING EXCEPT FOR ITS OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. PROVIDED WE HAVE COMPLIED WITH OUR OBLIGATIONS UNDER THE AGREEMENT, AND SUBJECT TO APPLICABLE LAW, YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD COLUMBIA HARMLESS AGAINST ANY THIRD PARTY CLAIM ARISING FROM, OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, ANY USE OF YOUR CARD, THE AGREEMENT, OR ANY RELATED SERVICE WE PROVIDE.
26. **Confidentiality.** We will disclose information to third parties about your account or the transactions you make in order to process transactions or otherwise perform our obligations under the Agreement, to verify the existence and condition of your account for a third party (such as a credit bureau or merchant), to comply with laws, rules, regulations, or government agency or court orders, or if you give us your written permission.
27. **Entire Agreement.** The Agreement, along with the related credit application documents, is the entire agreement between the parties hereto regarding the subject matter and supersedes any oral agreements, oral representations, or oral warranties relating thereto.
28. **Patriot Act; Customer Identification.** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions and Customers to obtain, verify, and record information that identifies each Participating Cardholder. What this means for you: When you request a Card to be issued to a Participating Cardholder via the Service, we will ask for the Participating Cardholder's name, current address, Social Security number (or other government-issued identifying numbers), date of birth, and other information that will allow you to positively identify them. You confirm, certify, and represent that all information you provide to us in connection with your card orders are true and correct, and you agree to notify us in the event any of such information should change. Participating Cardholders authorize the verification of their identity through credit bureaus or any other reasonable means.
29. **Phone Calls.** In the regular course of our business, we may monitor and record phone conversations made or received by our employees. You agree that we will have such right with respect to all phone conversations between you and our employees, whether initiated by you or any of our employees.