

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2023

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 001-38633

**BM Technologies, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**201 King of Prussia Road, Suite 650**

**Wayne, Pennsylvania**

(Address of Principal Executive)

**82-3410369**

(I.R.S. Employer Identification No.)

**19087**

(Zip-Code)

**(877) 327-9515**

Registrant's telephone number, including area code

(Former name, former address, and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	BMTX	NYSE American LLC
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per share	BMTX-WT	NYSE American LLC

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, non-accelerated filer, and emerging growth company in Rule 12b-2 of the Exchange Act.

Non-accelerated filer  Smaller reporting company  Emerging growth company

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. Yes  No

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

The registrant had issued and outstanding 11,862,700 shares of common stock, par value \$0.0001 per share, as of May 20, 2023.

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**Part I - Financial Information**

**ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**BM TECHNOLOGIES, INC.**  
**CONSOLIDATED BALANCE SHEETS — UNAUDITED**  
(amounts in thousands, except share and per share data)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 10,931	\$ 21,108
Accounts receivable, net allowance for doubtful accounts of \$328 and \$305	12,946	8,260
Prepaid expenses and other assets	10,465	9,076
Total current assets	34,342	38,444
Premises and equipment, net	530	508
Developed software, net	20,631	22,324
Goodwill	5,259	5,259
Other intangibles, net	4,349	4,429
Other assets	—	72
<b>Total assets</b>	<b>\$ 65,111</b>	<b>\$ 71,036</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 19,116	\$ 12,684
Deferred revenue	2,653	6,647
Total current liabilities	21,769	19,331
Non-current liabilities:		
Liability for private warrants	1,406	2,847
Total liabilities	\$ 23,175	\$ 22,178
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Preferred stock: Par value \$0.0001 per share; 10,000,000 shares authorized, none issued or outstanding at both March 31, 2023 and December 31, 2022	\$ —	\$ —
Common stock: Par value \$0.0001 per share; 1 billion shares authorized; 11,861,510 shares issued and outstanding at March 31, 2023; 12,240,237 shares issued and outstanding at December 31, 2022	1	1
Additional paid-in capital	70,380	72,342
Accumulated deficit	(28,445)	(23,485)
Total shareholders' equity	\$ 41,936	\$ 48,858
<b>Total liabilities and shareholders' equity</b>	<b>\$ 65,111</b>	<b>\$ 71,036</b>

*See accompanying notes to the unaudited consolidated financial statements.*

**BM TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF (LOSS) INCOME — UNAUDITED**  
(amounts in thousands, except per share data)

	Three Months Ended March 31,	
	2023	2022
Operating revenues:		
Interchange and card revenue	\$ 3,079	\$ 6,643
Servicing fees	6,632	14,192
Account fees	2,140	2,555
University fees	1,506	1,603
Other revenue	127	54
Total operating revenues	<u>13,484</u>	<u>25,047</u>
Operating expenses:		
Technology, communication, and processing	7,130	6,918
Salaries and employee benefits	6,425	9,482
Professional services	2,640	2,372
Provision for operating losses	1,677	1,602
Occupancy	102	307
Customer related supplies	228	230
Advertising and promotion	118	113
Restructuring, merger and acquisition related expenses	719	289
Other expense	820	771
Total operating expenses	<u>19,859</u>	<u>22,084</u>
(Loss) income from operations	(6,375)	2,963
Non-operating income and expense:		
Gain on fair value of private warrant liability	1,421	2,644
(Loss) income before income tax expense	(4,954)	5,607
Income tax expense	6	1,643
Net (loss) income	<u>\$ (4,960)</u>	<u>\$ 3,964</u>
Weighted average number of shares outstanding - basic	11,602	11,955
Weighted average number of shares outstanding - diluted	11,602	12,563
Basic (loss) earnings per common share	\$ (0.43)	\$ 0.33
Diluted (loss) earnings per common share	\$ (0.43)	\$ 0.32

*See accompanying notes to the unaudited consolidated financial statements.*

**BM TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY — UNAUDITED**  
**For the Three Months Ended March 31, 2023 and 2022**  
(amounts in thousands, except share data)

	<u>Common Stock</u>				
	<u>Shares of Common Stock Outstanding</u>	<u>Common Stock</u>	<u>Additional Paid in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
<b>Balance at December 31, 2022</b>	12,240,237	\$ 1	\$ 72,342	\$ (23,485)	\$ 48,858
Net loss	—	—	—	(4,960)	(4,960)
Conversion of private warrants to public warrants	—	—	20	—	20
Tax paid on behalf of employees related to net settlement of share-based awards	(473,874)	—	(2,429)	—	(2,429)
Share-based compensation expense	95,147	—	447	—	447
<b>Balance at March 31, 2023</b>	<u>11,861,510</u>	<u>\$ 1</u>	<u>\$ 70,380</u>	<u>\$ (28,445)</u>	<u>\$ 41,936</u>

	<u>Common Stock</u>				
	<u>Shares of Common Stock Outstanding</u>	<u>Common Stock</u>	<u>Additional Paid- in Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
<b>Balance at December 31, 2021</b>	12,193,378	\$ 1	\$ 60,686	\$ (22,706)	\$ 37,981
Net income	—	—	—	3,964	3,964
Conversion of private warrants to public warrants	—	—	725	—	725
Tax paid on behalf of employees related to net settlement of share-based awards	(37,506)	—	(225)	—	(225)
Share-based compensation expense	90,075	—	2,919	—	2,919
<b>Balance, March 31, 2022</b>	<u>12,245,947</u>	<u>\$ 1</u>	<u>\$ 64,105</u>	<u>\$ (18,742)</u>	<u>\$ 45,364</u>

*See accompanying notes to the unaudited consolidated financial statements.*

**BM TECHNOLOGIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS — UNAUDITED**  
(amounts in thousands)

	Three Months Ended March 31,	
	2023	2022
<b>Cash Flows from Operating Activities:</b>		
Net (loss) income	\$ (4,960)	\$ 3,964
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation of premises and equipment	60	48
Amortization of developed software	2,990	2,944
Amortization of other intangible assets	80	80
Amortization of leased assets	—	178
Provision for bad debt	23	(46)
Share-based compensation expense	635	2,919
Gain on fair value of private warrant liability	(1,421)	(2,644)
Changes in operating assets and liabilities:		
Accounts receivable	(4,709)	(959)
Prepaid expenses and other current assets	(1,389)	(490)
Other assets	72	(96)
Accounts payable and accrued liabilities	6,244	1,825
Taxes payable	—	1,330
Operating lease liabilities	—	(180)
Deferred revenue	(3,994)	317
<b>Net Cash (used in) provided by Operating Activities</b>	<b>(6,369)</b>	<b>9,190</b>
<b>Cash Flows from Investing Activities:</b>		
Development of internal use software	(1,297)	(2,020)
Purchases of premises and equipment	(82)	(118)
<b>Net Cash used in Investing Activities</b>	<b>(1,379)</b>	<b>(2,138)</b>
<b>Cash Flows from Financing Activities:</b>		
Repurchase of private warrants	—	(1,977)
Payments related to net settlement of share-based compensation awards	(2,429)	(225)
<b>Net Cash used in Financing Activities</b>	<b>(2,429)</b>	<b>(2,202)</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(10,177)</b>	<b>4,850</b>
<b>Cash and Cash Equivalents – Beginning</b>	<b>21,108</b>	<b>25,704</b>
<b>Cash and Cash Equivalents – Ending</b>	<b>\$ 10,931</b>	<b>\$ 30,554</b>
<b>Supplementary Cash Flow Information:</b>		
Income taxes paid, net of refunds	\$ 7	\$ —
<b>Noncash Operating, Investing, and Financing Activities:</b>		
Conversion of private warrants to public warrants	\$ 20	\$ 725

*See accompanying notes to the unaudited consolidated financial statements.*

**BM TECHNOLOGIES, INC.**  
**NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 — DESCRIPTION OF THE BUSINESS**

BM Technologies, Inc. (“BMTX” or the “Company”) (formerly known as BankMobile) provides state-of-the-art high-tech digital banking and disbursement services to consumers and students nationwide through a full service fintech banking platform, accessible to customers anywhere and anytime through digital channels.

BankMobile Technologies, Inc. (“BankMobile”) was incorporated in May 2016 as a wholly-owned subsidiary of Customers Bank. On August 6, 2020, the Company entered into an Agreement and Plan of Merger, by and among Megalith Financial Acquisition Corporation, a special purpose acquisition company (“Megalith”), incorporated in Delaware in November 2017, MFAC Merger Sub Inc., a wholly-owned subsidiary of Megalith, BankMobile Technologies, Inc., and Customers Bank, the sole stockholder of BankMobile. On January 4, 2021, BankMobile became an independent company after the completion of a divestiture transaction and was rebranded BM Technologies, Inc.

BMTX facilitates deposits and banking services between a customer and our partner bank, Customers Bank, a Pennsylvania state-chartered bank, which is a related party and is a Federal Deposit Insurance Corporation (“FDIC”) insured bank. BMTX’s business model leverages partners’ existing customer bases to achieve high volume, low-cost customer acquisition in its Higher Education Disbursement, Banking-as-a-Service (“BaaS”), and niche Direct to Consumer (“D2C”) banking businesses. BMTX has four primary revenue sources: interchange and card revenue, servicing fees, account fees, and university fees. The majority of revenues are driven by customer activity (deposits, spend, transactions, etc.) and may be paid or passed through by Customers Bank, universities, or paid directly by customers.

Customers Bank currently holds the FDIC insured deposits that BMTX sources and services and is the issuing bank on BMTX’s debit cards. Customers Bank pays the Company a servicing fee for the deposits generated and passes through interchange income earned from transactions on debit cards.

On November 7, 2022, the Company and Customers Bank amended the Deposit Processing Services Agreement (the “DPSA Amendment”). The DPSA Amendment, among other things, will facilitate the transfer of the Company’s serviced deposits to a new partner bank and extends the termination date of the Deposit Processing Services Agreement until the earlier of: (i) entry into a definitive agreement with a new partner bank to transfer the Company’s serviced deposits to such partner bank and the successful completion of such transfer; or (ii) June 30, 2023.

On March 22, 2023, the Company and Customers Bank entered into a second amendment to the Deposit Processing Services Agreement (the “DPSA Second Amendment”) for the Higher Education serviced deposit accounts. The DPSA Second Amendment, among other things, extends the termination date of the Deposit Processing Services Agreement until the earlier of (i) the transfer of the Company’s Higher Education serviced deposits to a Durbin-exempt sponsor bank; or (ii) June 30, 2024; and revises the fee structure of the Deposit Processing Services Agreement.

Also on March 22, 2023, the Company and Customers Bank entered a new agreement for the current BaaS serviced deposit accounts (the “2023 Deposit Servicing Agreement”), under which, effective March 31, 2023, the Company will perform, on behalf of Customers Bank, Customer Bank’s services, duties, and obligations by and between Customers Bank and T-Mobile USA, Inc. that are not required to be provided by an FDIC insured financial institution.

On March 16, 2023, the Company entered into a Deposit Servicing Agreement (the “FCB Deposit Servicing Agreement”) with a new partner bank, First Carolina Bank, a North Carolina chartered, non-member community bank (“FCB”), which provides that FCB will establish and maintain deposit accounts and other banking services in connection with customized products and services offered by the Company to its Higher Education institution clients, and the Company will provide certain other related services in connection with the accounts. The initial term of the FCB Deposit Servicing Agreement is for four years, is subject to regulatory approval, and will automatically renew for additional two-year terms unless either party gives written notice of non-renewal at least 120 days prior to the expiration of the then-current term. The FCB Deposit Servicing Agreement may be terminated early by either party upon material breach, by either party upon notice that the continuation of the Depositor Program violates Applicable Law or Network Rules (as defined in the FCB Deposit Servicing Agreement); by FCB if a regulatory authority determined that the performance of its obligations under the FCB Deposit Servicing Agreement was not consistent with safe and sound banking practices; by either party upon the other party commencing or being subject to certain bankruptcy proceedings; by the Company should it experience a change in control on or after March 16, 2026; and by either party should the required regulatory approvals not be obtained on or before July 15, 2023.

BMTX is not a bank, does not hold a bank charter, and does not provide banking services, and as a result, it is not subject to direct banking regulation, except as a service provider to our partner bank. BMTX is also subject to the regulations of the Department of Education (“ED”), due to its student disbursements business, and is periodically examined by it. BMTX’s contracts with most of its Higher Education institution clients require it to comply with numerous laws and regulations, including, where applicable, regulations promulgated by the ED regarding the handling of student financial aid funds received by institutions on behalf of their students under Title IV of the Higher Education Act of 1965; the Family Educational Rights and Privacy Act of 1995; the Electronic Fund Transfer Act and Regulation E; the USA PATRIOT Act and related anti-money laundering requirements; and certain federal rules regarding safeguarding personal information, including rules implementing the privacy provisions of the Gramm-Leach-Bliley Act. Other products and services offered by BMTX may also be subject to other federal and state laws and regulations.

## **NOTE 2 — BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

### *Basis of Presentation*

These interim unaudited consolidated financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). Any reference to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Update (“ASU”) of the Financial Accounting Standards Board (“FASB”). Certain information and footnote disclosures normally included in the annual consolidated financial statements have been omitted from these interim unaudited consolidated financial statements as permitted by U.S. GAAP and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). These interim unaudited consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of Management, necessary to present a fair statement of the financial position and the results of operations and cash flows of BMTX for the interim periods presented.

The preparation of interim unaudited consolidated financial statements in conformity with U.S. GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim unaudited consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include valuation of deferred tax assets, valuation of private warrants, goodwill, and intangible asset impairment analysis. Actual results could differ from those estimates.

ASC 205-40, *Presentation of Financial Statements - Going Concern*, requires Management to assess an entity’s ability to continue as a going concern within one year of the date the financial statements are issued. In each reporting period, including interim periods, an entity is required to assess conditions known and reasonably knowable as of the financial statement issuance date to determine whether it is probable an entity will not meet its financial obligations within one year from the financial statement issuance date.

Management has performed this required assessment as of May 22, 2023 including consideration of the effect of the DPSA Second Amendment and the 2023 Deposit Servicing Agreement with Customers Bank, and believes there is sufficient funds available to support its ongoing business operations and continue as a going concern for at least the next 12 months with projected liquidity of \$21.5 million at May 22, 2024.

Management’s assessment is subject to known and unknown risks, uncertainties, assumptions, and changes in circumstances, many of which are beyond our control including the impact of the macroeconomic environment, and that are difficult to predict as to timing, extent, likelihood, and degree of occurrence, and that could cause actual results to differ from estimates and forecasts, potentially materially.

Based upon the results of Management’s assessment, these interim unaudited consolidated financial statements have been prepared on a going concern basis. The interim unaudited consolidated financial statements do not include any adjustments that could result from the outcome of the aforementioned risks and uncertainties.

### *Significant Accounting Policies*

These interim unaudited consolidated financial statements should be read in conjunction with the 2022 audited consolidated financial statements and related notes of BMTX, which describe BMTX’s significant accounting policies. There have been no material changes to BMTX’s significant accounting policies during the three months ended March 31, 2023 except as noted below.



### Insurance Premium Finance Obligations

The Company includes the obligation for its insurance premium financing in *Accounts payable and accrued liabilities* on the interim unaudited *Consolidated Balance Sheets*. At March 31, 2023, the Company had two premium finance arrangements outstanding with balances totaling \$1.1 million, average remaining installment payment terms of 8.5 months, and a weighted average annualized finance charge of 4.95%.

### 401(k) Plan

On January 3, 2023, the Company implemented the BM Technologies, Inc. 401(k) Plan (the “401(k) Plan”) for the benefit of BMTX’s eligible employees. The 401(k) Plan permits eligible employees to make voluntary contributions, up to a maximum of \$63.5 thousand per year, subject to certain limitations. The Company offers a matching contribution equal to 50% of an eligible employee’s deferral election up to 3% of their annual salary. The Company records its contributions to the 401(k) Plan in *Salaries and employee benefits* on the unaudited *Consolidated Statements of (Loss) Income*. The Company’s employer contribution to the 401(k) Plan for the three months ended March 31, 2023 totaled \$0.2 million.

### Accounting Standards Update

As an emerging growth company (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows the Company to delay adoption of new or revised ASUs applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use the extended transition period under the JOBS Act.

From time to time, new accounting pronouncements are issued by the FASB that are adopted by BMTX as of the required effective dates. During the quarter ended March 31, 2023 there were no ASUs adopted by the Company that were considered material and there were no ASUs issued prior to March 31, 2023, which were not yet effective, considered relevant or material to the Company’s financial statements taken as a whole.

## NOTE 3 — ACCOUNTS RECEIVABLE

*Accounts receivable, net* primarily relate to billings for deposit processing services to Customers Bank, MasterCard incentive income, uncollected university subscription and disbursement services fees, and receivables from our BaaS partners, and are recorded at face amounts less an allowance for doubtful accounts. Management evaluates accounts receivable and establishes the allowance for doubtful accounts based on historical experience, analysis of past due accounts, and other current available information.

Accounts receivable deemed to be uncollectible are individually identified and are charged-off against the allowance for doubtful accounts. The allowance for doubtful accounts was \$0.3 million at March 31, 2023 and \$0.3 million at December 31, 2022.

(amounts in thousands)	Beginning Balance	Additions	Reductions	Ending Balance
Allowance for doubtful accounts				
Three months ended March 31, 2023	\$ 305	\$ 115	\$ (92)	328
Twelve months ended December 31, 2022	\$ 79	\$ 381	\$ (155)	305

## NOTE 4 — PREMISES AND EQUIPMENT AND DEVELOPED SOFTWARE

### Premises and Equipment

The components of premises and equipment were as follows:

(amounts in thousands)	Expected Useful Life	March 31, 2023	December 31, 2022
IT equipment	3 to 5 years	\$ 1,459	\$ 1,377
Accumulated depreciation		(929)	(869)
Total		\$ 530	\$ 508

Depreciation is recorded in *Occupancy* expense on the unaudited *Consolidated Statements of (Loss) Income*. For the three months ended March 31, 2023 and 2022, BMTX recorded depreciation expense of less than \$0.1 million, respectively.

Impairment is recorded in *Occupancy* expense on the unaudited *Consolidated Statements of (Loss) Income*. For the three months ended March 31, 2023 and 2022, BMTX recorded no impairment expense.

#### *Developed Software*

The components of developed software were as follows:

<b>(amounts in thousands)</b>	<b>Expected Useful Life</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Higher One Disbursement business developed software	10 years	\$ 27,400	\$ 27,400
Internally developed software	3 to 7 years	43,872	42,504
Work-in-process		3,006	3,077
		74,278	72,981
Accumulated amortization		(53,647)	(50,657)
Total		<u>\$ 20,631</u>	<u>\$ 22,324</u>

Amortization is recorded in *Technology, communication and processing* expense on the unaudited *Consolidated Statements of (Loss) Income*. BMTX recorded amortization expense of \$3.0 million and \$2.9 million for the three months ended March 31, 2023 and 2022, respectively.

Impairment is recorded in *Technology, communication and processing* expense on the unaudited *Consolidated Statements of (Loss) Income*. For the three months ended March 31, 2023 and 2022, BMTX recorded no impairment expense.

#### **NOTE 5 — GOODWILL AND OTHER INTANGIBLES**

*Goodwill* represents the excess of the purchase price over the identifiable net assets of businesses acquired through business combinations accounted for under the acquisition method. *Other intangibles, net* represent purchased assets that lack physical substance but can be distinguished from goodwill because of contractual or other legal rights. We have one intangible asset which is being amortized on a straight-line basis over twenty years.

*Goodwill* is reviewed for impairment annually as of October 31 and between annual tests when events and circumstances indicate that impairment may have occurred. There was no goodwill impairment for the three months ended March 31, 2023 and 2022.

*Other intangibles, net*, includes assets subject to amortization that are reviewed for impairment under FASB ASC 360, *Property, Plant and Equipment*. There was no impairment for *Other intangibles, net*, for the three months ended March 31, 2023 and 2022.

The components of *Other intangibles, net* as of March 31, 2023 and December 31, 2022 were as follows:

<b>(amounts in thousands)</b>	<b>Expected Useful Life</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Customer relationships – universities	20 years	\$ 6,402	\$ 6,402
Accumulated amortization		(2,053)	(1,973)
Total		<u>\$ 4,349</u>	<u>\$ 4,429</u>

Amortization is recorded in *Other expense* on the unaudited *Consolidated Statements of (Loss) Income*. BMTX recorded amortization expense of \$0.1 million for the three months ended March 31, 2023 and 2022, respectively.

The customer relationships - universities will be amortized in future periods as follows:

Remainder of 2023	\$	240
2024		320
2025		320
2026		320
2027	320	320
After 2027		2,829
Total	\$	<u>4,349</u>

#### NOTE 6 — LEASES

At January 1, 2022, BMTX leased two offices under operating leases. On March 31, 2022, one of the two office leases matured, and we exited our New Haven, CT office facility. On September 30, 2022, the second office lease matured at our Wayne, PA office. On October 1, 2022, the Company entered into a 3-month short-term lease extension for this office under substantially identical terms and conditions as the original lease. At December 31, 2022, the 3-month short-term lease extension expired and was not renewed. The Company's corporate headquarters is currently operating under a month-to-month short-term lease arrangement.

At March 31, 2023 and December 31, 2022, the Company had no operating lease right-of-use assets and operating lease liabilities outstanding.

Operating lease expenses are recorded in *Occupancy* on the unaudited *Consolidated Statements of (Loss) Income*. BMTX recorded lease expense of less than \$0.1 million and \$0.2 million for the three months ended March 31, 2023 and 2022, respectively.

Cash paid pursuant to operating lease liabilities totaled zero and \$0.2 million for the three months ended March 31, 2023 and 2022, respectively. These cash payments are reported as a component of cash flows (used in) provided by operating activities on the unaudited *Consolidated Statements of Cash Flows*.

#### NOTE 7 — COMMITMENTS AND CONTINGENCIES

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable, and an amount or range of loss can be reasonably estimated. Management does not believe there are any such matters that will have a material effect on the interim unaudited consolidated financial statements that are not currently accrued for. However, in light of the uncertainties inherent in these matters, it is possible that the ultimate resolution may have a material adverse effect on BMTX's results of operations for a particular period, and future changes in circumstances or additional information could result in accruals or resolution in excess of established accruals, which could adversely affect BMTX's results of operations, potentially materially.

#### NOTE 8 — SHAREHOLDERS' EQUITY AND PRIVATE WARRANT LIABILITY

##### *Common Stock*

The Company is authorized to issue 1,000,000,000 shares of common stock, par value \$0.0001 per share. At March 31, 2023, there were 11,861,510 shares of common stock issued and outstanding, which includes the 300,000 performance shares discussed below. At December 31, 2022 there were 12,240,237 shares of common stock issued and outstanding which includes the 300,000 performance shares discussed below.

Each holder of common stock is entitled to one vote for each share of common stock held of record by such holder on all matters on which stockholders generally are entitled to vote. The holders of common stock do not have cumulative voting rights in the election of directors. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all stockholders present in person or represented by proxy, voting together as a single class.

### Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's Board of Directors. At March 31, 2023 and December 31, 2022, there were no shares of preferred stock issued or outstanding.

### Performance Shares

The Company has 300,000 common shares, par value \$0.0001 per share, issued and outstanding that contain a restrictive legend, subject to release only if the vesting criteria are met before the seventh anniversary of the closing date of the merger with Megalith. If the vesting criteria are not met prior to the seventh anniversary of the closing date of the merger, the shares will be forfeited and cancelled. The vesting criteria are met when either (1) the volume weighted average price of the Company's common stock on the principal exchange on which such securities are then listed or quoted shall have been at or above \$15.00 for twenty (20) trading days (which need not be consecutive) over a thirty (30) trading day period; or (ii) the Company sells shares of its capital stock in a secondary offering for at least \$15.00 per share, in each case subject to equitable adjustment for share splits, share dividends, reorganizations, combinations, recapitalizations and similar transactions affecting the shares of the Company's common stock after the merger, and possible reduction for certain dividends granted to the Company's common stock, or (2) the Company undergoes certain change in control or sales transactions. None of the vesting criteria for the performance shares have been met and no expense has been recognized.

### Dividend Policy

We have not paid any cash dividends on our common stock to date and have no present intention to pay cash dividends in the future. The payment of cash dividends by the Company in the future will be dependent upon the Company's revenues and earnings, capital requirements, and general financial condition. The payment of any dividends will be within the discretion of the Board of Directors of the Company.

### January 4, 2021 Share-Based Compensation Award

In connection with its January 4, 2021 divestiture of the Company, Customers Bank, the Company's former parent, granted 1,317,035 of the merger consideration shares of the Company it received to certain employees and executives of the Company. The share-based compensation award was subject to vesting conditions, including a required service condition from award recipients through January 3, 2023. The grant date fair value of the award, totaling \$19.6 million, was recorded as share-based compensation expense on the unaudited *Consolidated Statements of (Loss) Income* on a straight-line basis over the two-year post-grant vesting period, net of any actual forfeitures. The shares awarded were restricted until fully vested. The holders of restricted shares were provided an option to surrender a portion of their shares on the vesting date to cover their income tax obligations. On January 3, 2023, all restricted shares, net of prior forfeitures, vested.

The change in invested shares under the January 4, 2021 Share-Based Compensation Award is shown below:

	<b>Number of Awards</b>	<b>Weighted-Average Grant-Date Fair Value Per Award</b>
Balance as of December 31, 2022	1,168,146	\$ 14.87
Vested	(749,854)	\$ 14.87
Net settlement of share-based awards for taxes	(418,292)	\$ 14.87
Balance as of March 31, 2023	—	\$ —

BMTX recorded share-based compensation expense related to these awards of \$0.1 million and \$2.3 million for the three months ended March 31, 2023 and 2022, respectively.

### Equity Incentive Plan

Our 2020 Equity Incentive Plan (the "Equity Incentive Plan") provides for the grant of incentive stock options, or ISOs, nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based stock awards, and other forms of equity compensation, or collectively, stock awards, all of which may be granted to employees, including officers, non-employee directors, and consultants of both the Company and its affiliates.

Additionally, the Equity Incentive Plan provides for the grant of performance cash awards. ISOs may be granted only to employees. All other awards may be granted to employees, including officers, and to non-employee directors and consultants.

The aggregate number of shares of common stock that may be issued pursuant to stock awards under the Equity Incentive Plan will not, and currently does not, exceed 10% of the issued and outstanding shares of our common stock on January 4, 2021 (1,220,037 shares). Grants were made under the Equity Incentive Plan during the three months ended March 31, 2023 as described within *Restricted Stock Units and Performance - Based Restricted Stock Units* below.

#### *Restricted Stock Units*

Restricted Stock Units (“RSUs”) granted under the Equity Incentive Plan generally vest in three or four equal installments on each anniversary of the grant date. The RSUs that have been granted are all paid in stock upon vesting, and are thus classified as equity awards, which are measured using the grant date fair value of BMTX common stock and are not remeasured at the end of each reporting period. We recognize compensation cost starting from the grant date on a straight-line basis over the required vesting period in accordance with ASC 718. We account for forfeitures as they occur and reverse any previously recognized compensation expense related to forfeited awards.

#### *Performance - Based Restricted Stock Units*

Performance - Based Restricted Stock Units (“PBRsUs”) granted under the Equity Incentive Plan currently vest upon the later of: a) the third year of employment following the grant date or b) the achievement of the specified performance goals within the fifth year of the grant date. As defined by the Equity Incentive Plan, the Compensation Committee of the Board of Directors determines the number of PBRsUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the five-year performance cycle. The PBRsUs that have been granted are paid in stock upon vesting, and are thus classified as equity awards, which are measured using the grant date fair value of BMTX common stock and are not remeasured at the end of each reporting period. We account for forfeitures as they occur and reverse any previously recognized compensation expense related to forfeited awards.

For PBRsUs with milestones, upon the grant date, and at each subsequent reporting period, we reassess whether it is probable that we will achieve each operational milestone, and if so, the period when we expect to achieve that operational milestone. If upon the grant date, we determine that achievement of an operational milestone is probable, we allocate the full share-based compensation expense over the period between the grant date and the expected vesting condition achievement date. If upon the grant date, achievement of the operational milestone is not probable, we do not recognize compensation expense. If after the grant date, we determine achievement of an operational milestone becomes probable, we will allocate the full share-based compensation expense over the period between the grant date and the expected vesting condition achievement date, and we will recognize a catch-up expense equal to the value of previously unrecognized expense from the grant date to the vesting condition achievement date.

For PBRsUs with a market condition, we used a Monte Carlo simulation to determine the fair value on the grant date and recognize the share-based compensation expense over the derived service period.

The change in unvested RSUs and PBRsUs awarded is shown below:

	<b>Restricted Stock Units</b>		<b>Performance-Based Restricted Stock Units</b>	
	<b>Number of RSUs</b>	<b>Weighted-Average Grant-Date Fair Value Per RSU</b>	<b>Number of RSUs</b>	<b>Weighted-Average Grant-Date Fair Value Per RSU</b>
Balance as of December 31, 2022	324,790	\$ 8.84	335,000	\$ 7.09
Granted	206,000	\$ 3.52	205,000	\$ 2.94
Vested	(95,147)	\$ 8.93	—	\$ —
Forfeited	(35,564)	\$ 8.61	(45,000)	\$ 7.09
Balance as of March 31, 2023	400,079	\$ 5.88	495,000	\$ 5.37

For the three months ended March 31, 2023 and 2022, the share-based compensation expense related to the RSU awards totaled \$0.3 million and \$0.3 million, respectively.

For the three months ended March 31, 2023 and 2022, the share-based compensation expense related to the PBRsUs awards totaled \$0.2 million and \$0.3 million, respectively.

### *Employee Stock Purchase Plan (“ESPP”)*

The Company has an ESPP (the “BM Technologies Inc. 2021 Employee Stock Purchase Plan”) which has an effective date of May 1, 2021. The purpose of the ESPP is to provide eligible employees with an incentive to advance the interests of the Company and its Subsidiaries, by affording them an opportunity to purchase stock of the Company at a favorable price. As of March 31, 2023, there have been no shares purchased on behalf of employees under the ESPP, as the program has not yet been made available for employee participation.

### *Warrants*

At March 31, 2023 and 2022, respectively, there were 22,703,004 warrants to purchase our common stock outstanding. The warrant totals for each period-end consist of 17,294,044 and 17,227,289 public warrants and 5,408,960 and 5,475,815 private warrants as of March 31, 2023 and 2022, respectively.

Each whole warrant entitles the registered holder to purchase one whole share of common stock at a price of \$11.50 per share. The warrants will expire five years after the completion of the merger with Megalith (January 4, 2026) or earlier upon redemption or liquidation; the Company has redemption rights if our common stock trades above \$24.00 for 20 out of 30 days. The private warrants are identical to the public warrants except that the private warrants are non-redeemable and exercisable on a cashless basis so long as they are held by the sponsor and certain other original holders.

As of March 31, 2023, 1,600 of the Company’s outstanding public warrants have been exercised and 1,169,903 of the private warrants have been repurchased by the Company from related parties at \$1.69 per warrant. During the three months ended March 31, 2023 and March 31, 2022, 66,855 and 300,000 of the private warrants have been reclassified to public warrants based upon a sale of the private warrants by the original holders which resulted in a modification of terms that effect classification as public warrants.

The private warrants and the public warrants are treated differently for accounting purposes, as follows:

#### *Private Warrants*

In accordance with FASB ASC Topic 480, *Distinguishing Liabilities from Equity*, the private warrants are accounted for as liabilities and are marked-to-market each reporting period with the change in fair value recognized in earnings. In general, under the mark-to-market accounting model, as our stock price increases, the private warrant liability increases, and we recognize additional expense on the unaudited *Consolidated Statements of (Loss) Income* – with the opposite when our stock price declines. Accordingly, the periodic revaluation of the private warrants could result in significant volatility in our reported earnings.

*Income Statement Impact:* Subsequent to the close of the merger, any change in fair value of the private warrants is recognized on the unaudited *Consolidated Statements of (Loss) Income* below operating profit as *Gain on fair value of private warrant liability* with a corresponding amount recognized in the *Liability for private warrants* on the unaudited *Consolidated Balance Sheets*. For the three months ended March 31, 2023 and 2022, we recorded a gain of \$1.4 million and \$2.6 million, respectively, resulting from the revaluation of the private warrants.

*Balance Sheet Impact:* The private warrant liability is presented in the account *Liability for private warrants* in the long-term liabilities section of our unaudited *Consolidated Balance Sheets*. As noted above, the change in fair value of the underlying private warrants results in a corresponding change in the balance of the warrant liability on the unaudited *Consolidated Balance Sheets*. When warrants are exercised, the fair value of the liability is reclassified to *Additional paid-in capital* within equity. Cash received for the exercise of warrants is reflected in *Cash and cash equivalents* with a corresponding offset recorded in *Common stock* and *Additional paid-in capital* within equity.

*Cash Flow Impact:* The impact of the change in fair value of the private warrants has no impact on our cash flows as it is a noncash adjustment. Cash received for the exercise of warrants is recorded in cash flows from financing activities. Cash paid for the repurchase of warrants is recorded in cash flows from financing activities. During the three months ended March 31, 2022, the Company repurchased private warrants from related parties for cash consideration totaling \$2.0 million. No such transactions occurred during the three months ended March 31, 2023.

*Shareholders’ Equity Impact:* The impact to *Additional paid in-capital* as of the opening balance sheet is described above. Exercises of private warrants result in a reduction of the *Liability for private warrants* on the unaudited *Consolidated Balance Sheets* with a corresponding increase to *Common Stock* and *Additional paid in-capital*.

### Public Warrants

In accordance with FASB ASC Topic 480, *Distinguishing Liabilities from Equity*, the public warrants are treated as equity instruments under U.S. GAAP. The public warrants are not marked-to-market each reporting period, thus there is no impact to earnings. Exercises of the public warrants are recorded as cash is received and are recorded in *Cash and cash equivalents* with a corresponding offset recorded in *Common stock* and *Additional paid in-capital* within equity. During the three months ended March 31, 2023 and March 31, 2022, there were no exercises of public warrants.

### NOTE 9 — REVENUES

#### Revenues

BMTX recognizes operating revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers*.

The following table presents BMTX's revenues disaggregated by nature of the revenue stream and the pattern or timing of revenue recognition for the three months ended March 31, 2023 and 2022, respectively. The Company has one reportable segment and all revenues are earned in the U.S.

(amounts in thousands)	Three Months Ended March 31,	
	2023	2022
Revenues:		
Revenue recognized at point in time:		
Interchange and card revenue	\$ 3,079	\$ 6,643
Servicing fees	6,632	14,192
Account fees	2,140	2,555
University fees - disbursement activity	260	476
Other revenue	39	54
Total revenue recognized at point in time	12,150	23,920
Revenue recognized over time:		
University fees - subscriptions	1,246	1,127
Other revenue - maintenance and support	88	—
Total revenue recognized over time	1,334	1,127
Total revenues	\$ 13,484	\$ 25,047

#### Deferred Revenue

Deferred revenue consists of payments received from customers prior to the performance of services. Deferred revenue is recognized over the service period on a straight-line basis or when the contractual performance obligation has been satisfied.

The deferred revenue balance as of March 31, 2023 and December 31, 2022 was \$2.7 million and \$6.6 million, respectively.

During the three months ended March 31, 2023, the Company recognized revenue of approximately \$4.8 million included in deferred revenue at the beginning of the period. During the three months ended March 31, 2022, the Company recognized revenue of approximately \$14.1 million included in deferred revenue at the beginning of the period.

#### Unbilled receivables

The Company had \$4.1 million of unbilled receivables, or amounts recognized as revenue for which invoices have not yet been issued, as of March 31, 2023, and \$2.6 million as of December 31, 2022. Unbilled receivables are reported in *Accounts receivable, net* on the unaudited *Consolidated Balance Sheets*.

## NOTE 10 — INCOME TAXES

The Company's effective tax rate was (0.1)% and 29.3% for the three months ended March 31, 2023 and 2022, respectively.

The deferred tax asset at March 31, 2023 and 2022 was \$28.4 million and \$29.9 million, respectively. The balance consisted mainly of Section 197 intangibles for both periods. These Section 197 intangibles resulted from a step-up in tax basis of the assets acquired from BankMobile Technologies, Inc., which for U.S. GAAP purposes, were not recorded at fair value. The deferred tax asset balance at March 31, 2023 also includes net operating loss carryforwards for federal and state purposes.

A full valuation allowance has been recorded against the deferred tax asset balance for all periods presented. A valuation allowance is recognized when it is more likely than not, that all, or a portion of, the deferred tax asset will be realized based on the weight of the available positive and negative evidence. Management determined the verifiable negative evidence from the three years of cumulative losses outweighs any available positive evidence as of March 31, 2023, but will continue to evaluate this determination each quarterly period going forward.

## NOTE 11 — (LOSS) EARNINGS PER COMMON SHARE

The following are the components and results of operations and (loss) earnings per common share calculations for the periods presented:

<b>(amounts in thousands, except per common share data)</b>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Net (loss) income available to common shareholders	\$ (4,960)	\$ 3,964
Net (loss) income used for EPS	\$ (4,960)	\$ 3,964
Weighted-average number of common shares outstanding – basic	11,602	11,955
Weighted-average number of common shares outstanding – diluted	11,602	12,563
Basic (loss) earnings per common share	\$ (0.43)	\$ 0.33
Diluted (loss) earnings per common share	\$ (0.43)	\$ 0.32

The following table presents the reconciliation from basic to diluted weighted average shares outstanding used in the calculation of basic and diluted (loss) earnings per common share:

<b>(amounts in thousands)</b>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Weighted-average number of common shares outstanding – basic	11,602	11,955
Add:		
Service-based RSUs	—	608
Weighted-average number of common shares outstanding – diluted	11,602	12,563

For basic (loss) earnings per common share, the performance shares are subject to forfeiture and they are considered share-indexed instruments and not outstanding shares until they are vested. During the three months ended March 31, 2023 and 2022, the vesting criteria has not been met and they are not included.



For the three months ended March 31, 2023, our performance shares, public warrants, and private warrants were excluded from the computation of diluted weighted average shares outstanding as the necessary conditions had not been achieved for the performance shares and the average stock price for the period was below the strike price for the warrants. The performance shares are only considered in the calculation for diluted (loss) earnings per common share if they are dilutive in nature. The performance shares are only dilutive when the average share price is greater than the strike price and when positive net income is reported. During the three months ended March 31, 2023, the average share price was below the strike price and these shares were not included in the diluted (loss) earnings per common share calculations. For the three months ended March 31, 2023, our performance-based RSUs were excluded because the vesting is contingent upon the satisfaction of certain conditions which had not been achieved as of March 31, 2023. For the three months ended March 31, 2023, our service-based RSUs were excluded as the effect would be antidilutive.

For the three months ended March 31, 2022, our performance shares, public warrants, and private warrants were excluded from the computation of diluted weighted average shares outstanding as the necessary conditions had not been achieved for the performance shares and the average stock price for the period was below the strike price for the warrants. The performance shares are only considered in the calculation for diluted (loss) earnings per common share if they are dilutive in nature. The performance shares are only dilutive when the average share price is greater than the strike price and when positive net income is reported. During the three months ended March 31, 2022, the average share price was below the strike price and these shares were not included in the diluted (loss) earnings per common share calculations. For the three months ended March 31, 2022, our performance-based RSUs were excluded because the vesting is contingent upon the satisfaction of certain conditions which had not been achieved as of March 31, 2022.

The following table presents the potentially dilutive shares that were excluded from the computation of diluted (loss) earnings per common share:

(amounts in thousands)	Three Months Ended March 31,	
	2023	2022
Performance shares	300	300
Public warrants	17,294	17,227
Private warrants	5,409	5,476
Performance-based RSUs	495	348
Service-based RSUs	400	—
Total	23,898	23,351

#### NOTE 12 — DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

BMTX uses fair value measurements to determine and disclose the fair value of its financial instruments. FASB’s ASC 825, *Financial Instruments*, requires disclosure of the estimated fair value of an entity’s assets and liabilities considered to be financial instruments. For fair value disclosure purposes, BMTX utilized the fair value measurement criteria under FASB ASC 820, *Fair Value Measurements* (“ASC 820”).

In accordance with ASC 820, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for BMTX’s financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, focusing on an exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

The fair value guidance also establishes a fair value hierarchy and describes the following three levels used to classify fair value measurements:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used to estimate the fair value of BMTX's financial instruments as of March 31, 2023 and December 31, 2022:

*Cash and cash equivalents*

*Cash and cash equivalents* reported on the unaudited *Consolidated Balance Sheets* consists of non-interest bearing demand deposits, for which carrying value approximates fair value.

*Accounts receivable, net*

The carrying amount of accounts receivable approximates fair value because of the short-term nature of these items.

*Liability for Private Warrants*

The fair value of the private warrants was estimated using a modified version of the binomial lattice model incorporating the Cox-Ross-Rubenstein methodology at March 31, 2023 and at December 31, 2022. We assumed a term for the private warrants equal to the contractual term from the date of the merger with Megalith and then discounted the resulting value to the valuation date.

Among the key inputs and assumptions used in the pricing formula at March 31, 2023 were the following: a term of 2.77 years; volatility of 53%; a dividend yield of zero; an underlying stock price of \$3.52; a risk free interest rate of 3.83%; and a closing price of the public warrants of \$0.26 per share.

Among the key inputs and assumptions used in the pricing formula at December 31, 2022 were the following: a term of 3.01 years; volatility of 43%; a dividend yield of zero; an underlying stock price of \$5.21; a risk free interest rate of 4.17%; and a closing price of the public warrants of \$0.52 per share.

At March 31, 2023 and December 31, 2022, the warrant liability is classified as a Level 3 fair value based upon the lowest level of input that is significant to the fair value measurement.

The estimated fair value of BMTX’s financial instruments at March 31, 2023 and December 31, 2022 were as follows:

(amounts in thousands)	Carrying Amount	Estimated Fair Value	Fair Value Measurements at March 31, 2023		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>					
Cash and cash equivalents	\$ 10,931	\$ 10,931	\$ 10,931	\$ —	\$ —
Accounts receivable, net	12,946	12,946	12,946	—	—
<b>Liabilities:</b>					
Liability for private warrants	\$ 1,406	\$ 1,406	\$ —	\$ —	\$ 1,406

(amounts in thousands)	Carrying Amount	Estimated Fair Value	Fair Value Measurements at December 31, 2022		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>					
Cash and cash equivalents	\$ 21,108	\$ 21,108	\$ 21,108	\$ —	\$ —
Accounts receivable, net	8,260	8,260	8,260	—	—
<b>Liabilities:</b>					
Liability for private warrants	\$ 2,847	\$ 2,847	\$ —	\$ —	\$ 2,847

#### NOTE 13 — RELATED PARTY TRANSACTIONS

The Company has several relationships with Customers Bank, which is a related party of the Company. These relationships are described below.

##### *Cash management*

All the Company’s cash and cash equivalents are on deposit with Customers Bank.

##### *Servicing fees and interchange income*

On January 4, 2021, we entered into a Deposit Processing Services Agreement (the “Deposit Processing Services Agreement”) with Customers Bank, which provided that Customers Bank would establish and maintain deposit accounts and other banking services in connection with customized products and services offered by us, and we would provide certain other related services in connection with the accounts. Customers Bank retains any and all revenue generated from the funds held in the deposit accounts, and in exchange, pays us a 3% servicing fee based on average monthly deposit balances, subject to certain contractual adjustments, and a monthly interchange fee equal to all debit card interchange revenues on the demand deposit accounts, plus the difference between Durbin-exempt and Durbin-regulated interchange revenue.

On June 29, 2022, the Company received written notice from Customers Bank that it did not intend to renew the Deposit Processing Services Agreement with the Company. The 180-day notice was given in accordance with the terms of the Deposit Processing Services Agreement, as a result of which, the Deposit Processing Services Agreement would terminate effective December 31, 2022.

On November 7, 2022, the Company and Customers Bank entered into the DPSA Amendment to extend the Deposit Processing Services Agreement termination date to the earlier of the Company's successful completion of the transfer of the Company's serviced deposits to a new partner bank or June 30, 2023. The DPSA Amendment also removes Customers Bank's obligation to pay the Company the difference between the Durbin-exempt and Durbin-regulated interchange revenues. The other terms of the Deposit Processing Services Agreement remain in effect through the new termination date.

On March 22, 2023, we signed the DPSA Second Amendment. The DPSA Second Amendment, among other things, extends the termination date of the Deposit Processing Services Agreement until the earlier of (i) the transfer of the Company's serviced deposits to a Durbin-exempt sponsor bank; or (ii) June 30, 2024; and revises the fee structure of the Deposit Processing Services Agreement. The other terms of the Deposit Processing Services Agreement, as amended by the DPSA Amendment, remain in effect through the new termination date.

On March 22, 2023, the Company and Customers Bank entered into the 2023 Deposit Servicing Agreement, under which, effective March 31, 2023, the Company will perform, on behalf of Customers Bank, Customer Bank's services, duties, and obligations under the PLBPA by and between Customers Bank and T-Mobile USA, Inc. that are not required by Applicable Law (as defined in the 2023 Deposit Servicing Agreement) to be provided by an FDIC insured financial institution. The obligations of the Company and Customers Bank under the 2023 Deposit Servicing Agreement are similar to those under the Deposit Processing Services Agreement; provided, however, that (i) as of March 31, 2023, the 2023 Deposit Servicing Agreement and not the Deposit Processing Services Agreement shall govern the terms, conditions, roles, responsibilities, duties, and obligations of the Company and Customers Bank with respect to the PLBPA and the Depositor Accounts (as defined in the 2023 Deposit Servicing Agreement); (ii) the Deposit Processing Services Agreement is amended to the extent necessary or advisable to effect the same, including, without limitation, such that "Depositor" under the Deposit Processing Services Agreement shall not include any T-Mobile Customer (as defined in the PLBPA); and (iii) there is a different fee structure under the 2023 Deposit Servicing Agreement from that set forth in the Deposit Processing Services Agreement. The initial term of the 2023 Deposit Servicing Agreement continues until February 24, 2025, and will automatically renew for additional one-year terms unless either party gives written notice of non-renewal at least 180 days prior to the expiration of the then-current term. The 2023 Deposit Servicing Agreement may be terminated early by either party upon material breach, upon notice of an uncured objection from a regulatory authority, or by the Company upon 120 days' written notice upon the satisfaction of certain conditions.

As compensation under the 2023 Deposit Servicing Agreement, Customers Bank will retain any and all revenue generated from the funds held in the deposit accounts, and Customers Bank will pay the Company monthly servicing fees as set forth in the 2023 Deposit Servicing Agreement. In addition, the Company will have the right to retain all revenue generated by or from the Depositor Accounts (as defined in the 2023 Deposit Servicing Agreement), including, but not limited to, fees and all other miscellaneous revenues. The Company also shall retain all fees (including without limitation interchange fees), and charges generated by its ATMs and from its payment processing services. The Company will be solely liable for any and all fees, expenses, costs, reimbursements, and other amounts that are or may become due and payable under the PLBPA, including, without limitation, any Durbin-exempt Interchange (as defined in the 2023 Deposit Servicing Agreement) fees payable to T-Mobile under the PLBPA. Customers Bank may set off any and all PLBPA Amounts against any compensation payable to the Company under the 2023 Deposit Servicing Agreement.

#### *Transition Services Agreement*

On January 4, 2021, we entered into a Transition Services Agreement with Customers Bank, pursuant to which each party agreed for a period of up to twelve months to provide certain transition services listed therein to the other party. A limited number of these transition services were subsequently extended through March 31, 2022. In consideration for the services, we paid Customers Bank a service fee of \$12,500 per month, plus any expenses associated with the services.

The Transition Services Agreement included a provision for providing the Company with assistance in the establishment and administration of a 401(k) plan for the benefit of Company employees. The Customers Bank 401(k) plan is a multi-employer plan, as defined by the U.S. Department of Labor in accordance with the Employee Retirement Income Security Act of 1974, and through December 31, 2022, the Customers Bank 401(k) covered both the full-time employees of Customers Bank and the Company. The Company records its contributions to the Customers Bank 401(k) Plan in *Salaries and employee benefits* on the unaudited *Consolidated Statements of (Loss) Income*. The Company's employer contribution to the Customers Bank 401(k) Plan for the three months ended March 31, 2022 totaled \$0.2 million.

## *Other*

On January 4, 2021, the Company entered into a Software License Agreement with Customers Bank which provides it with a non-exclusive, non-transferable, royalty-free license to utilize our mobile banking technology for a period up to 10 years. The Software License Agreement is cancellable by Customers Bank at any time, without notice, and without penalty, and for any reason or no reason at all. To date, Customers Bank has not utilized the Company's mobile banking technology and zero consideration has been paid or recognized under the Software License Agreement.

On January 4, 2021, the Company entered into a Non-Competition and Non-Solicitation Agreement with Customers Bank providing that Customers Bank will not, for a period of 4 years after the closing of the divestiture, directly or indirectly engage in the Company's business in the territory (both as defined in the Non-Competition Agreement), except for white label digital banking services with previously identified parties and passive investments of no more than 2% of a class of equity interests of a competitor that is publicly traded. Customers Bank also agreed not to directly or indirectly hire or solicit any employees of the Company.

Both the President and Executive Chairman of the Board of Customers Bank are immediate family members of the Company's CEO, and together with their spouses, own less than 5.0% of the Company's outstanding common stock at March 31, 2023.

On March 1, 2022, the Company reached an agreement, with settlement on March 11, 2022, to reacquire 1,169,963 private warrants at a price of \$1.69 per warrant, or a total cost of \$2.0 million, from Ms. Sherry Sidhu and Mr. Samvir Sidhu, who are immediate family members of our CEO. The transaction price was established based on the range of market prices during the repurchase conversations and was approved by the Company's Audit Committee.

On April 20, 2022, the Company entered into a Special Limited Agency Agreement ("SLA") with Customers Bank that provides for marketing assistance from the Company for the referral of consumer installment loans funded by Customers Bank. In consideration for this marketing assistance, the Company receives certain fees specified within the SLA which are recorded as a component of *Other revenue* on the unaudited *Consolidated Statements of Income (Loss)*. During the three months ended March 31, 2023, no revenue was realized under the SLA. The SLA was terminated on May 16, 2023.

Positions with Customers Bank are presented on the unaudited *Consolidated Balance Sheets* in *Accounts receivable, net*, *Deferred revenue*, and *Accounts payable and accrued liabilities*. The *Accounts receivable* balances related to Customers Bank as of March 31, 2023 and December 31, 2022 were \$6.5 million and \$1.4 million, respectively. The *Deferred revenue* balances related to Customers Bank as of March 31, 2023 and December 31, 2022 were zero and \$3.8 million, respectively. The *Accounts payable and accrued liabilities* balances related to Customers Bank as of March 31, 2023 and December 31, 2022 were \$5.6 million and \$3.8 million, respectively.

The Company recognized \$11.5 million and \$23.0 million in revenues from Customers Bank for the three months ended March 31, 2023 and 2022, respectively. Of these amounts, \$5.5 million and \$6.4 million are paid directly by MasterCard or individual account holders to the Company for the three months ended March 31, 2023 and 2022, respectively. These amounts are presented on the unaudited *Consolidated Statements of (Loss) Income* in *Total operating revenue*.

The Company recognized zero and less than \$0.1 million of expenses from Customers Bank for the three months ended March 31, 2023 and 2022, respectively. These amounts are presented on the unaudited *Consolidated Statements of (Loss) Income* in *Total operating expenses*.

#### **NOTE 14 — RESTRUCTURING ACTIVITIES**

On January 26, 2023, and in connection with our previously announced near-term strategy to focus on being an innovative, efficient, risk oriented fintech with a partner bank model, the Company committed to a targeted Profit Enhancement Plan (the “PEP”) that is intended to reduce operating costs, improve operating margins, improve operating cash flow, and continue advancing the Company’s ongoing commitment to profitable growth and continued innovation, and direct the Company’s resources toward its best opportunities.

Included within the PEP is a targeted reduction of the Company’s 2023 employee workforce of approximately 25% as compared to its headcount at December 31, 2022. This workforce reduction is in addition to targeted spend reduction and service provider rationalization.

The Company completed a workforce reduction of approximately 60 employees during the three months ended March 31, 2023. The Company’s workforce reduction expenses consisting of severance and other termination benefits totaling \$0.8 million are recorded in *Restructuring, merger and acquisition related expenses* on the unaudited *Consolidated Statements of (Loss) Income*. \$0.1 million of these expenses were incurred but not paid at March 31, 2023 and are included in *Accounts payable and accrued liabilities* on the unaudited *Consolidated Balance Sheets*.

#### **NOTE 15 — SUBSEQUENT EVENTS**

On April 7, 2023, the Company filed a petition (the “Petition”) in the Delaware Court of Chancery under Section 205 of the Delaware General Corporation Law to seek validation of the Company’s new charter effective upon its merger with special purpose acquisition company Megalith on January 4, 2021. On April 24, 2023, the Petition was granted, and all shares of capital stock of the Company issued in reliance of the effectiveness of its January 4, 2021 new charter were validated and declared effective as of the date and time of the original issuance of such shares.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide a reader of our financial statements with a narrative from the perspective of our Management on our financial condition, results of operations, liquidity, and certain other factors that may affect our future results. The following discussion and analysis should be read in conjunction with our interim unaudited consolidated financial statements and the related notes included in Item 1 "Unaudited Consolidated Financial Statements" of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2022. Historical results and percentage relationships are not necessarily indicative of operating results for future periods. Unless the context otherwise requires, for purposes of this Management's Discussion and Analysis, references to the "Company," "we," and "our" refer to the business and operations of BM Technologies, Inc. ("BMTX") and its subsidiaries.

### CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including, without limitation, statements under the heading Management's Discussion and Analysis of Financial Condition and Results of Operations, includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements generally, but not always, can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will", "potential", "projects", "predicts", "continue", or "should", or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements reflect our current views with respect to, among other things, statements relating to the Company's assets, business, cash flows, condition (financial or otherwise), credit quality, financial performance, liquidity, short and long-term performance goals, prospects, results of operations, strategic initiatives, the benefits, cost, and synergies of completed acquisitions or dispositions, and the timing, benefits, costs, and synergies of future acquisitions, dispositions, and other growth opportunities. There can be no assurance that actual results will not materially differ from expectations. These statements are based on Management's current expectations, but actual results may differ materially due to various factors. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, but are not limited to the following:

- negative economic and political conditions that adversely affect the general economy, the job market, consumer confidence, the financial condition of our borrowers and consumer spending habits, which may affect, among other things, our revenues and provision for operating losses;
- strategic, market, operational, liquidity and interest rate risks associated with our business;
- our concentration of credit risk and any potential deterioration in the financial quality of our partner bank;
- the risks of expansion into new product markets;
- risks with respect to recent, pending, or potential future mergers or acquisitions, including our ability to successfully obtain regulatory, and when required, shareholder approval and thereafter, to complete acquisitions and successfully integrate or expand businesses and operations that we acquire;
- our ability to attract and retain key employees;
- competition from financial institutions and other financial service providers, including non-bank financial technology providers, and our ability to attract customers from other financial institutions;
- losses due to fraudulent and negligent conduct of our customers, third party service providers, or employees;
- cybersecurity risks and the vulnerability of our network and the systems of parties with whom we contract, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss, and other security breaches that could adversely affect our business and financial performance or reputation;
- our reliance on third parties to provide key components of our business infrastructure and services required to operate our business;
- the risk that we may be required to make substantial expenditures to keep pace with regulatory initiatives and the rapid technological changes in the financial services market;
- the availability of and access to capital;
- legislative, regulatory, or accounting changes that may adversely affect us;

- adverse results (including judgments, costs, fines, reputational harm, inability to obtain necessary approvals, and/or other negative effects) from current or future litigation, regulatory proceedings, examinations, investigations, or similar matters, or developments related thereto;
- failure to maintain an effective system of disclosure controls and internal control over financial reporting;
- any event or development that would cause us to conclude that there was impairment of any asset, including intangible assets, such as goodwill; and
- other risks and uncertainties disclosed in documents filed or furnished by us with or to the SEC, any of which could cause actual results to differ materially from future results expressed, implied, or otherwise anticipated by such forward-looking statements.

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We caution readers that the foregoing list of factors is not exclusive, is not necessarily in order of importance, and readers should not place undue reliance on forward-looking statements. Additional factors that may cause actual results to differ materially from those contemplated by any forward-looking statements may also be found in our 2022 Annual Report on Form 10-K (including the “Risk Factor” section of that report), Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the SEC and available at the SEC’s website at <http://www.sec.gov>. We do not intend to and, except as required by law, hereby disclaim any obligation to update or revise any forward-looking statement contained in this Quarterly Report on Form 10-Q, which speaks only as of the date of its filing with the SEC, whether as a result of new information, future events, or otherwise.

## **BUSINESS OVERVIEW**

BM Technologies, Inc. (“BMTX” or the “Company”) (formerly known as BankMobile) provides state-of-the-art high-tech digital banking and disbursement services to consumers and students nationwide through a full service fintech banking platform, accessible to customers anywhere and anytime through digital channels.

BankMobile Technologies, Inc. (“BankMobile”) was incorporated in May 2016 as a wholly-owned subsidiary of Customers Bank. On August 6, 2020, the Company entered into an Agreement and Plan of Merger, by and among Megalith Financial Acquisition Corporation, a special purpose acquisition company (“Megalith”), incorporated in Delaware in November 2017, MFAC Merger Sub Inc., a wholly-owned subsidiary of Megalith, BankMobile Technologies, Inc., and Customers Bank, the sole stockholder of BankMobile. On January 4, 2021, BankMobile became an independent company after the completion of a divestiture transaction and was rebranded BM Technologies, Inc.

BMTX facilitates deposits and banking services between a customer and our partner bank, Customers Bank, a Pennsylvania state-chartered bank, which is a related party and is a Federal Deposit Insurance Corporation (“FDIC”) insured bank. BMTX’s business model leverages partners’ existing customer bases to achieve high volume, low-cost customer acquisition in its Higher Education Disbursement, Banking-as-a-Service (“BaaS”), and niche Direct to Consumer (“D2C”) banking businesses. BMTX has four primary revenue sources: interchange and card revenue, servicing fees, account fees, and university fees. The majority of revenues are driven by customer activity (deposits, spend, transactions, etc.) and may be paid or passed through by Customers Bank, universities, or paid directly by customers.

Customers Bank currently holds the FDIC insured deposits that BMTX sources and services and is the issuing bank on BMTX’s debit cards. Customers Bank pays the Company a servicing fee for the deposits generated and passes through interchange income earned from transactions on debit cards.

On November 7, 2022, the Company and Customers Bank amended the Deposit Processing Services Agreement (the “DPSA Amendment”). The DPSA Amendment, among other things, will facilitate the transfer of the Company’s serviced deposits to a new partner bank and extends the termination date of the Deposit Processing Services Agreement until the earlier of: (i) entry into a definitive agreement with a new partner bank to transfer the Company’s serviced deposits to such partner bank and the successful completion of such transfer; or (ii) June 30, 2023.

On March 22, 2023, the Company and Customers Bank entered into a second amendment to the Deposit Processing Services Agreement (the “DPSA Second Amendment”) for the Higher Education serviced deposit accounts. The DPSA Second Amendment, among other things, extends the termination date of the Deposit Processing Services Agreement until the earlier of (i) the transfer of the Company’s Higher Education serviced deposits to a Durbin-exempt sponsor bank; or (ii) June 30, 2024; and revises the fee structure of the Deposit Processing Services Agreement.



Also on March 22, 2023, the Company and Customers Bank entered a new agreement for the current BaaS serviced deposit accounts (the “2023 Deposit Servicing Agreement”), under which, effective March 31, 2023, the Company will perform, on behalf of Customers Bank, Customer Bank’s services, duties, and obligations by and between Customers Bank and T-Mobile USA, Inc. that are not required to be provided by an FDIC insured financial institution.

On March 16, 2023, the Company entered into a Deposit Servicing Agreement (the “FCB Deposit Servicing Agreement”) with a new partner bank, First Carolina Bank, a North Carolina chartered, non-member community bank (“FCB”), which provides that FCB will establish and maintain deposit accounts and other banking services in connection with customized products and services offered by the Company to its Higher Education institution clients, and the Company will provide certain other related services in connection with the accounts. The initial term of the FCB Deposit Servicing Agreement is for four years, is subject to regulatory approval, and will automatically renew for additional two-year terms unless either party gives written notice of non-renewal at least 120 days prior to the expiration of the then-current term. The FCB Deposit Servicing Agreement may be terminated early by either party upon material breach, by either party upon notice that the continuation of the Depositor Program violates Applicable Law or Network Rules (as defined in the FCB Deposit Servicing Agreement); by FCB if a regulatory authority determined that the performance of its obligations under the FCB Deposit Servicing Agreement was not consistent with safe and sound banking practices; by either party upon the other party commencing or being subject to certain bankruptcy proceedings; by the Company should it experience a change in control on or after March 16, 2026; and by either party should the required regulatory approvals not be obtained on or before July 15, 2023.

BMTX is not a bank, does not hold a bank charter, and does not provide banking services, and as a result, it is not subject to direct banking regulation, except as a service provider to our partner bank. BMTX is also subject to the regulations of the Department of Education (“ED”), due to its student disbursements business, and is periodically examined by it. BMTX’s contracts with most of its Higher Education institution clients require it to comply with numerous laws and regulations, including, where applicable, regulations promulgated by the ED regarding the handling of student financial aid funds received by institutions on behalf of their students under Title IV of the Higher Education Act of 1965; the Family Educational Rights and Privacy Act of 1995; the Electronic Fund Transfer Act and Regulation E; the USA PATRIOT Act and related anti-money laundering requirements; and certain federal rules regarding safeguarding personal information, including rules implementing the privacy provisions of the Gramm-Leach-Bliley Act. Other products and services offered by BMTX may also be subject to other federal and state laws and regulations.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

For information regarding our critical accounting policies and estimates, please refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. There have been no material changes to the critical accounting policies and estimates previously disclosed in that report.

## **NEW ACCOUNTING PRONOUNCEMENTS**

As an emerging growth company (“EGC”), the Jumpstart Our Business Startups Act (“JOBS Act”) allows the Company to delay adoption of new or revised ASUs applicable to public companies until such pronouncements are applicable to private companies. The Company has elected to use the extended transition period under the JOBS Act.

From time to time, new accounting pronouncements are issued by the FASB that are adopted by BMTX as of the required effective dates. During the quarter ended March 31, 2023 there were no ASUs adopted by the Company that were considered material and there were no ASUs issued prior to March 31, 2023, which were not yet effective, considered relevant or material to the Company’s financial statements taken as a whole.

## **RESULTS OF OPERATIONS**

The following discussion of our results of operations should be read in conjunction with our interim unaudited consolidated financial statements, including the accompanying notes.

The following summarized tables set forth our operating results for the three months ended March 31, 2023 and 2022:

<b>(dollars in thousands, except per common share data)</b>	<b>Three Months Ended March 31,</b>		<b>Change</b>	<b>% Change</b>
	<b>2023</b>	<b>2022</b>		
Operating revenues	\$ 13,484	\$ 25,047	\$ (11,563)	(46)%
Operating expenses	19,859	22,084	(2,225)	(10)%
(Loss) income from operations	(6,375)	2,963	(9,338)	NM
Gain on fair value of private warrant liability	1,421	2,644	(1,223)	(46)%
(Loss) income before income tax expense	(4,954)	5,607	(10,561)	NM
Income tax expense	6	1,643	(1,637)	(100)%
Net (loss) income	\$ (4,960)	\$ 3,964	\$ (8,924)	NM
Basic (loss) earnings per common share	\$ (0.43)	\$ 0.33	\$ (0.76)	NM
Diluted (loss) earnings per common share	\$ (0.43)	\$ 0.32	\$ (0.75)	NM

NM refers to changes greater than 150%.

For the three months ended March 31, 2023, net income (loss) decreased \$8.9 million, which included a \$1.2 million decrease in the *Gain on fair value of private warrant liability* as compared to the three months ended March 31, 2022. Income (loss) from operations for the three months ended March 31, 2023 decreased \$9.3 million as compared to the three months ended March 31, 2022. Operating revenues decreased by \$11.6 million or 46% and operating expenses decreased by \$2.2 million or 10%. Changes in quarterly operating revenues and expenses are discussed in greater detail below. Basic and diluted (loss) earnings per common share, which decreased to \$(0.43), are both driven by the impact of the total net loss in the current year.

#### *Operating Revenues*

<b>(dollars in thousands)</b>	<b>Three Months Ended March 31,</b>		<b>Change</b>	<b>% Change</b>
	<b>2023</b>	<b>2022</b>		
Interchange and card revenue	\$ 3,079	\$ 6,643	\$ (3,564)	(54)%
Servicing fees	6,632	14,192	(7,560)	(53)%
Account fees	2,140	2,555	(415)	(16)%
University fees	1,506	1,603	(97)	(6)%
Other revenue	127	54	73	135 %
Total operating revenues	\$ 13,484	\$ 25,047	\$ (11,563)	(46)%

Total operating revenues decreased \$11.6 million, or 46%, in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. This decrease is primarily attributable to a \$7.6 million or 53% decrease in *Servicing fees*, driven primarily by a 44% reduction in average total deposits and lower deposit yield, and a \$3.6 million or 54% decrease in *Interchange and card revenue* driven primarily by the loss of Durbin-exempt rates as well as slightly lower overall spend.

## Operating Expenses

(dollars in thousands)	Three Months Ended March 31,		Change	% Change
	2023	2022		
Technology, communication, and processing	\$ 7,130	\$ 6,918	\$ 212	3 %
Salaries and employee benefits	6,425	9,482	(3,057)	(32)%
Professional services	2,640	2,372	268	11 %
Provision for operating losses	1,677	1,602	75	5 %
Occupancy	102	307	(205)	(67)%
Customer related supplies	228	230	(2)	(1)%
Advertising and promotion	118	113	5	4 %
Restructuring, merger and acquisition related expenses	719	289	430	149 %
Other expense	820	771	49	6 %
Total operating expenses	\$ 19,859	\$ 22,084	\$ (2,225)	(10)%

Total operating expenses decreased \$2.2 million, or 10%, in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022. This decrease is primarily attributable to a \$3.1 million or 32% decrease in *Salaries and employee benefits*, driven primarily by a \$2.9 million reduction in share-based compensation expenses due to the full vesting of the January 4, 2021 Share-Based Compensation Award, offset in part by a \$0.4 million or 149% increase in *Restructuring, merger and acquisition related expenses* driven primarily by the severance and other termination benefits incurred in connection with the workforce reduction of approximately 60 employees.

## Income Tax Expense

The Company's effective tax rate was (0.1)% and 29.3% for the three months ended March 31, 2023 and 2022, respectively. The effective tax rate for the three months ended March 31, 2023 and 2022 differs as the Company was in a taxable loss position for the three months ended March 31, 2023 and was in a taxable income position for the three months ended March 31, 2022.

## LIQUIDITY AND CAPITAL RESOURCES

Our *Cash and cash equivalents* consist of non-interest bearing, highly-liquid demand deposits. We had \$10.9 million of *Cash and cash equivalents* at March 31, 2023 as compared to \$21.1 million of *Cash and cash equivalents* at December 31, 2022.

We finance our operations through cash flows provided by operating activities. We intend to fund our ongoing operating activities with our existing cash and expected cash flows from operations. However, should additional liquidity be necessary, the Company could consider equity or debt financing, but there are no assurances that additional capital would be available or on terms that are acceptable to us.

ASC 205-40, *Presentation of Financial Statements - Going Concern*, requires Management to assess an entity's ability to continue as a going concern within one year of the date the financial statements are issued. In each reporting period, including interim periods, an entity is required to assess conditions known and reasonably knowable as of the financial statement issuance date to determine whether it is probable an entity will not meet its financial obligations within one year from the financial statement issuance date.

Management has performed this required assessment as of May 22, 2023 including consideration of the effect of the DPSA Second Amendment and the 2023 Deposit Servicing Agreement with Customers Bank, and believes there is sufficient funds available to support its ongoing business operations and continue as a going concern for at least the next 12 months with projected liquidity of \$21.5 million at May 22, 2024.

Management's assessment is subject to known and unknown risks, uncertainties, assumptions, and changes in circumstances, many of which are beyond our control including the impact of the macroeconomic environment, and that are difficult to predict as to timing, extent, likelihood, and degree of occurrence, and that could cause actual results to differ from estimates and forecasts, potentially materially.

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

(dollars in thousands)	Three Months Ended March 31,		Change	% Change
	2023	2022		
Net cash (used in) provided by operating activities	\$ (6,369)	\$ 9,190	\$ (15,559)	NM
Net cash used in investing activities	(1,379)	(2,138)	759	(36)%
Net cash used in financing activities	(2,429)	(2,202)	(227)	10 %
Net decrease in cash and cash equivalents	\$ (10,177)	\$ 4,850	\$ (15,027)	NM

NM refers to changes greater than 150%.

#### *Cash flows used in operating activities*

Cash used in operating activities was \$6.4 million in the three months ended March 31, 2023 which is a \$15.6 million decrease as compared to the three months ended March 31, 2022. The decrease in net cash provided by operating activities is driven primarily by a \$10.0 million decrease in cash *Net income*, a \$3.8 million decreased source of cash from *Accounts receivable*, a \$2.1 million increased use of cash for *Prepaid expenses and Other assets* and *Taxes payable*, and a \$4.3 million reduced source of cash from *Deferred revenue* offset in part by a \$4.4 million reduced use of cash for *Accounts payable and accrued liabilities*.

#### *Cash flows used in investing activities*

Cash used in investing activities decreased \$0.8 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, primarily due to decreased capitalization of development costs related to internal use software.

#### *Cash flows used in financing activities*

Cash used in financing activities increased \$0.2 million in the three months ended March 31, 2023 as compared to the three months ended March 31, 2022, primarily due to tax payments related to the net settlement of share-based compensation awards versus the private warrant repurchase transaction during the prior period.

### ITEM 3. QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

#### *Credit Risk*

We are exposed to economic risks in the normal course of business primarily such as concentration of credit risk. Potential concentration of credit risk consists primarily of accounts receivable from Customers Bank, BaaS partners, MasterCard, and Higher Education institution clients. Historically, we have not experienced any material losses related to these balances and believe that there is minimal risk of expected future losses. However, there can be no assurance that there will not be losses on these balances.

At March 31, 2023 and December 31, 2022, Customers Bank accounted for 50% and 17% of our total *Accounts receivable, net*, respectively. At March 31, 2023 and December 31, 2022, a BaaS partner accounted for 33% and 60% of our total *Accounts receivable, net*, respectively. At March 31, 2023 and December 31, 2022, MasterCard accounted for 9% and 10% of our total *Accounts receivable, net*, respectively.

Financial instruments that potentially subject the Company to credit risk consist principally of cash held in the Company's operating account. Cash is maintained in accounts with Customers Bank, which, at times may exceed the FDIC coverage limit of \$250,000. At March 31, 2023, the Company has not experienced losses on these cash accounts and Management believes, based upon the quality of Customers Bank, that the credit risk with regard to these deposits is not significant.

## ITEM 4. CONTROLS AND PROCEDURES

### *Evaluation of Disclosure Controls and Procedures*

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in 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 in our reports filed or submitted under the Exchange Act is accumulated and communicated to our Management, including our Chief Executive Officer, Co-Chief Executive Officer, and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of Management, including our Chief Executive Officer, Co-Chief Executive Officer, and our Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Exchange Act Rule 13a-15(e)), as of March 31, 2023. Based on this evaluation, the Company's Chief Executive Officer, Co-Chief Executive Officer, and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of that date.

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

In the ordinary course of business, we routinely review our system of internal control over financial reporting and make changes to our systems and processes that are intended to ensure an effective internal control environment. There were no changes in the Company's internal control over financial reporting during the first quarter of 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### ITEM 1A. RISK FACTORS

There have been no material changes to the Risk Factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

### ITEM 5. OTHER INFORMATION

#### *March 2023 Executive Equity Awards*

Effective March 31, 2023, the Board of Directors of BM Technologies, Inc. (the “Company”) granted Service-based and Performance-based Restricted Stock Units (“RSUs”) under the Company’s 2020 Equity Incentive Plan. The RSU awards entitle the below officers to earn shares of the Company’s common stock over a three-to-five-year period in the case of the Performance-Based RSUs and a four-year pro rata vesting period in the case of the Service-Based RSUs:

<b>Employee/Title</b>	<b>Service-Based RSUs - Number of Units</b>	<b>Performance-Based RSUs - Number of Units</b>
Luvleen Sidhu, Chief Executive Officer	100,000	100,000
James Donahue, President	75,000	75,000
James Dullinger, Chief Financial Officer	30,000	30,000

### ITEM 6. EXHIBITS

See exhibit index below for a list of the documents filed or furnished as part of this Quarterly Report on Form 10-Q:

Exhibit No.	Description
3.1	<a href="#">Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to the Company's Form 8-K, filed with the SEC on January 8, 2021).</a>
3.2	<a href="#">Amended and Restated Bylaws of the Company (incorporated by reference to the Company's Form 8-K, filed with the SEC on January 8, 2021).</a>
10.1†	<a href="#">DPSA Second Amendment to the Deposit Processing Services Agreement, dated March 22, 2023, by and between the Company and Customers Bank.*</a>
10.2†	<a href="#">2023 Deposit Servicing Agreement, dated March 22, 2023, by and between the Company and Customers Bank.*</a>
10.3†	<a href="#">FCB Deposit Servicing Agreement, dated March 16, 2023, by and between the Company and First Carolina Bank.*</a>
10.4+	<a href="#">Employment Agreement with James Dullinger, dated January 26, 2023.*</a>
10.5+	<a href="#">First Amendment to September 15, 2021 Employment Agreement with James Donahue, dated February 1, 2023.*</a>
10.6+	<a href="#">Employment Agreement with Rajinder Singh, dated March 24, 2023 (incorporated by reference to the Company's 8-K, filed with the SEC on March 24, 2023).</a>
31.1	<a href="#">Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).*</a>
31.2	<a href="#">Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).*</a>
31.3	<a href="#">Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).*</a>
32	<a href="#">Certification under 18 U.S.C. 1350.*</a>
101	Interactive data files for BM Technologies, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, formatted in Inline XBRL: (i) <a href="#">the Consolidated Balance Sheets (unaudited)</a> ; (ii) <a href="#">the Consolidated Statements of (Loss) Income (unaudited)</a> ; (iii) <a href="#">the Consolidated Statements of Changes in Shareholders' Equity (unaudited)</a> ; (iv) <a href="#">the Consolidated Statements of Cash Flows (unaudited)</a> ; and (v) <a href="#">the Notes to Unaudited Consolidated Financial Statements</a> .*
104	<a href="#">The cover page from BM Technologies, Inc.'s Quarterly Report on Form 10-Q for the Quarter ended March 31, 2023 (formatted in Inline XBRL and included in Exhibit 101).*</a>

\* Filed or furnished herewith

† Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The registrant hereby agrees to

furnish a copy of any omitted schedules to the Commission upon request.

+ Indicates a management or compensatory plan.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 22, 2023

**BM Technologies, Inc.**  
(Registrant)

By: /s/ Luvleen Sidhu  
Name: Luvleen Sidhu  
Title: Chief Executive Officer  
(Principal Executive Officer)

May 22, 2023

**BM Technologies, Inc.**  
(Registrant)

By: /s/ Rajinder Singh  
Name: Rajinder Singh  
Title: Co-Chief Executive Officer  
(Principal Executive Officer)

May 22, 2023

**BM Technologies, Inc.**  
(Registrant)

By: /s/ James Dullinger  
Name: James Dullinger  
Title: Chief Financial Officer  
(Principal Financial and Accounting Officer)



## **SECOND AMENDMENT TO DEPOSIT PROCESSING SERVICES AGREEMENT**

**THIS SECOND AMENDMENT TO DEPOSIT PROCESSING SERVICES AGREEMENT** ("Amendment") is entered into as of this day of March, 2023 ("Effective Date") by and between Customers Bank ("Bank"), a Member of the Federal Reserve System with its principal place of business at 40 General Warren Blvd., Suite 200, Malvern, PA 19355 and BM Technologies, Inc. ("BMTX"), a Delaware corporation with its principal place of business at 201 King of Prussia Road, Suite 650, Radnor, PA 19087. BMTX and Bank are hereinafter referred to, collectively, as the "Parties," and individually each as a "Party."

### **RECITALS**

**WHEREAS**, the Parties entered into the First Amendment to the Agreement on November 7, 2022, that among other modifications, extended the Term through six months following December 31, 2022,

**WHEREAS**, BMTX signed an Indication of Interest and is in the process of negotiating definitive agreements with a new FDIC insured sponsor bank to receive the transfer of the Higher Education (VIBE) Depositor Accounts subject to regulator approval on or before July 15, 2023,

**WHEREAS**, based on the foregoing developments, additional modifications to the Agreement are necessary and appropriate to more accurately reflect the relationship, roles, and responsibilities between Bank and BMTX relative to the Depositor Program subject to this Agreement,

**NOW, THEREFORE**, in consideration of the mutual covenants and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

1. The first sentence of Section 2.3 of the Agreement is replaced in its entirety by the following new language:

**"Specific Obligations of Bank.** Bank shall perform the following obligations in accordance with the Joint Oversight Policies, Network Rules, the Depositor Agreement, and Applicable Law during the Term and shall use commercially reasonable efforts to support the transfer of the Programs, clients, and Depositor Accounts to an FDIC Durbin-Exempt sponsor bank, subject to appropriate requisite Regulatory Authority approval, in collaboration with and support of BMT and clients on the desired timeframes of not less than four full months from the date of BMT's notice to Bank of any intended transfer."

2. Section 7.1 of the Agreement is replaced in its entirety by the following new language:

"Term. This Agreement shall be in full force and effect beginning on the Effective Date and shall continue in effect until the earlier of: i) The transfer of the Higher Education Program, clients, and Depositor Accounts to an FDIC insured Durbin-Exempt sponsor bank; or ii) June 30, 2024. This Agreement

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may be terminated prior to the end of the initial term, or any such renewal term as set forth in Section 7.2 ("Term").

3. Section 8.1 shall be amended by substituting "120" for "180" in the first sentence.

4. Section 10.1 of the Agreement shall be deleted in its entirety and replaced with the following:

"10.1 Indemnification by Bank. Bank shall indemnify and defend BMT and its parent, subsidiaries and affiliates, and its and their respective officers, directors, employees, and permitted assigns, against any direct damages, losses or expenses arising from any legal action, claim, demand, or proceedings brought against any of them (including reasonable attorneys' fees) as a result of: (a) any act of gross negligence, willful misconduct, or intentional tort on the part of Bank or its agents, officers, or employees; (b) any alleged or actual material breach by Bank of this Agreement; or (c) the authorized access and use by BMT of any Marks of Bank; provided, however, that Bank shall not be liable for any losses that arise from (x) any act of gross negligence, willful misconduct, or intentional tort on the part of BMT or its agents, officers, or employees; or (y) any material breach by BMT of this Agreement, and (d) any Security Incident caused by Bank or its subcontractors or agents (other than BMT)."

5. Section 10.2 of the Agreement shall be deleted in its entirety and replaced with the following:

"10.2 Indemnification by BMT. BMT shall indemnify and defend Bank and its parent, subsidiaries and affiliates, and its and their respective officers, directors, employees, and permitted assigns, against any direct damages, losses or expenses, including regulatory claims and fines, arising from any legal action, claim, demand, or proceedings brought against any of them (including reasonable attorneys' fees) as a result of: (a) the gross negligence, willful misconduct, or intentional tort on the part of BMT or its agents, officers, or employees; or (b) any alleged or actual material breach of this Agreement; (c) any Security Incident caused by BMT or its subcontractors or agents (other than Bank); (d) any determined or suspected fraudulent activity related to any Depositor Account or Card; or (e) any dispute with any Depositor related to Regulation E; provided, however, that BMT shall not be liable to Bank for any losses that arise from (x) any act of gross negligence, willful misconduct, or intentional tort on the part of Bank or its agents, officers, or employees; or (y) any material breach by Bank of this Agreement."

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Schedule 3.2. of the Agreement shall be deleted in its entirety and replaced with the following:

**"Schedule 3.2**

**Fees**

[Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the SEC upon request.]

6. Other than the foregoing changes to the Agreement, the remainder of the Agreement shall remain in full force and effect as originally executed by the Parties.

IN WITNESS WHEREOF, the Parties have entered into this Amendment as of the Effective Date.

**CUSTOMERS BANK**

**BMTX, INC.**

**By:** /s/ Carla Leibold  
**Name:** Carla Leibold  
**Title:** Executive Vice President

**By:** /s/ Luvleen Sidhu  
**Name:** Luvleen Sidhu  
**Title:** Chief Executive Officer

## DEPOSIT PROCESSING SERVICES AGREEMENT

**THIS DEPOSIT PROCESSING SERVICES AGREEMENT** (this "**Agreement**") is entered into as of this 22nd day of March, 2023 ("**Effective Date**") by and between Customers Bank ("**Bank**"), a Pennsylvania state chartered bank with its principal place of business at 40 General Warren Blvd, Suite 200 Malvern, PA 19355, and BM Technologies, Inc. ("**BMT**"), a Delaware corporation with its principal place of business at 201 King of Prussia Road, Suite 650, Radnor, PA 19087. BMT and Bank are hereinafter referred to, collectively, as the "**Parties**," and individually each as a "**Party**."

### RECITALS

**WHEREAS**, Bank is a Member of the Federal Reserve System that, among other things, offers and maintains personal deposit accounts for customers;

**WHEREAS**, Bank is engaged in the business of white label banking (also known as Banking as a Service or "**BaaS**");

**WHEREAS**, BMT offers financial technology solutions and related services, including deposit processing services, to chartered banks and non-chartered FinTech companies;

**WHEREAS**, Bank is a party to that certain Private Label Banking Program Agreement., dated February 24, 2017 (as amended, the "**PLBPA**"), by and between Bank and T-Mobile USA, Inc ("**TMO**");

**WHEREAS**, in further support of Bank's Baas program and Bank's initiative to accumulate low-to-no cost deposits, Bank desires to delegate to BMT, and BMT desires to assume and provide to TMO, in accordance with the terms and conditions of this Agreement, any and all services, duties and obligations under the PLBPA that are not required by Applicable Law to be provided by an FDIC insured financial institution; and

**WHEREAS**, Bank and BMT are parties to that certain Deposit Processing Services Agreement, dated as of January 4, 2021, as amended (the "**2021 DSA**"), and each of Bank and BMT desire that, as of March 31, 2023, this Agreement, and not the 2021 DSA, shall govern the terms, conditions, roles, responsibilities, duties and obligations of the Parties with respect to the PLBPA and the Depositor Accounts (defined below);

**NOW, THEREFORE**, in consideration of the mutual covenants and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound, the Parties hereto agree as follows:

### SECTION I DEFINITIONS

1.1 **Certain Definitions.** As used in this Agreement, the following terms have the definitions indicated.

"**Applicable Law**" means all applicable federal and state statutes, regulations, judicial decisions, rules, orders and requirements, of a Regulatory Authority as such statutes, regulations, requirements, or orders, may be amended or in effect from time to time during the term of this Agreement.

"**BMT FinTech**" means all proprietary software owned or licensed by BMT and made available to Bank pursuant to this Agreement and/or pursuant to the January 4, 2021 Software License agreement by and between the Parties, including, but not limited to, its mobile and web-based applications, user interface, data systems, databases, financial and banking processes, and related systems and processes used and operated by BMT in connection with its online banking system for retail and commercial Banking and financial services.

"**BSA Laws**" means (i) the Bank Secrecy Act of 1970, as supplemented by the Uniting and Strengthening

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America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, and any rules and regulations promulgated thereunder; (ii) Office of Foreign Asset Control ("**OFAC**") rules and regulations regarding the blocking of assets and the prohibition of transactions involving Persons or countries designated by OFAC; and (iii) any other Applicable Laws relating to customer identification, anti-money laundering or preventing the financing of terrorism and other forms of illegal activity, each as amended.

**"Card"** means a debit card or other electronic access device issued by any Party or any third party financial institution to a Depositor for purposes of accessing the Depositor Account.

**"Complaint"** means an oral or written statement or inquiry from a Depositor, or his or her representatives, expressing dissatisfaction about products and/or services offered by Bank and serviced by BMT, including those in conjunction with a Third-Party Provider, and regulatory correspondence, including but not limited to federal and state authorities.

**"Complaint Log"** means a report which is prepared monthly by BMT for each calendar month listing all Complaints received by BMT during the prior calendar month and the disposition of prior Complaints during the prior calendar month. The Complaint Log shall include, without limitation, the date the Complaint was received, the channel of receipt (telephone, email, specific agency such as the FDIC or Better Business Bureau), the date the Complaint was responded to, a description of the issues raised in the Complaint, and a description of the resolution of the Complaint.

**"Escalated Complaints"** means (i) Complaints filed by, or forwarded from, any federal or state regulator; (ii) Complaints filed with any government official - federal, state or local; (iii) Complaints with specific allegations of discriminatory practices; (iv) Complaints with specific allegations suggesting the Servicer or Purchaser has engaged in an unfair, deceptive, or abusive act or practice; (v) Complaints with specific allegations of fraudulent practices, in each case, with respect to loan servicing; or (vi) Complaints alleging violations of consumer protection laws or regulations.

**"Depositor"** means a T-Mobile Customer (as defined in the PLBPA).

**"Depositor Account"** means a T-Mobile Customer Account (as defined in the PLBPA).

**"Depositor Agreement"** means the agreement that governs the relationship among Bank, BMT and a Depositor and prescribes the terms and conditions under which the related Depositor Account is established, maintained and used, and all related disclosures provided with respect thereto.

**"Depositor Program"** means the administration and processing operation of BMT with respect to Depositor Accounts pursuant to the Depositor Agreement.

**"Durbin Exempt"** means financial institutions in the exempt category that have been determined to have, together with their affiliates, reported assets of less than \$10 billion, and therefore are exempt from the interchange fee standards under 12 CFR Part 235.

**"FDIC"** means the Federal Deposit Insurance Corporation or any successor entity.

**"Financial Transaction(s)"** means a Depositor Account transaction involving the withdrawal of funds from or the deposit of funds to a Depositor Account.

**"Graphic Standards"** means all standards, policies, and other requirements adopted by Bank from time to time with respect to use of its Marks.

**"Issuer Network Assessments"** means domestic assessments, cross-border volume fees, transaction processing fees, and other related fees, net of rebates and incentives, assessed by the payment card or ATM networks

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(or any similar entities) on Bank for providing transaction processing and other payment-related products and services.

**"Mark"** means trade names, trademarks, service marks and logos, whether or not registered.

**"Material Adverse Effect"** means a change, effect, event, or circumstance that would have, individually or in the aggregate, a material adverse change in, as the case may be, the assets, liabilities, financial position, or results of operations, prospects, or business conditions of a Party, taken as a whole.

**"Net Interchange Fees"** means the total of all interchange revenue (net of any Issuer Network Assessments) received from payment card networks in connection with the use of Cards.

**"Network"** means Allpoint, MasterCard, VISA, Cirrus, Plus, and/or any similar electronic payment processing system over which Financial Transactions with respect to debit, credit and prepaid cards are captured, authorized, processed, and settled.

**"Network Rules"** means the laws and/or operating rules of any Network, as may be amended from time to time and provided to BMT in writing.

**"OFAC"** means the U.S. Department of Treasury's Office of Foreign Assets Control.

**"Personnel"** means a Party's employees, contractors and agents.

**"Regulatory Authority"** means any local, state, or federal agency, office, or supervising entity, or any other authority having jurisdiction over Bank or BMT, in such a manner as to impact the operations or activity being contemplated under this Agreement.

**"Solicitation Material"** means all advertisements, brochures, applications, telemarketing scripts, point of purchase displays, packaging, television advertisements, radio advertisements, electronic web pages, electronic web links, and any other type of advertisement, marketing material, or interactive media developed, launched, or distributed for purposes of marketing or promoting a Depositor Program.

**"Subcontractor"** means any third party engaged by BMT in connection with the services provided by BMT hereunder.

**"Supervisory Objection"** has the meaning set forth in Section 7.2(d).

**"Term"** has the meaning set forth in Section 7.1.

## **SECTION II OBLIGATIONS AND COVENANTS**

2.1 **General Intent.** Bank hereby delegates to BMT, and BMT hereby assumes and agrees to provide to TMO, on behalf of Bank, any and all services, duties and obligations under the PLBPA that are not required by Applicable Law to be provided by an FDIC insured financial institution. Additionally, as set forth herein, BMT, on behalf of Bank, will provide setup, processing, reporting, customer care and other administrative services including, but not limited to, customer services, with respect to those Depositor Accounts, and Bank will establish and maintain the Depositor Accounts opened by such customers.

2.2 **Prior Agreements.** As of March 31, 2023, (a) this Agreement and not the 2021 DSA shall govern the terms, conditions, roles, responsibilities, duties and obligations of the Parties with respect to the PLBPA and the Depositor Accounts; and (b) the 2021 DSA is hereby amended to the extent necessary or advisable to effect the same, including, without limitation, such that "Depositor" under the 2021 DSA shall not include any T-Mobile Customer (as defined in the PLBPA).

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2.3 **Specific Obligations of BMT.** BMT shall be responsible for the following obligations (the "Services") in accordance with Network Rules and Applicable Law:

- (a) **Operations of Depositor Program.** BMT, directly or pursuant to contracts with permitted third party service providers, shall provide for all necessary operations of the Depositor Program, which shall include, without limitation, the obligations set forth in Schedule 2.3, including the necessary management, financial expertise, staff, and software needed to conduct the Depositor Program, excluding all Bank staff, systems, networks, utilities, software, and hardware. BMT will not make any material change to the products or services offered under the Depositor Program without the prior written approval of Bank.
  - (b) **Master Account Recordkeeping.** BMT will provide the appropriate reports and supporting documentation necessary for Bank to make entries to an account established by Bank for such purpose to (i) reflect the Financial Transactions to the Depositor Accounts and (ii) maintain such necessary records to establish a Depositor Account for each individual Depositor with sufficient detail as required by Applicable Law to assist in ensuring that the Depositor Accounts qualify for FDIC insurance.
  - (c) **Verification of Customer Identity.** BMT, consistent with policies and procedures that shall be developed by BMT shall be responsible for the collection and verification of such Depositor information as is necessary to (i) verify Depositor identity and complete appropriate Office of Foreign Assets Control validation and (ii) to satisfy the customer identification program requirements applicable to insured depository institutions found in 31 C.F.R. Chapter X. For the avoidance of doubt, Bank hereby acknowledges that BMT's policies and procedures in place relating to the verification of customer identity as referenced in the preceding sentence are approved as of the Effective Date. Bank shall have the right to review, recommend modifications, and approve, in its sole discretion all such policies and procedures in the future.
  - (d) **Depositor Account Recordkeeping.** BMT shall be responsible for the processing of all transactional activity in connection with the Depositor Accounts, including: (i) ACH and wire transfer transactions initiated at the direction of Depositors; (ii) deposits to Depositor Accounts (via ACH, mail, wire transfers, and direct credits); and (iii) coordinating and providing support for payments made from Depositor Accounts, including payment by check, debit card, and electronic payment.
  - (e) **Check Production and Card Management.** BMT shall be responsible for the following:
    - i. arranging for the production of all checks and/or Cards provided to Depositors in connection with any Depositor Account, including the manufacturing, printing, and distribution of all checks and/or Cards including providing the Depositor Agreement related thereto, identifying third party financial institutions as the Card issuer on each Card and the related Depositor Agreement, and including such other names and Marks as may be required to conform to Graphic Standards, Applicable Law, and the Network Rules;
    - ii. handling and distributing, or having arranged for the handling and distributing of Cards and/or checks as necessary; and
    - iii. managing all security aspects of the Cards.
  - (f) **Document Retention.** Consistent with Applicable Law or Network Rules, BMT shall retain on behalf of Bank such potential Depositor's application, all supporting information and documentation, and any reports prepared therefrom, as provided by Applicable Law and the Network Rules, and shall at all times be available to Bank in electronic form promptly upon request.
  - (g) **Compliance with Law and Regulation.** BMT shall develop, implement, and maintain internal controls reasonably designed to ensure regulatory compliance at all times with Applicable Law including providing
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Bank with applicable fraud-related information to assist Bank with its Bank Secrecy Act/Anti- Money Laundering obligations and maintaining necessary tax documentation for Depositors (as applicable), maintaining an appropriate regulatory compliance training program, and ensuring the ongoing oversight of third parties for compliance with Applicable Law to identify areas of improvement, weaknesses, and trends that may identify non-compliance with applicable laws and/or agreed upon contracts.

- (h) **Banking Services.** Bank will act as a correspondent to enable BMT to provide banking services including wire processing services, ACH processing services, onboarding, fraud, check processing services, network BIN sponsorship services and ATM sponsorship in connection with the Depositor Program. BMT shall be responsible for all costs, fees and expenses incurred in connection with its responsibilities under this Agreement to obtain banking services through such third-party financial institutions.
- (i) **Marketing and Advertising.** BMT shall work with TMO for marketing the Depositor Program to end users, in accordance with the terms and conditions of the PLBPA. In all cases, Bank will have final authority and approval for all Solicitation Materials.
- (j) **Software Development and Maintenance.** BMT will oversee, develop and implement any technology and software development, improvement, update, addition or other revision required by TMO under the PLBPA or any Bank Regulator, and BMT will bear any and all costs therefor. Without limiting the foregoing, BMT shall be responsible for the costs of any technology enhancement credit or reduction in any maintenance fees under the PLBPA. BMT shall be responsible for performing all software maintenance. Any and all material changes to any software of other technology supporting the Depositor Program must be preapproved in writing by Bank.
- (k) **Data Security.** At all times during the term of this Agreement, BMT will comply with the terms, conditions, policies and procedures set forth on Exhibit A (Data Security).
- (l) **Interest Expense Banking Services.** BMT and/or TMO will bear the full costs of any interest paid to Depositors in the Depositor Program. BMT shall administrate the calculation and crediting of funds to the accounts on behalf of Bank.

**2.4 Specific Obligations of Bank.** Bank shall perform the following obligations in accordance with the Network Rules and Applicable Law:

- (a) **Sponsorship into money movement channels.** Bank will sponsor BMT into Fed, money movement, card networks and other associations necessary to enable BMT to provide services described herein to Depositors. If the Parties determine that it is necessary to obtain a separate routing/transit number, solely with respect to the Depositor Program, Bank shall cooperate with BMT in its efforts to transfer a routing/transit number from a third party financial institution which may include working with BMT and one or more of its existing bank partners to transfer an existing routing/transit number(s), including by entering into any required agreements to facilitate the continued use of existing routing/transit number(s) and, if necessary, obtain and maintain a separate routing/transit number in connection with the Depositor Program.
  - (b) **Deposit Insurance.** Bank shall ensure that its FDIC deposit insurance remains in full force and effect so that the Depositor Account of each Depositor qualifies for FDIC deposit insurance, subject to FDIC rules and regulations, in the Depositor's individual right and capacity, either on a pass-through or direct basis. Bank shall bear all costs associated with providing this insurance.
  - (c) **Availability of Checks.** Bank shall permit BMT to make payable through in connection with certain Depositor Accounts to be made available to each Depositor through BMT, with which Depositors may draw against their Depositor Accounts, and Bank shall permit these payable through check transactions when properly drawn on the Depositor Accounts based on funds available in the Depositor Accounts, all in
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accordance with any Depositor Agreement.

- (d) **Availability of Cards.** Bank shall sponsor BMT in accordance with Card Network rules to (i) permit the Depositor Accounts to be linked to Cards issued by a third party financial institution available to Depositors serviced by BMT allowing Depositors to execute Card transactions based on funds available in the Depositor Accounts in compliance with applicable Network Rules and (ii) permit the Card transactions made by Depositors based on funds available in the Depositor Accounts and applicable Network Rules.
- (e) **ATM Operations.** BMT is solely responsible for managing an ATM network and will ensure that network is serviced, maintained, settled and monitored in accordance with industry standard practices for ATMs and Applicable Law. Bank will sponsor BMT in the ATM network.. Notwithstanding the foregoing, Bank shall provide the cash on deposit at appropriate levels for designated BMT ATMs at no cost to BMT.

**2.5 Compliance Obligations.** Each Party shall perform its respective obligations under this Agreement pursuant to Applicable Law. Each Party shall possess and maintain at all times all licenses, permits, approvals, and registrations required by Applicable Law to perform its obligations pursuant to this Agreement. Each Party, at its own expense, shall be responsible for obtaining any and all regulatory approvals related to the transactions contemplated herein, and shall use its respective best efforts to obtain all such regulatory approvals and cooperate with the other Party to facilitate the procurement of all such regulatory approvals.

**2.6 Handling of Complaints.** BMT shall notify Bank of any and all complaints related to a Depositor Account received in connection with the Depositor Program from a Regulatory Authority, and shall promptly respond to and resolve such complaints as instructed by Bank. In addition, BMT shall cooperate with Bank in assessing and evaluating the frequency, nature, or underlying causes for any consumer complaints, and preventing the recurrence thereof. Each notice regarding a Depositor or third-party complaint shall include the name and address of the complainant, a brief summary of the complaint, the date upon which such complaint or inquiry was received, and BMT's proposed resolution thereof.

(a) **Tracking Complaints.** BMT shall track and provide reporting related to Complaints related to the bank. The tracking requirements of this clause (a) shall apply to all Complaints, whether received orally or in writing, including those delivered by email or other electronic media, and shall include a description of the nature of the Complaint, root cause, and BMT's response thereto. BMT shall provide Bank with a copy of the Complaint Log for each calendar month on or before the tenth (10th) day of the following calendar month. Escalated Complaints shall be reported to the Bank within two (2) Business Days of BMT being notified of such Escalated Complaint. If Bank is named in the Escalated Complaint, BMT shall notify Bank promptly after receiving such Escalated Complaint and BMT will identify in the Complaint Log which Escalated Complaints specifically name Bank. BMT shall maintain an internal procedure to ensure that all Complaints are tracked and responded to appropriately in accordance with generally accepted practices related to the deposit processing services, and shall provide Bank with evidence thereof upon request.

(b) **BMT Complaint Responses.** With respect to each Escalated Complaint in which Bank is named, BMT shall forward each proposed response to Bank for review prior to sending the response to the Person that made the Escalated Complaint. Bank shall have three (3) Business Days from receipt of BMT's proposed response to mutually agree upon each such proposed response with the Bank. If Bank and BMT cannot mutually agree upon a response within three (3) Business Days, then BMT may send the response to such Complaint in such form, and when, it deems necessary or appropriate. The final written response to any Complaints shall be maintained in such a manner that Complaints can be promptly identified by BMT. Without limiting any other obligations of BMT to provide responses to Complaints as provided herein, upon Bank's request, BMT shall provide Bank with electronic copies of all final written responses to Complaints.

(c) **Recording and Monitoring of Servicing-Related Telephone Calls.** With respect to the recording and monitoring of servicing-related telephone calls with consumers, BMT shall:

- i. retain recordings of such telephone calls for a period of at least one (1) year from the date on which such telephone calls were recorded; and
- ii. permit Bank, upon request, to listen to a sampling of such recorded telephone calls or provide unredacted recorded calls to the bank upon request.

(d) **Personnel Training.** BMT shall, at all times during the term of this Agreement, ensure that all of its Personnel involved in the servicing are appropriately and currently trained in all aspects of their respective duties.

- i. During the course of Bank's review, Bank may request additional documentation from BMT. This information is to be gathered and provided upon request within established timeframes or within timeframes to satisfy regulatory requests.
- ii. If appropriate and in the existence of a BMT error proximately causing an Escalated Complaint, Bank may request that BMT issue fee refunds and an apology letter/email to complaining consumers. All copies of documentation for the refund and the apology letter/email should be saved with the relevant complaint folder.

**2.7 Approvals of Solicitation Materials.** All Solicitation Materials shall be submitted to Bank in advance for Bank's prior written approval (which approval (i) may be granted or withheld in Bank's sole discretion, and (ii) shall be provided within four (4) business days) and, as necessary, the approval of any third parties. BMT shall not release, launch, or distribute any Solicitation Materials in any form without having first obtained confirmation Bank approvals. Notwithstanding the foregoing, the Parties agree that non-material changes to the approved Solicitation Materials shall not require the approval of Bank. The content of all Depositor Agreements, shall be subject to Bank's prior written approval (which approval (i) may be granted or withheld in Bank's sole discretion, (ii) shall be provided within four (4) business days and (iii) may not be unreasonably withheld, conditioned or delayed) and the approval of any applicable third parties to the extent expressly required. Notwithstanding Bank's approval of the form or content of a Depositor Agreement, Bank shall have the right, in its sole and absolute discretion, from time to time, with reasonable advance notice, if possible, to require alterations to or amendments of, or provide a substitute for, the Depositor Agreement (each a "Revision" and, collectively, "Revisions") thereof in the event that (1) Bank reasonably determines that Applicable Law or Network Rules require such Revision, (ii) either Party receives any written demand or order from a court, Regulatory Authority, or a Network, mandating that such Revisions must be implemented, or (iii) either Party receives or becomes aware of an actual or threatened legal claim based upon or in any way related to the affected portion of the Depositor Program. Bank shall notify BMT in writing of any required Revisions, and, unless otherwise directed by Bank, BMT shall within the timeframe set forth by Applicable Law (i) incorporate said Revisions into such Depositor Agreement and/or Solicitation Materials as may be distributed thereafter, and (ii) distribute replacement Depositor Agreements incorporating the Revisions to all Depositors who had received prior versions of the Depositor Agreement. Bank hereby acknowledges that it approves the current version of the Depositor Agreement.

**2.8 Access to BMT Reports.** BMT shall provide Bank with access to all reports, and such services as Bank requests, to facilitate settlements, balance and reconcile Depositor Accounts, monitor for fraudulent Financial Transactions, comply with Bank's Bank Secrecy Act and OFAC obligations, and otherwise monitor regulatory compliance, BMT shall keep accurate, complete, and up to date records on behalf of Bank of (1) the identity of each Depositor and the steps taken to verify such identity; (ii) all charges, Financial Transactions, and fees that have been made or charged Depositor, and (iii) such other information as may from time to time be required by Bank or Applicable Law (collectively, the "Required Records"), BMT shall retain all Required Records for a minimum time period as mandated by Applicable Law or the Network Rules. All Required Records shall be accurate, and to the extent presenting financial information, kept in a manner that is consistent with accounting standards and designed to fairly present the information set forth therein. BMT shall provide Bank access to any and all Depositor Program related records, including, but not limited to, Required Records that Bank reasonably requests in connection with compliance with Bank's obligations under Applicable Law.

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**2.9 Regulator Oversight of Bank and BMT as Service Provider to Bank.** By entering into this Agreement, BMT understands and acknowledges that the Federal Reserve Bank of Philadelphia and any successor thereto (collectively, the "**Reserve Bank**") has the authority to examine BMT or its successor to evaluate safety and soundness risks, the financial and operational viability of BMT to fulfill its obligations hereunder and under all agreements relating hereto, and compliance with Privacy and Data Security Requirements and other applicable rules or regulations. BMT further understands that Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") authorizes the Consumer Financial Protection Bureau (along with any successor thereto, collectively the "**CFPB**") to examine and obtain reports from supervised banks and nonbanks for compliance with federal consumer financial law and for other related purposes. Title X of the Dodd-Frank Act also grants the CFPB supervisory and enforcement authority over supervised service providers, which includes the authority to examine the operations of service providers on site. As used in this Agreement, "**Regulator**" means a governmental authority, or a non-governmental entity, that is charged with monitoring or overseeing the business practices or other activities of either of the respective Parties or any of their Affiliates, including, as applicable, the Reserve Bank, the CFPB, Federal Deposit Insurance Corporation or any other bodies or successors thereto that regulate banks, consumer finance companies, mortgage companies and/or other financial service providers.

(a) Notwithstanding anything to the contrary in this Agreement, Bank may terminate this Agreement at any time upon reasonable notice and without penalty, termination fees or other costs if: (i) a Regulator with jurisdiction over Bank or BMT issues a rule, regulation, order, interpretation or similar pronouncement that would render it unlawful to continue performing under this Agreement; or (ii) if a Regulator formally objects to the arrangement for Services under this Agreement.

(b) **Audit.** By entering into this Agreement, BMT understands and acknowledges that Bank shall have the right, at its own expense, to conduct an annual audit of BMT. Each of Bank, the Reserve Bank, the CFPB, other Regulators, and Bank's representatives (each a "**Bank Auditor**," and collectively, the "**Bank Auditors**") shall have the right to inspect, investigate, evaluate, and audit all activities, books, records, data and any other information or materials of BMT and/or its Personnel to enable Bank Auditors to examine or otherwise verify: (i) the ongoing confidentiality of Bank's Confidential Information and general controls and security practices and procedures used to protect Confidential Information; (ii) BMT's controls with respect to organizational, input/output, system modification, processing, system design, access and other control-related matters, including internal controls related to oversight of Personnel that have consumer contact or compliance responsibilities; (iii) BMT's security, disaster recovery and back-up practices and procedures with respect to BMT's controls and information management practices; (iv) the accuracy of amounts invoiced hereunder; (v) practices, policies, and procedures of BMT and its Personnel; (vi) systems, equipment and software that process, store, support, and transmit Customer Information or are otherwise used to perform or in connection with the Services; and/or (vii) such other books, records, data, and any other information or materials relevant to the performance of BMT's obligations under and compliance with this Agreement, including compliance with Applicable Requirements. If any negative results or issues arise during an audit, BMT shall prepare and execute a remediation plan at its sole expense and in such time frame as mutually agreed upon by Bank and BMT. In addition, the Bank Auditors may create electronic or physical copies of records in connection with the audits. Additional audits may be conducted in accordance with a schedule agreed upon by the Bank and BMT, if Bank reasonably identifies an issue requiring additional testing or monitoring, or at the request of the other Bank Auditors.

(c) When made available to BMT from time to time (but no less than annually), BMT shall provide to Bank a copy of BMT's or its service providers' in instances when the service provider completely manages and maintains data and information for BMT: (i) most recent internal and/or external independent audit reports (including any SSAE 18 or other similar audit of BMT's operations, Information Security Program, disaster recovery/business continuity plan, and computer and related systems with which it performs the Services, or any other internal or external reports of audits or reviews otherwise relevant to the Services or Bank), including those described in Section 3 of Exhibit A; (ii) then-current internal control policies and procedures, and, insofar as any BMT Personnel have consumer contact or compliance responsibilities related to the Services, training materials applicable with respect to

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any such Personnel; and (iii) most recent audited financial statements (or, if audited financial statements are not regularly prepared, a balance sheet as of BMT's most recent fiscal year end and income statement covering the year ending on such date, reviewed by BMT's accountant, no less than annually), and any other quarterly financial statements or annual reports regarding the financial condition or results of operations of BMT that it prepares for any other purpose and that Bank shall reasonably request, provided, however, that if BMT publicly files any such financial statements on the U.S. Securities and Exchange Commission's EDGAR system, such availability shall suffice.

(d) The records and data maintained and produced under this Agreement, and any other Bank-related records and data held by, in the possession of, or under the control of BMT or its Personnel, shall, at all times, be available electronically or physically at a designated office of BMT for examination and audit by Regulators having jurisdiction over Bank's business, including the Reserve Bank and other Bank Auditors. Any Regulator or his or her designated representative shall have the right to ask for and to receive directly from BMT any reports, summaries, or information contained in or derived from data in the possession of BMT related to Bank. BMT shall notify Bank as soon as reasonably possible of any formal request by any authorized Regulator to examine Bank's records maintained by BMT, if BMT is permitted to make such a disclosure to Bank under the Applicable Requirements. Bank hereby authorizes BMT to provide all such described records when formally required to do so by a Regulator.

(e) BMT shall make its employees, Subcontractors and other Personnel and their respective facilities and operations (including computer servers, software, equipment and related technology facilities) available during regular business hours to all Bank Auditors and otherwise cooperate fully in connection with any such audit or examination, including providing to Bank electronic and/or paper copies of documents requested by a Bank Auditor promptly after the date of such request.

(f) Consistent with the requirements of Applicable Law, BMT will promptly notify Bank when legally able to do so upon becoming aware of (i) any formal regulatory investigation, regulatory inquiry, enforcement action, or the like involving the Depository Program, or (ii) any order, judgment, decree, or any other legal or regulatory action that could affect the Depositor Program, and BMT will provide, to the extent permitted by Applicable Law and upon Bank's reasonable request, any information and materials requested by Bank in connection therewith.

**2.10 Subcontractors.** Under no circumstances may BMT or any of its Subcontractors provide any of the Services requiring access to confidential information by utilizing any Personnel located at or performing work at a location outside of the United States, except to the extent the particular circumstances of such use of such Personnel is specifically approved in writing by Bank. Within sixty days of the Effective Date, the Parties shall work together on the development of an approved list of Subcontractors located or using personnel outside the United States. Any purported assignment or delegation not consented to in writing by Bank shall be void at Bank's option and will constitute a material breach of this Agreement. In the event Bank consents to BMT engaging any Subcontractor to perform any Services or other obligations hereunder, BMT shall, upon request by Bank, provide Bank with a copy of each agreement between BMT and such Subcontractors. Notwithstanding any Bank consent to any subcontracting: (i) BMT shall remain primarily responsible and liable to Bank for any and all performance of BMT's obligations under this Agreement, including the obligation to properly supervise, coordinate, and perform all Services required hereunder, and no subcontract shall bind or purport to bind Bank; (ii) BMT shall ensure that all Subcontractors and their respective Personnel are bound by and comply with all provisions hereof applicable to BMT and comply with all Applicable Requirements; (iii) BMT shall be primarily responsible and liable to Bank for any breach hereof resulting directly or indirectly from any act or omission of a Subcontractor or any of its Personnel and for paying all Subcontractors directly; and (iv) any act or omission of a Subcontractor or any of its Personnel that would constitute a breach of this Agreement subject to the cure provisions herein, if it was the act or omission of BMT will constitute a breach by BMT of this Agreement. Without in any way limiting the foregoing, BMT shall require each Subcontractor to maintain adequate policies, procedures, and controls to ensure that such Subcontractor will protect Customer Information and Confidential Information in the same manner BMT is required to maintain Customer Information and Confidential Information under this Agreement. In the event Bank at any time notifies BMT in writing that it objects to the use of any Subcontractor, notwithstanding any prior consent to such

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Subcontractor granted by Bank, BMT shall replace such Subcontractor within ninety (90) days of Bank's request, or such longer period of time as may be agreed to by BMT and Bank. In addition to the foregoing, to the extent that Bank grants approval for BMT's use of any Subcontractor, BMT shall (a) audit Subcontractors annually if requested by Bank and, on an on-going basis, monitor the Subcontractor for compliance controls and risks associated with its use; and (b) provide information regarding the services being provided to BMT by such Subcontractor, the risks of such Subcontractor use, the relevant controls over such risks, and any other information reasonably requested by Bank which relate to the Services performed by such Subcontractor.

2.11 **Other Agreements Not Precluded.** This Agreement shall not preclude BMT from entering into similar agreements to provide deposit processing services to other banks or financial institutions, nor shall it preclude Bank from providing products or services to providers of other depositor programs generally through Bank's own marketing efforts or through the marketing efforts of other third parties. BMT shall have the right to offer additional products and services to Depositors in BMT's sole discretion. Bank shall not solicit BMT's customers for any reason unless such customers were customers of Bank prior to becoming customers of BMT, Notwithstanding the foregoing, the Parties acknowledge that this Section shall not preclude general solicitations by Bank such as mass mailing, media, and otherwise not specifically targeted at Depositors.

2.12 **Personnel.** BMT shall at all times maintain adequate levels of Personnel necessary or advisable to perform the services and its other obligations hereunder.

### SECTION III COMPENSATION

3.1 **BMT Compensation.** As sole consideration for the processing services and other services BMT is providing under this Agreement, Bank shall pay to BMT the fees set forth on Schedule 3.1.

In addition, BMT will have the right to retain all revenue generated by or from the Depositor Accounts, including, but not limited to, fees and all other miscellaneous revenues. BMT shall also retain all fees (including without limitation interchange fees), and charges generated by its ATMs and from its payment processing services.

3.2 **PLBPA Fees and Expenses.** BMT acknowledges and agrees that it will be solely liable for any and all fees, expenses, costs, reimbursements and other amounts that are or may become due and payable under the PLBPA ("**PLBPA Amounts**"), including, without limitation, any Durbin-Exempt Interchange fees payable to TMO under the PLBPA. Bank may set off any and all PLBPA Amounts against any compensation payable to BMT hereunder.

### SECTION IV REPRESENTATIONS OF BANK

Bank represents and warrants as follows:

4.1 **Organization, Good-Standing and Conduct of Business.** Bank is a banking corporation, duly organized, validly existing and in good standing under the laws of Pennsylvania, and has full power and authority and all necessary governmental and regulatory authorization to own its properties and assets and to carry on its business as it is presently being conducted.

4.2 **Corporate Authority.** The execution, delivery, and performance of this Agreement have been duly authorized. No further corporate acts or proceedings on the part of Bank are required or necessary to authorize this Agreement.

4.3 **Binding Effect.** When executed, this Agreement will constitute a valid and legally binding obligation of Bank, enforceable against Bank in accordance with its terms, subject to (i) applicable bankruptcy,

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insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to rights of creditors of FDIC-insured institutions or the relief of debtors generally; (ii) laws relating to the safety and soundness of deposit01y institutions; and (iii) general principles of equity.

**4.4 Non-Contravention and Defaults; No Liens.** Neither the execution or delivery of this Agreement, nor the fulfillment of, or compliance with, the terms and provisions hereof, will (i) result in a material breach of the terms, conditions, or provisions of, or constitute a default under, or result in a violation of, termination of, or acceleration of the performance provided by the terms of, any agreement to which Bank is a party or by which it may be bound; (ii) violate any provision of any law, rule or regulation; or (iii) violate any provisions of Bank's Articles of Incorporation or Bylaws,

**4.5 Necessary Approvals.** No consent, approval, authorization, registration, or filing (excluding any such filings with the U.S. Securities and Exchange Commission) with or by any governmental authority, foreign or domestic, is required on the part of Bank in connection with the execution and delivery of this Agreement or the consummation by Bank of the transactions contemplated hereby.

**4.6 Liabilities and Litigation.** There are no claims, actions, suits or proceedings pending or, to Bank's knowledge; threatened against Bank, at law or in equity, before or by any Federal, state, municipal, administrative or other court, governmental department, commission, board, or agency, an adverse determination of which could have a Material Adverse Effect on the business or operations of Bank, and Bank knows of no basis

for any of the foregoing, There is no order, writ, injunction, or decree of any court, domestic or foreign, or any Federal or state agency affecting Bank or to which Bank is subject.

**4.7 Disclosure.** Neither Bank nor any principal of Bank has been subject to any administrative or enforcement proceedings commenced by any Regulatory Authority, or any restraining order, decree, injunction, or judgment in any proceeding or lawsuit, alleging fraud or deceptive practice on the part of Bank or any principal thereof For purposes of Section 4.7, the word "principal" shall include any executive officer or director of Bank.

**4.8 FDIC Insurance.** As of the Effective Date and during the term of this Agreement, Bank is FDIC- insured to the maximum extent permitted under Applicable Law.

**4.9 Well Capitalized.** As of the Effective Date and during the term of this Agreement, Bank is designated "Well Capitalized" under the Prompt Corrective Action provisions of the Federal Deposit Insurance Act and all regulations and guidelines with respect thereto.

**4.10 Disclaimer.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK DISCLAIMS ALL OTHER WARRANTIES, CONDITIONS, AND REPRESENTATIONS OF ANY KIND, WHETHER EXPRESSED, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING THOSE RELATED TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON INFRINGEMENT AND THOSE ARISING OUT OF COURSE OF DEALING, USAGE, OR TRADE.

## SECTION V REPRESENTATIONS OF

### BMT

BMT represents and warrants as follows as of the date hereof;

**5.1 Organization, Good-Standing and Conduct of Business.** BMT is a corporation, duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority and all necessary governmental and regulat01y authorization to own its propertIies and assets and to carry on its business as it is presently being conducted, except where lacking authority or authorization would not have a Material Adverse Effect on BMT.

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5.2 **Corporate Authority.** The execution, delivery, and performance of this Agreement have been duly authorized. No further corporate acts or proceedings on the part of BMT are required or necessary to authorize this Agreement.

5.3 **Binding Effect.** When executed, this Agreement will constitute a valid and legally binding obligation of BMT, enforceable against BMT in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to rights of creditors or the relief of debtors generally and (ii) general principles of equity.

5.4 **Non-Contravention and Defaults; No Liens.** Neither the execution or delivery of this Agreement, nor the fulfillment of, or compliance with, the terms and provisions hereof, will (i) result in a material breach of the terms, conditions, or provisions of, or constitute a default under, or result in a violation of, termination of or acceleration of the performance provided by the terms of, any agreement to which BMT is a party or by which it may be bound, (ii) violate any provision of any law, rule or regulation, (iii) result in the creation or imposition of any lien, charge, restriction, security interest or encumbrance of any nature whatsoever on any asset of BMT, or (iv) violate any provisions of BMT's Certificate of Incorporation or Bylaws.

5.5 **Necessary Approvals.** No consent, approval, authorization, registration, or filing (excluding any such filings with the U.S. Securities and Exchange Commission) with or by any governmental authority, foreign or domestic, is required on the part of BMT in connection with the execution and delivery of this Agreement or the consummation by BMT of the transactions contemplated hereby.

5.6 **Liabilities and Litigation.** Except as disclosed by BMT in writing to Bank, there are no claims, actions, suits, or proceedings pending or, to BMT's knowledge, threatened against BMT, at law or in equity, before or by any Federal, state, municipal, administrative, or other court, governmental department, commission, board, or agency, an adverse determination of which could have a Material Adverse Effect on the business or operations of BMT (including its ultimate ownership of the business), and BMT knows of no basis for any of the foregoing. There is no order, writ, injunction, or decree of any court, domestic or foreign, or any Federal or state agency affecting BMT or to which BMT is subject.

5.7 **Disclosure.** Except as disclosed by BMT in writing to Bank, neither BMT nor any principal of BMT has been subject to any administrative or enforcement proceedings commenced by any Regulatory Authority, or any restraining order, decree, injunction, or judgment in any proceeding or lawsuit, alleging fraud or deceptive practice on the part of BMT or any principal thereof. For purposes of Section 5.7, the word "principal" shall include any executive officer or director of BMT.

5.8 **Disclaimer.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BMT DISCLAIMS ALL OTHER WARRANTIES, CONDITIONS, AND REPRESENTATIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING THOSE RELATED TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND THOSE ARISING OUT OF COURSE OF DEALING, USAGE, OR TRADE.

## **SECTION VI CONFIDENTIALITY; DATA PROTECTION; INTELLECTUAL PROPERTY**

6.1 **General.** It is expected that the Parties will disclose to each other certain information, which may be considered confidential or proprietary ("Confidential Information"), and each Party recognizes the value and importance of the protection of the other's Confidential Information.

6.2 **Confidential Information.** Confidential Information owned solely by one Party and disclosed to the other Party shall remain solely the property of the disclosing Party, and its confidentiality shall be maintained and

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protected by the other Party with at least the same effort used to protect such other Party's own confidential information of a similar nature. Except to the extent required by this Agreement, each Party agrees not to duplicate in any manner the other's Confidential Information or to disclose it to any third party or to any of their employees not having a need to know for purposes of this Agreement. Each Party further agrees not to use the other's Confidential Information for any purpose other than the implementation of this Agreement. This confidentiality provision extends to all information (whether oral, written, electronic, or otherwise) provided by either Party (the "Disclosing Party") to the other Party (the "Receiving Party") pursuant hereto. Confidential Information includes, without limitation, technology, know-how, processes, software, databases, trade secrets, contracts, proprietary information, historical and financial information, business strategies, operating data, organizational and cost structures, product descriptions, pricing information prototypes, design plans, drawings, Customer Information, business and/or technical information, in whatever form or format and from whatever source, whether disclosed before or after the date of this Agreement and any notes, reports or other data or documents prepared by Receiving Party or its representatives containing, reflecting or based upon, in whole or in part, any Confidential Information. In addition, without limitation, and any provision to the contrary in this Agreement notwithstanding, the names of, and any and all information regarding the Depositor Accounts or other accounts belonging to, Depositors and potential Depositors is, and for all purposes shall be deemed to be, Confidential Information belonging to both Parties as permitted by Applicable Law, subject to Bank's rights to use such information according to the terms of this Agreement. Except as otherwise provided herein, Confidential Information shall not include (i) information that is now in the public domain, or that later enters the public domain, through no action of the Receiving Party in violation of this Agreement or of any third party in violation of a duty owed to the Disclosing Party, (ii) information that the Receiving Party can demonstrate was already in its possession at the time of its disclosure hereunder, and that was not acquired, directly or indirectly, from the Disclosing Party on a confidential basis, (iii) information independently developed by the Receiving Party without reference to, or the use of, any Confidential Information, or (iv) information that is lawfully received from sources other than the Disclosing Party under circumstances not involving a breach of any confidentiality obligation. Notwithstanding anything contained in this Section to the contrary, no combination of Confidential Information will be deemed to be within any of the foregoing exceptions, whether or not the component parts of the combination are within one of the foregoing exceptions, unless the combination itself and its economic value and principles of operation are within one of the foregoing exceptions. The Parties hereby acknowledge that BMT may elect to request confidential treatment of certain provisions of this Agreement from the Securities and Exchange Commission including, but not limited to, the pricing related provisions and exhibits as permitted by law and that the Parties will cooperate in order to effect such request. Neither BMT nor any of its Personnel shall directly or indirectly access Customer Information or Bank's software, networks, systems, or data from any location that is not subject to the laws and jurisdiction of the United States of America, in violation of BMT policy, except with the prior approval through the BMT approval process and written consent of Bank. In the event that BMT permits any of its Personnel to store or access Customer Information on a portable device, such Customer Information must be encrypted in a reasonable manner.

Each Receiving Party shall hold Information received by it in the strictest of confidence and shall not disclose it to any person or entity, other than the Receiving Party's officers, directors, employees, third party service providers, agents, consultants and legal advisors (collectively, "Representatives"), without the Disclosing Party's prior written consent, the Receiving Party shall share Confidential Information received hereunder only with those of its Representatives as are reasonably necessary to enable the Receiving Party to accomplish the purposes of this Agreement, and then only after advising such Representatives of the requirements of this Section and obtaining their agreement to abide herewith as if they were original parties hereto. The Receiving Party shall be responsible for any breach of this Agreement by its Representatives. Without limiting any other warranty or obligation specified in this Agreement, and in particular the confidentiality and non-disclosure obligations of this Section 6.2, Receiving Party will not gather, store, log, archive, use or otherwise retain any Confidential Information in any manner and will not disclose, distribute, sell, share, rent or otherwise transfer any Confidential Information to any third party, except as expressly required to perform its obligations in this Agreement or as Receiving Party may be expressly directed in advance in writing by Disclosing Party.

**6.3 Ownership of Confidential Information.** All Confidential Information and all documents,

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diskettes, tapes, procedural manuals, guides, specifications, plans, drawings, designs and similar materials, lists of present, past, or prospective customers, proposals, invitations to submit proposals, price lists and data relating to the pricing of products and services, records, notebooks, and all other materials containing Confidential Information or information about concepts or ideas developed by or for a Disclosing Party (including all copies and reproductions thereof) that come into a Receiving Party's possession or control, whether prepared by the Disclosing Party or others: (i) are the property of the Disclosing Party, and (ii) shall not be used by the Receiving Party in any way other than in connection with fulfilling the purposes of this Agreement.

**6.4 Return of Confidential Information.** Upon the written request of a Disclosing Party, which may be made at any time or from time to time, a Receiving Party shall, and/or shall cause its Representatives to, promptly return or (at the Receiving Party's election) destroy all Confidential Information provided by the Disclosing Party. The Receiving Party is allowed to retain a copy of such information for such period of time necessary to comply with its record retention policy, Applicable Law or Network Rules. In such cases, the obligation to treat such information as confidential shall remain until such information may be destroyed in accordance with the applicable policy or rule. In the event of such written request by a Disclosing Party, all documents, analyses, studies, or other materials prepared by the Receiving Party or its Representatives that contain or reflect Confidential Information shall be forwarded to the Disclosing Party and no copies thereof shall be retained except as may otherwise be required to be retained pursuant to Applicable Law. Notwithstanding the foregoing, the Parties agree that both Parties shall have the right to retain a copy of transaction history documents of the Depositors.

**6.5 Required Disclosures.** Should a Receiving Party learn that it or its Representatives may, or will, be legally compelled to disclose Confidential Information (whether by interrogatories, subpoenas, civil investigative demands, or otherwise) provided by a Disclosing Party hereunder, or should a Receiving Party or its Representatives be requested to disclose such Confidential Information by a governmental authority or agency, the Receiving Party shall promptly notify the Disclosing Party to the extent such notice is not prohibited by Applicable Law. In addition, the Receiving Party shall inform the Disclosing Party of any developments with respect to such compulsion or request. When time is of the essence, the Receiving Party may provide notice or updates orally, but must follow these communications with written summaries. The Receiving Party shall reasonably cooperate with the Disclosing Party to enable the Disclosing Party to obtain a protective order or other similar relief. If, in the opinion of legal counsel and in the absence of a protective order or waiver by the Disclosing Party of compliance with this Section VI, the Receiving Party and/or its Representatives are legally compelled to disclose Confidential Information, the Receiving Party and/or such Representatives shall disclose only so much of the Confidential Information as is legally required. In any such event, the Receiving Party shall use its good faith efforts to ensure that any Confidential Information so disclosed is accorded confidential treatment to the greatest extent possible. Notwithstanding any provision to the contrary, each Party agrees and acknowledges that the other Party is permitted to announce the execution of this Agreement and file this Agreement with the U.S. Securities and Exchange Commission along with any subsequent amendments to this Agreement as required by Applicable Law.

**6.6 Injunctive Relief.** Each Party acknowledges that remedies at law may be inadequate to protect the other against actual or threatened breach of the provisions of this Section. Without prejudice to any other rights and remedies available to a Party hereunder, each Receiving Party hereby consents to the granting of injunctive relief in the Disclosing Party's favor, without proof of actual damages, in the event of an actual or threatened breach hereof with respect to Confidential Information provided by such Disclosing Party.

**6.7 Consumer Information and Program Security.** Each Party acknowledges that Applicable Law, including but not limited to the Gramm-Leach Bliley Act of 1999, as amended, and the regulations promulgated thereunder (the Act and the regulations, collectively, the "GLB Act") impose certain obligations on financial institutions with respect to the confidentiality of customer data (collectively, "Protected Information"). Regardless of whether BMT and/or its Representatives are otherwise subject to the GLB Act, Bank and BMT and each of their respective Representatives shall fully comply with all requirements of the GLB Act or applicable state laws with respect to any Protected Information received or accessed in connection with the Program, has implemented, and shall continue to implement, support, and maintain, commercially reasonable security measures to secure against unauthorized access

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and/or damage to Depositor information and other Protected Information (collectively, the "Security Measures"). BMT shall maintain at all times a comprehensive Information Security Program as required by applicable Privacy and Data Security Requirements and meet any additional requirements provided by Bank and required by Applicable law and following reasonable notice to BMT from time to time. BMT shall assess, manage, and control risks relating to the security and confidentiality of all Customer Information, and shall implement the standards relating to such risks in the manner set forth in the Interagency Guidelines. BMT shall comply with all Privacy and Data Security Requirements applicable to BMT. Bank may update this Section 6.7 from time to time upon written notice to BMT, and following review, collaboration, and research of the impact of the updates in regards to both time and the expense of the update, any such updates will be applicable immediately upon notice unless otherwise agreed in writing by Bank.

**6.8 Disaster Recovery.** Each Party shall prepare and maintain appropriate disaster recovery, business resumption, and contingency plans in compliance with Applicable Law, and reasonably acceptable to the other Party. Such plans shall be sufficient to enable the Party to promptly resume the performance of its obligations hereunder in the event of a natural disaster, destruction of such Party's facilities or operations, utility or communication failures, or similar interruptions of operations, or of any necessary third party. Each Party shall make available to the other information related to its disaster recovery, business resumption and contingency plans, as well as making available any material changes thereto. Each Party shall regularly test disaster recovery, business resumption, and contingency plans as it deems reasonably appropriate and prudent in light of the nature and scope of the respective Party's activities and operations and its obligations hereunder. Such testing shall be conducted no less frequently than once per calendar year, and each Party shall promptly provide the other Party with the results thereof upon request.

#### **6.9 Intellectual Property Ownership and Licenses.**

- (a) Except for the licenses and other rights set forth in this Agreement or set forth in that certain [Software License Agreement, dated January 4, 2021, by and between the Parties] (the "Software License Agreement"), each Party retains all right, title, and interest in and to the intellectual property rights owned by it, and neither Party is granted any right, title, or interest in or to the other Party's intellectual property rights.
- (b) In connection with the Depositor Program, either Party (the "Licensor") may grant the other (the "Licensee") a non-exclusive, limited, royalty free license to use and reproduce certain Marks owned by the Licensor to the extent necessary to enable the Licensee to perform its obligations in accordance with this Agreement. The Licensee shall only use such Marks (i) in a manner that will not dilute the value of such Mark, and (ii) in strict compliance with Applicable Laws, Network Rules, and this Agreement. Any license granted hereunder shall be subject to any applicable usage and style guides or limitations as from time to time provided by the Licensor. Except as specifically set forth in this Subsection, no right, title, license, or interest in any Marks shall be granted to the Licensee or shall be deemed to have been acquired by the Licensee by virtue of this Agreement. Prior to using a Mark licensed hereunder, the Licensee shall provide written notice to the Licensor (a "Use Notice") setting forth exemplars of the intended design and a description of the intended use. Within five (5) calendar days of receipt of a Use Notice, Licensor shall either approve the design and allow use, or identify the reason for withholding its approval. In the event that use is not approved, the Parties shall cooperate to find an acceptable design and/or use. Licensee may not sublicense any use of the Marks of Licensor without the prior written consent of Licensor in each instance. Any use of the Marks by Licensee (or any permitted sub-licensee) and any goodwill associated therewith shall inure to the benefit of Licensor.
- (c) In the event of any conflict between this Section 6.9 and the Software License Agreement, the terms of the Software License Agreement shall control.

## **SECTION VII**

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## TERM AND TERMINATION

7.1 **Term.** This Agreement shall be in full force and effect beginning on the Effective Date and shall continue in effect until February 24, 2025. After February 24, 2025, this Agreement shall renew automatically for additional one (1) year terms unless either Party gives written notice of non-renewal 180 days prior to the expiration of the then-current term; provided, however that this Agreement may be terminated prior to the end of the initial term or any such renewal term as set forth in Section 7.2 ("Term").

7.2 **Termination.** This Agreement may be terminated prior to the end of a Term under the following circumstances:

- (a) at any time upon the written agreement of the Parties, specifying a mutually agreed upon termination date;
  - (b) by either Party upon the material breach by the other Party of any covenant or provision required to be performed by it hereunder, if (i) a plan to cure such breach is not provided by the breaching Party to the nonbreaching Party within thirty (30) days after receipt of written notice of such a breach from the nonbreaching Party; (ii) such plan is provided by the breaching Party, but the breach is not thereafter cured in accordance with such plan within sixty (60) additional days following the submission of the plan to the nonbreaching Party; and (iii) in either case, following the expiration of the initial thirty (30) day period if (i) applies, or following the expiration of the additional sixty (60) day period if (ii) applies, the nonbreaching Party shall have elected to terminate this Agreement by sending to the Party in breach a written notice of termination, which notice shall specify the date upon which the termination shall take effect;
  - (c) by either Party in, the event of a Supervisory Objection (as defined below) that, after going through the process described below, in either Party's good faith judgment requires such Party to terminate its obligations under this Agreement, such Party may terminate this Agreement upon sixty (60) days written notice to the other Party or such shorter notice as may be required by a Regulatory Authority; provided, however, that in the event either Party becomes aware of a Supervisory Objection, such Party shall, as soon as reasonably practicable and prior to any termination by it of this Agreement, (i) provide the other Party, to the extent permitted by Applicable Law, with a written certification from an officer of the Party summarizing such Supervisory Objection and (ii) with the reasonable cooperation of such other Party, use its reasonable best efforts to respond to and challenge any such Supervisory Objection, including, if necessary, proposing and implementing mutually agreed upon modifications to the Depositor Program that will satisfy the Regulatory Authority. If the Parties cannot address the Regulatory Authority's concerns to its satisfaction or the expenses associated in connection with implementing modifications necessary to satisfy the Regulatory Authority will result in extreme economic hardship to either Party, this Agreement may be terminated in accordance with the foregoing. As used herein, "Supervisory Objection" means (i) an objection raised by an employee of a Regulatory Authority having the designation of examiner-in charge or higher and having supervisory authority over a Party that expresses the Regulatory Authority's opinion, in writing, that one or more provisions of this Agreement or the Depositor Program constitutes a material violation of Applicable Law, is unsafe or unsound, or is otherwise unfair, deceptive, or abusive, (ii) any cease-and-desist or other similar formal order of a Regulatory Authority or (iii) changes in the written treatment of Applicable Law by a Regulatory Authority;
  - (d) by BMT, upon 120 days' written notice, (i) if it obtains approvals to open or acquire a financial institution and desires to transfer Depositor Accounts to such institution, or (ii) if BMT experiences a change of control, in which 50% or more of its capital stock changes ownership.
    - a. **Effect of Termination or Expiration.** In the event of termination or expiration of this Agreement by any Party:
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- (a) Any amounts due and owing from one Party to the other shall be promptly paid in full; and
- (b) Sections I, III (to the extent payment obligations remain outstanding), IV, V, VI, 7.3, XVIII, IX, X, XI and XII shall survive such termination and provided further, that any termination hereof shall not preclude any Party hereto from recovering any legal or equitable damages or relief to which it is entitled.

## **SECTION VIII TRANSFER OF DEPOSITOR ACCOUNTS**

8.1 **Transfer of Deposits.** Upon the date of termination or expiration of this Agreement as provided in Section 7.1 or 7.2 of this Agreement or upon 120 days' written request by BMT, Bank shall transfer the Depositor Accounts to an institution designated by BMT (the "Transfer"), subject to the requirements of Applicable Law, the Depositor Agreement and any other applicable requirements. Any required approvals shall be obtained as soon as practicable following the date notice of termination is given; provided, however, notwithstanding anything in this Agreement to the contrary, Bank's obligation to maintain the Depositor Accounts as provided in this Agreement shall not terminate until any necessary approvals have been obtained. As part of the Transfer, Bank shall, to the extent permitted or considered necessary or appropriate, transfer any BJNs, routing numbers and other related identifiers used in connection with the Depositor Accounts, and deliver any and all applicable information, account opening contracts and the like. The Parties shall cooperate with each other on the issuance of necessary notices to Depositors and on all other matters necessary or appropriate to a legal and efficient Transfer. Bank shall use best efforts to assist with the Transfer. Until the Transfer is complete, Bank shall continue to provide all services under this Agreement if requested to do so by BMT, unless otherwise directed by a Regulatory Authority.

8.2 **Closing Deliveries and Documents.** Upon the consummation of the Transfer, the Parties shall deliver to each other such documents as are typical for such a transfer, including contracts and officer's certificates, appropriate adjustments for returned and uncollected items shall be made, as appropriate, on a post-closing basis.

8.3 **Certain Transfer Matters.** Upon the Transfer, BMT or its designee shall be responsible for completing Forms 1099 and other tax reporting forms, if applicable, for Depositors who were set up in connection with the Depositor Program, and other similar customer-related matters.

## **SECTION IX INSURANCE**

9.1 **Coverage.** Prior to commencing any Services and for the duration of the term of the Agreement, each Party shall maintain without interruption and at its own expense the following types and minimum amount of insurance:

- (a) Commercial General Liability insurance with a One Million Dollars (\$1,000,000) per occurrence limit and an aggregate of not less than Two Million Dollars (\$2,000,000) and such insurance shall (i) be written on a per occurrence basis, and (ii) be endorsed to cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury (if not covered under Professional and Cyber Liability insurance policy), advertising injury (if not covered under Professional and Cyber Liability insurance policy), and contractual liability;
  - (b) Workers' Compensation insurance for employees of such Party at the applicable statutory limit and including Employers' Liability in an amount of not less than Five Hundred Thousand Dollars (\$500,000);
  - (c) "Umbrella"/Excess Liability insurance in a limit of not less than Five Million Dollars (\$5,000,000) to
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cover claims in excess of the coverage limits for Commercial General Liability and Employers' Liability as required herein;

- (d) Professional and Cyber Liability insurance, which shall describe as professional services covered thereunder all Services furnished by such Party under this Agreement and which shall provide coverage in a limit of not less than Seven and a Half Million Dollars (\$7,500,000). Privacy Liability (aka Cyber Security) insurance to provide coverage in the event that Bank suffers a loss as a result of a disclosure of Confidential Information in breach of the terms of this Agreement. Coverage to include both 3rd party liability coverage along with a One Million Dollar (\$1,000,000) limit applicable to coverage for data breach management expenses and customer notifications, and policy shall include coverage for customer notifications; and

9.2 **Policy Requirements.** Bank shall be included as an Additional Insured under the Commercial General Liability and the Umbrella Liability Policy required of BMT above shall be follow form. Such Additional Insured coverage shall be provided on a primary and non-contributory basis and shall not require Bank's policies to contribute toward the payment of any loss. Each Party will maintain insurance coverage set forth during the term of this Agreement and for at least one year after termination of the Agreement.

9.3 **Certificates.** Prior to commencing the Services but in no event later than ten (10) business days from the Effective Date, each Party shall deliver to the other ACORD Certificates of Insurance, Additional Insured Endorsement, and Primary and Non-Contributory Endorsement as required by written contract evidencing compliance with the terms hereof. At all times following the Effective Date of this Agreement, each Party shall promptly provide to the other Party current ACORD certificate(s) from its insurers indicating the amount of insurance coverage in force, the nature of such coverage and the expiration date of each applicable policy as well as the Additional Insured Endorsement and Primary and Non-Contributory Endorsement, as applicable. The ACORD certificate(s) will state that companies affording coverage will provide the other Party with at least thirty (30) days prior written notice of any cancellation, non-renewal or significant modification of the scope or limits of any coverage. The Certificate(s) will be on an ACORD form, which a Party can verify provides continuing insurance coverage and adequate limits through the Term of this Agreement. Certificate Holder language for Bank is as follows: Customer Bank, Attn: Corporate Insurance Risk Management Department, 701 Reading Avenue, West Reading, PA 19611. ACORD Certificates, Additional Insured Endorsement, and Primary and Non-Contributory Endorsement as required by written contract are to be delivered to Bank via email at: [corporateinsurance@customersbank.com](mailto:corporateinsurance@customersbank.com).

9.4 **Rating.** Unless otherwise agreed in writing, all policies of insurance shall be underwritten through insurance companies at all times authorized to do business in the various states where the Services are rendered and at all times maintain a minimum A.M. Best rating of A-, Class VIII.

9.5 **Coverage.** The insurance coverage to be maintained by a Party shall cover that Party's activities undertaken in connection with the Agreement whether within or outside the United States. If a Party's duties and obligations under the Agreement should change during the term of this Agreement or contemplate activity outside the United States, such Party shall deliver proof of the geographical scope of the insurance coverage within thirty (30) business days of geographical change.

9.6 **No Limitation of Liability.** Neither the issuance of any insurance policy required hereunder, nor the minimum levels of insurance coverage required herein, shall serve to limit any liability otherwise accruing to a Party hereunder or in connection with the Depositor Program.

## SECTION X INDEMNIFICATION

10. **Indemnification by Bank.** Bank shall indemnify and defend BMT and its parent, subsidiaries and affiliates, and its and their respective officers, directors, employees, and permitted assigns, against any

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direct damages, losses or expenses arising from any legal action, claim, demand, or proceedings brought against any of them (including reasonable attorneys' fees) as a result of: (a) any act of gross negligence, willful misconduct, or intentional tort on the part of Bank or its agents, officers, or employees; (b) any alleged or actual material breach by Bank of this Agreement; or (c) the authorized access and use by BMT of any Marks of Bank; provided, however, that Bank shall not be liable for any losses that arise from (x) any act of gross negligence, willful misconduct, or intentional tort on the part of BMT or its agents, officers, or employees; or (y) any material breach by BMT of this Agreement, and (d) any Security Incident caused by Bank or its subcontractors or agents (other than BMT).

**10.2 Indemnification by BMT.** BMT shall indemnify and defend Bank and its parent, subsidiaries and affiliates, and its and their respective officers, directors, employees, and permitted assigns, against any direct damages, losses or expenses, including regulatory claims and fines, arising from any legal action, claim, demand, or proceedings brought against any of them (including reasonable attorneys' fees) as a result of: (a) the gross negligence, willful misconduct, or intentional tort on the part of BMT or its agents, officers, or employees; (b) any alleged or actual material breach of this Agreement; (c) any Security Incident caused by BMT or its subcontractors or agents (other than Bank); (d) any determined or suspected fraudulent activity related to any Depositor Account or Card; or (e) any dispute with any Depositor related to Regulation E; provided, however, that BMT shall not be liable to Bank for any losses that arise from (x) any act of gross negligence, willful misconduct, or intentional tort on the part of Bank or its agents, officers, or employees; or (y) any material breach by Bank of this Agreement.

**10.3 Indemnification Procedure.** If either Party (the "**Indemnified Party**") becomes aware of any matter which may give rise to a claim for indemnification ("**Indemnification Claim**") against the other Party (the "**Indemnifying Party**"), the Indemnified Party shall promptly notify the Indemnifying Party in writing; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party is materially prejudiced thereby. The Indemnifying Party will have the right to assume the defense of the third-party claim with counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party in such proceeding, and shall pay the fees and disbursements of such counsel related to such proceeding, so long as (i) the Indemnifying Party notifies the Indemnified Party in writing within thirty (30) days after the Indemnified Party has given notice of the indemnification claim that the Indemnifying Party will indemnify the Indemnified Party in accordance with this Section, and (ii) the Indemnifying Party conducts the defense of the third-party claim actively and diligently. The Indemnified Party also may retain its own separate co-counsel at its sole cost and expense and participate in the defense of the claim. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party (i) if such settlement involves any form of relief other than the payment of money or any finding or admission of any violation of any law, regulation or order or any of the rights of any person or has any adverse effect on any other indemnification claims that have been or may be made against the Indemnified Party or (ii) if such settlement involves only the payment of money, unless it includes an unconditional release of such Indemnified Party of all liability on claims that are the subject of such proceeding. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there is a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any Loss by reason of such settlement or judgment. The Indemnified Party may assume control of the defense of any claim if (A) the Indemnifying Party fails to provide reasonable assurance to the Indemnified Party of its financial capacity to defend or provide indemnification with respect to such claim, (B) the Indemnified Party determines in good faith that there is a reasonable likelihood that an indemnification claim would materially and adversely affect it or any other indemnities other than as a result of monetary damages that would be fully reimbursed by an Indemnifying Party under this Agreement, or (C) the Indemnifying Party refuses or fails to timely assume the defense of such indemnification claim.

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## SECTION XI LIMITATION OF LIABILITY

11.1 THE AGGREGATE CUMULATIVE LIABILITY OF EACH PARTY WITH RESPECT TO THE OTHER PARTY FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RELATED TO THIS AGREEMENT WITH RESPECT TO CLAIMS RELATING TO EVENTS DURING THE TERM OF THIS AGREEMENT SHALL NOT UNDER ANY CIRCUMSTANCES EXCEED FIVE MILLION DOLLARS (\$5,000,000).

11.2 NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY INDIRECT, EXEMPLARY, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS INTERRUPTION, OR LOST DATA) HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT, OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

11.3 NOTWITHSTANDING ANYTHING TN THIS AGREEMENT TO THE CONTRARY, THE LIMITATIONS OF LIABILITY SET FORTH IN THIS ARTICLE 11, INCLUDING, WITHOUT LIMITATION, THE MONETARY LIMITATION SET FORTH ABOVE, SHALL NOT APPLY TO ANY CLAIMS ARISING OR RESULTING FROM (A) A PARTY'S BREACH OF CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTION VI; (B) INDEMNIFICATION OBLIGATIONS SET FORTH IN ARTICLE X; OR (C) A PARTY'S FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

## SECTION XII MISCELLANEOUS PROVISIONS

12.1 **Cooperation and Access.** The Patties shall reasonably cooperate in order to effect the transaction contemplated herein. The Parties hereby agree to provide the other with full and complete access to their respective operations to the extent relating to the transactions contemplated herein and all matters related thereto.

12.2 **Arbitration.** Any dispute arising under this Agreement shall be referred to and resolved by arbitration in the Commonwealth of Pennsylvania, in accordance with the rules of the American Arbitration Association, by a panel of three arbitrators, one of whom shall be selected by BMT, one of whom shall be selected by Bank, and the third of whom shall be selected by the arbitrators selected by BMT and Bank. A determination made in accordance with such rules shall be delivered in writing to the Parties hereto and shall be final and binding and conclusive upon them. Each Patty shall pay its own legal, accounting, and other fees and expenses in connection with such an arbitration; provided, however, that the arbitrators may award arbitration costs, including legal, auditing, and other fees and expenses to the prevailing party in the arbitration proceeding if the arbitrators determine that such an award is appropriate,

12.3 **Relationship of Parties.** Bank and BMT agree that in performing their responsibilities pursuant to this Agreement, they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partner or joint ventures or any association for profit between and among Bank and BMT.

12.4 **Entire Agreement.** This Agreement contains the entire agreement of the Parties with respect to the subject matter contained herein and there are no agreements, warranties, covenants, or undertakings, other than those expressly set fo1th herein. BMT and Bank may enter into additional agreement for other products through separate agreements or amendments hereto.

12.5 **Assignment.** Neither this Agreement nor any of the rights or obligations under this Agreement, may be assigned or delegated, in whole or in part, by operation of law or otherwise, by any Party hereto without the prior written consent of the other Patty hereto, and any such assignment without such prior written consent shall be null and void; provided, however, a Patty may assign any or all of its rights and obligations under this Agreement to any

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of its Affiliates, but only to the extent that such assignment would not result in an impairment of the other Party 's rights under this Agreement; and provided, further, that a Party may, without the prior written consent of the other Party, assign all or any portion of its rights and obligations under this Agreement to an affiliate or subsidiary. Subject to the preceding sentence, this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the Parties hereto and their permitted successors and assigns. No assignment shall relieve the assigning Party of any of its obligations hereunder. For the purposes of this Agreement, "affiliate" is a person who is controlled by or is under the common control of a Party, "control" being presumptively shown by a majority ownership and/or voting interest.

**12.6 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflict of laws rules.

**12.7 Amendment and Waiver.** This Agreement may not be amended except by an instrument in writing signed on behalf of all of the Parties. Any term, provision, or condition of this Agreement (other than that required by law) may be waived in writing at any time by the Party which is entitled to the benefits thereof.

**12.8 Force Majeure.** Neither Party shall be deemed to be in default hereunder or liable for any losses arising out of the failure, delay or interruption of its performance of obligations under this Agreement due to any act of God, act of terrorism, act of public enemy, war, riot, flood, civil commotion, insurrection, severe weather conditions, or any other cause beyond that Party's reasonable control.

**12.9 Interpretation.** The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

**12.10 Notice.** Any notice to be given hereunder to the other Party, including any notice of a change of address, shall be in writing and shall be deemed validly given if (a) delivered personally or (b) sent by express delivery service, registered or certified mail, postage prepaid, return receipt requested or (c) sent by facsimile or email, as follows:

**To Bank:**

CUSTOMERS BANK  
701 Reading Avenue West Reading, PA  
19611 Attention: Samvir Sidhu  
E-mail: [ssidhu@customersbank.com](mailto:ssidhu@customersbank.com)

*With a copy to:*

CUSTOMERS BANK  
701 Reading Avenue West Reading, PA  
19611 Attention: Andrew Sachs  
E-mail: [asachs@customersbank.com](mailto:asachs@customersbank.com)

**To BMT:**

BM TECHNOLOGIES, INC.  
201 King of Prussia Rd., Suite 650 Radnor, PA 19087  
Attention: Luvleen Sidhu Email:  
[lsidhu@bmtx.com](mailto:lsidhu@bmtx.com)

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All such notices shall be deemed given on the date of actual receipt by the addressee if delivered personally, on the date of deposit with the express delivery service or the postal authorities if sent in either such manner, on the date the facsimile or email is sent if sent in such manner, and on the date of actual receipt by the addressee if delivered in any other manner.

12.11 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

***END OF PAGE NEXT PAGE IS SIGNATURE PAGE***

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IN WITNESS WHEREOF, this Deposit Processing Services Agreement is executed by the Parties' authorized officers or representatives and shall be effective as of the Effective Date.

**BANK**

**BANK**

BM TECHNOLOGIES,  
INC.

CUSTOMERS BANK

**By: /s/ Luvleen Sidhu**  
**Title: Chief Executive**  
**Officer**

**By: /s/ Carla Leibold**  
**Title: Executive Vice**  
**President**

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**SCHEDULE 2.3**

**BMT DUTIES UNDER PLBPA**

[Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the SEC upon request.]

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**Schedule 3.1**

**FEES**

[Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the SEC upon request.]

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## Exhibit A

### DATA SECURITY

#### I. **Commingling of Data.**

BMT will not commingle or otherwise combine any Confidential Information with any data or information belonging to or provided by any of BMT's other customers or clients in the same instance of the utilized banking core without documented processes and controls that prevent the access to the Confidential Information and data or information belonging to or provided by another BMTX customer. Applicable processes and controls utilized by BMT shall include: by branch in in the core instance, , by unique account identifiers including RXN, ICA/BIN, unique account type number, and range of unique and dedicated account numbers. BMT shall institute and maintain quality controls, including suitable testing procedures, in a manner consistent with the highest applicable industry standards and Privacy and Data Security Requirements, to ensure that such commingling does not occur.

#### II. **Security.**

A. Security Breach. BMT acknowledges the confidential and proprietary nature of the Confidential Information and shall immediately notify Bank in writing of any breach or potential breach of security, or suspected or threatened breach, relating to any of Bank's Confidential Information of which it becomes aware (a "**Security Incident**"). Notification provided to Bank shall include, if known, and to BMT's knowledge as of the time of notice: (i) the general circumstances and extent of any unauthorized access to Confidential Information or intrusion into the computer systems or facilities on or in which Confidential Information is maintained; (ii) which, if any, categories of Confidential Information were involved; (iii) BMT's plans for corrective actions, to respond to the Security Incident; (iv) the identities of all individuals (including any Depositors) whose Confidential Information was affected; and (v) steps taken to secure the data and preserve information for any necessary investigation. The notification required to be delivered to Bank shall be delivered promptly and in no event later than forty-eight (48) hours after BMT learns of any such actual, suspected or threatened Security Incident. BMT shall not unreasonably delay its notification to Bank for any reason, including investigation purposes. BMT shall, at its own expense, cooperate fully with Bank in investigating and responding to each successful or attempted Security Incident including, in the event that Confidential Information of Bank is affected, allowing immediate access to BMT's facilities by Bank and Bank's investigators or other representatives, to investigate, and obtain copies of data as provided herein.

B. Additional Procedures in the Event of a Security Incident. BMT shall also, at its own expense, cooperate with Bank in responding to the Security Incident, notifying Depositors or other affected individuals as required by law, and seeking injunctive or other equitable relief against any such person or persons who have violated or attempted to violate the security of Confidential Information. In the event that Applicable Law requires that Bank's customers or other affected persons be notified of a Security Incident, and Applicable Law does not establish whether such notice must come from Bank or BMT, Bank shall have the discretion of determining whether such notice shall come from Bank or BMT. In any event, the content, timing, and other details of such notice shall be subject to Bank's approval, in Bank's sole and reasonable discretion. BMT shall be responsible for reimbursing Bank for the costs of such notifications and fielding feedback and questions from those notified, and any other associated costs that Bank may incur in connection with responding to or managing a Security Incident (for example, without limitation, costs of credit monitoring services, call center services and forensics services, fines imposed by regulatory agencies resulting from the Security Incident and costs associated with investigating and responding to investigations and inquiries related to a Security Incident from federal and state agencies and others,

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including legal fees).

C. Information Security. BMT will maintain and enforce safety, electronic, and physical security procedures with respect to its access, use, and possession of Bank's Confidential Information, including Depositor Information, that are (i) compliant with Bank's information security guidelines, policies and requirements (including Database Security Technical Implementation Guide (STIG) templates, National Institute of Standards and Technology (NIST) standards, and Control Objectives for Information and related Technology (COBIT) frameworks), which may be provided by Bank to BMT from time to time or, if such guidelines, policies and requirements are not provided by Bank, at least compliant with the Federal Risk and Authorization Management Program (FedRAMP) standards and other industry standards for such types of locations, and (ii) which provide appropriate technical and organizational safeguards against accidental or unlawful destruction, loss, alteration or unauthorized disclosure or access of such information. Without limiting the generality of the foregoing, BMT will take all reasonable measures to secure and defend its locations and equipment against "hackers" and others who may seek, without authorization, to modify or access BMT systems or the information found therein. BMT will periodically test its systems for potential areas where security could be breached. Without in any way limiting the provisions of Section 2(A) or 2(B) of this Exhibit A, BMT (a) will deliver to Bank a root cause assessment and future incident mitigation plan with regard to any breach of security or unauthorized access affecting Bank's Confidential Information, (b) will provide Bank all written details regarding BMT's internal investigation regarding any security breach, (c) upon Bank's request, provide a second more in depth investigation and results of findings, (d) agrees not to notify any regulatory authority nor any Depositor or consumer, on behalf of Bank unless Bank specifically requests in writing that BMT do so, and (e) shall cooperate with Bank to work together to formulate a plan to rectify all security breaches.

### **III. Self Audit.**

BMT shall maintain internal control policies and procedures as part of its compliance management system to ensure its compliance with this Agreement and all applicable laws. In addition to the audit rights of Bank and Regulators under this Agreement, on at least an annual basis, BMT shall perform a risk based self assessment of its business and operations to evaluate its compliance with the Agreement and delivery of the Services. The risk based self assessment shall be initiated no later than the anniversary date of each year of the Term. Within sixty (60) days of the initiation of a risk based self assessment,, BMT shall provide Bank with a written summary outlining the results of the risk based self assessment.

## DEPOSIT PROCESSING SERVICES AGREEMENT

THIS DEPOSIT PROCESSING SERVICES AGREEMENT (including all schedules, appendices, exhibits, addenda and amendments, this "Agreement") is entered into as of this 16th day of March 2023 ("Signature Date") by and between First Carolina Bank, a North Carolina- chartered, non-member community bank with its headquarters located at 171 North Winstead Avenue, Rocky Mount, North Carolina 27804 ("Bank"), and BMTX, Inc. ("BMTX"), a Pennsylvania corporation with its principal place of business at 201 King of Prussia Road, Suite 650, Radnor, Pennsylvania 19087. BMTX and Bank are hereinafter referred to, collectively, as the "Parties," and individually each as a "Party."

### RECITALS

WHEREAS, BMTX desires to offer BMTX-branded financial products to Depositors, including deposits accounts and debit cards, through program relationships in the United States;

WHEREAS, Bank, a federally-insured depository institution, offers a variety of banking products and services through its branches, offices and online;

WHEREAS, Bank will establish deposit accounts on behalf of BMTX and its higher education clients, serve as the issuing bank for debit cards issued to Depositors and provide certain other banking services to BMTX, all of which will be marketed by BMTX in the name of Bank under the "BankMobile" brand as licensed to Bank as part of BMTX's higher education deposit account program to current and prospective Depositors, in each case, in accordance with the terms of this Agreement;

WHEREAS, the Parties may agree, subject to the terms of this Agreement, to additional deposit programs with respect to BMTX's white label programs; and

WHEREAS, the Parties desire to document the Depositor Program contemplated under this Agreement as well as their respective obligations and responsibilities in relation thereto.

NOW, THEREFORE, in consideration of the mutual covenants and representations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties hereto agree as follows:

### SECTION 1 DEFINITIONS

1.1 Certain Definitions. As used in this Agreement, the following terms have the definitions indicated.

"Affiliate" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Person, regardless of whether such Affiliate is or becomes an Affiliate on or after the Signature Date, but only for so long as such Person remains an Affiliate. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common

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control with” means: (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise; or (ii) the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

“AML” means anti-money laundering.

“Applicable Law” means, with respect to any Person, any law (including common law), ordinance, statute, treaty, rule, Order, regulation, official directive, consent, approval, opinion, interpretation, regulatory guidance, authorization or other determination or finding of any Regulatory Authority, or rule or interpretation of FINRA, applicable to or binding upon such Person or to which such Person is subject, including any interpretation of a Regulatory Authority applicable to or binding upon Bank, or any guidance, directive or instruction directed to and binding on Bank or generally binding on participants in Bank’s industry from a Regulatory Authority (whether or not published) whether federal, state, county, local, foreign or otherwise, as may be amended and in effect from time to time.

“Bank Rules” means the policies and procedures of Bank, including the Risk Management Considerations, to ensure the continued safety and soundness of Bank and made available to BMTX, as may be amended and promptly provided to BMTX from time to time.

“BMT” means BM Technologies, Inc., a Delaware corporation with its principal place of business at 201 King of Prussia Road, Suite 650, Radnor, Pennsylvania 19087, and the parent company of BMTX.

“Business Day” means any day except (i) Saturday; (ii) Sunday; and (iii) any day that is a federal holiday or a day on which banking institutions in the State of North Carolina are authorized or required to be closed.

“Change of Control” means, with respect to a Party (or its ultimate parent): (i) a merger, acquisition, consolidation or reorganization of such Party (or its ultimate parent) with a Third Party that results in the voting securities of such Party (or its ultimate parent) outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent more than fifty percent (50%) of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger or consolidation; (ii) a transaction or series of related transactions in which a Third Party, together with its Affiliates, becomes the “beneficial owner” (as such term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, and Rule 13d-3 thereunder (or, in each case, any successor thereto), except that a Person shall be deemed to have “beneficial ownership” of all shares that any such Person has the right to acquire, whether such right may be exercised immediately or only after the passage of time), directly or indirectly, of more than fifty percent (50%) of the combined voting power of the outstanding securities of such Party (or its ultimate parent); or (iii) the sale or other transfer to a Third Party, whether directly or indirectly by a Party or an Affiliate thereof, of all or substantially all of such Party’s (or its ultimate parent’s) assets or business to which the subject matter of this Agreement relates.

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“Complaint” means an oral or written statement or inquiry from a Depositor, or his or her representatives, expressing dissatisfaction about products or services offered by Bank and serviced by BMTX, including those in conjunction with a Service Provider, and regulatory correspondence from Regulatory Authorities.

“Complaint Log” means a report prepared monthly by BMTX for each calendar month listing all Complaints received by BMTX during the prior calendar month, the disposition of prior Complaints during the prior calendar month and the status of unresolved Complaints. The Complaint Log shall include the date the Complaint was received, the channel of receipt (e.g., telephone, email, Depositor, Third Party and Regulatory Authority), the date the Complaint was responded to, a description of the issues raised in the Complaint and a description of the status or resolution of the Complaint.

“Confidential Information” means all information of any kind concerning a Party (or an Affiliate of a Party) including all Protected Information, and all business, technical or other information that is furnished by or on behalf of such Party in connection with this Agreement, as well as the terms and conditions of this Agreement, except information: (i) ascertainable or obtained from public or published information; (ii) received from a Third Party not known to the recipient of Confidential Information to be under an obligation to keep such information confidential; (iii) which is or becomes known to the public (other than through a breach of an obligation of confidentiality); (iv) of which the recipient was in possession prior to disclosure thereof in connection herewith; or (v) which was independently developed by the recipient without the benefit of Confidential Information.

“Contract Year” means the twelve (12)-month period during the Term commencing on the Effective Date and each anniversary thereof. References to “Contract Year 1,” “Contract Year 2” and the like refer in sequential order, respectively, to the first Contract Year during the Term, the second Contract Year during the Term, and the like.

“Core EBITDA” means, for each calendar quarter, GAAP net income (loss) plus each of the following: (i) loss (gain) on fair value of private warrant liability; (ii) depreciation and amortization; (iii) interest; (iv) taxes; (v) non-cash equity compensation; (vi) merger expenses; (vii) non-cash impairment changes; and (viii) non-recurring restructuring charges.

“Customers Bank” means Customers Bank, a Pennsylvania-chartered bank with its headquarters located at 99 Bridge St., Phoenixville, Pennsylvania 19460.

“Debit Card” means a debit card or other electronic access device issued by Bank to a Depositor for purposes of accessing the Depositor Account.

“Depositor” means any Person who opens and holds a Depositor Account, which includes the Existing Depositors to the extent that their respective Existing Depositor Accounts are transferred to Bank on or after the Effective Date.

“Depositor Account” means the personal demand deposit account of a Depositor in connection with the Depositor’s participation in the Depositor Program that is held by Bank, serviced by BMTX and that is subject to a Depositor Agreement, which includes the Existing

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Depositor Accounts effective upon the date that such Existing Depositor Accounts are transferred to Bank.

“Depositor Agreement” means, collectively, the agreement(s) by and among Bank, BMTX and a Depositor governing the terms and use of a Depositor Account and all related disclosures as may be required by Applicable Law or deemed necessary by Bank.

“Depositor Program” means the Depositor Account program contemplated by this Agreement pursuant to which BMTX may offer to Depositors and potential Depositors the opportunity to establish personal demand deposit accounts in connection with the Higher Education Business.

“Deposits” means the Depositor ledger balances in the Depositor Accounts.

“Effective Federal Funds Rate” means, for any day, the effective federal funds rate (EFFR) calculated as a volume-weighted median of overnight federal funds transactions reported in the FR 2420 Report of Selected Money Market Rates and published by the Federal Reserve Bank of New York.

“Escalated Complaints” means Complaints: (i) filed by or forwarded from any Regulatory Authority; (ii) filed with any Regulatory Authority; (iii) with specific allegations of discriminatory practices; (iv) with specific allegations suggesting Bank or BMTX has engaged in an unfair, deceptive or abusive act or practice; (v) with specific allegations of fraudulent practices; or (vi) alleging violations of Applicable Laws with respect to consumer protection.

“Existing Depositor” means the depositors under the Existing Depositor Programs. “Existing Depositor Account”

means an Existing Depositor’s account under the Existing

Depositor Programs. The Existing Depositor Accounts include the Existing Student Depositor Accounts.

“Existing Depositor Programs” means the depositor programs serviced by BMTX in connection with the Higher Education Business, with Customers Bank as the sponsor bank, prior to the Effective Date.

“Existing Student Depositor Account” means the initial portfolio of depositor accounts sourced through the Student Refund and Deposit Business that BMTX will transfer to Bank following any required approval for the transfer of such Depositor Accounts by the FDIC.

“FDIC” means the Federal Deposit Insurance Corporation or any successor entity. “Fees” means all fees and

charges generated from the use of the Depositor Accounts,

including any Debit Card usage, interchange, and miscellaneous fees.

“Financial Transaction(s)” means a transaction involving the withdrawal of funds from, or the deposit of funds to, a Depositor Account.

“FINRA” means the Financial Industry Regulatory Authority.

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“GAAP” means, as of a particular time, generally accepted accounting principles as in effect in the United States as of such time.

“Graphic Standards” means all standards, policies, and other requirements adopted by Bank and provided to BMTX from time to time with respect to use of its Marks.

“Higher Education” means an educational institution through which BMTX offers its student refund and other disbursement services.

“IDV” means identity verification.

“Issuer Network Assessments” means domestic assessments, cross-border volume fees, transaction processing fees and other related fees, net of rebates and incentives, assessed by the Networks (or any similar entities) on Bank for providing transaction processing and other payment-related products and services.

“Joint Oversight Policies” means the written policies and procedures as to be agreed to by the Parties, as may be amended from time to time.

“KYC” means customer identification, commonly referred to as “know your customer.” “Losses” means liabilities, costs, expenses (including reasonable attorneys’ fees and expenses and costs of defense), damages, judgments, fines, losses, claims, damages or liabilities and amounts paid in settlement.

“Marks” means trademarks, service marks, domain names, trade names, service names, brand names, trade dress rights, logos, corporate names, trade styles, logos and other source or business identifiers and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, whether or not registered, and if registered, together with all applications, registrations, renewals and extensions thereof.

“Material Adverse Effect” means a change, effect, event or circumstance that would have, individually or in the aggregate, a material adverse change in, as the case may be, the assets, liabilities, financial position or results of operations, prospects or business conditions of a Party, taken as a whole.

“Net Interchange Fees” means the total of all interchange revenue (net of any Issuer Network Assessments) received by Bank from Networks in connection with the use of Debit Cards.

“Network” means AllPoint, MasterCard, VISA, Cirrus, Plus or any similar payment card network electronic payment processing system over which Financial Transactions with respect to Debit Cards are transmitted, captured, authorized, processed and settled.

“Network Rules” means, with respect to a Network, the operating rules and obligations governing the use of the Network by participants, as may be amended or restated from time to time.

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“OFAC” means the U.S. Department of Treasury’s Office of Foreign Assets Control.

“Order” means any order, injunction, judgment, doctrine, decree, ruling, writ, assessment or arbitration award of any Regulatory Authority.

“Person” means any individual, sole proprietorship, partnership, corporation, limited liability company, joint venture, company, bank, trust, unincorporated organization, government or any department, agency or instrumentality thereof.

“Regulatory Authority” means any governmental or regulatory authority, foreign or domestic, including any federal, state, municipal, administrative or other court, governmental department, commission, board, agency, office or supervising entity, or any other governmental or regulatory authority having jurisdiction over Bank or BMTX.

“Risk Management Considerations” means considerations as identified by the enterprise risk management policies and procedures of Bank relating to: (i) credit risk; (ii) safety and soundness; (iii) reputational risk; (iv) litigation risk; and (v) regulatory risk, as such policies and procedures may be amended and supplemented during the term of this Agreement in Bank’s sole discretion and provided to BMTX.

“SEC” means the U.S. Securities and Exchange Commission.

“Solicitation Materials” means all media of any kind or nature, in whole or in part, that is developed, produced, launched, used or distributed by or on behalf of BMTX, including any advertisements, brochures, applications, promotional materials, telemarketing scripts, point of purchase displays, packaging and any other written materials relating to the Depositor Program, as well as all marketing and advertising in paper or electronic or other formats, including television advertisements, radio advertisements, electronic web pages, electronic web links and any other type of advertisements, marketing materials, promotional materials or interactive media related to the Depositor Program, including any disclosures, frequently asked questions, interview or public speaking scripts, or training and any such materials sent to, or the scripts or templates used in connection with oral communications with, a Depositor or potential Depositor.

“Student Refund and Deposit Business” means the business of BMTX or its Affiliates as conducted prior to and during the Term in connection with BMTX’s Higher Education white label program marketed as BankMobile Vibe.

“Supervisory Objection” means: (i) an objection raised by a Regulatory Authority having supervisory authority over a Party that expresses the Regulatory Authority’s opinion that one or more provisions of this Agreement or the Depositor Program constitutes a violation of Applicable Law, is unsafe or unsound or is otherwise unfair, deceptive or abusive; (ii) any cease-and-desist or other similar Order of a Regulatory Authority; (iii) changes in the written treatment of Applicable Law by a Regulatory Authority; or (iv) a directive by a Regulatory Authority to cease or materially limit performance of the obligations under this Agreement.

“Third Party” means any Person other than Bank, BMTX and their respective Affiliates.

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## SECTION 2 OBLIGATIONS AND COVENANTS

2.1 General Intent. It is the intent of the Parties to offer Depositor Accounts to existing and potential Depositors through BMTX partnerships with various Higher Education clients in conjunction with other customized products and services offered by BMTX. As set forth herein, BMTX, on behalf of Bank, will provide embedded technology and mobile application processing, core banking system, and interfaces thereto as well as the setup, processing, reporting, customer care and other administrative services including customer services, with respect to those Depositor Accounts, and Bank will establish and maintain the Depositor Accounts opened by such Depositors. Depositor Accounts opened through a BMTX-marketed Higher Education relationship between the BMTX client, BMTX and Bank creates a multiparty customer relationship with the Depositor. For the Term, as between Bank and BMTX, the origination of new Depositor Accounts and servicing of existing Depositor Accounts shall be directed by BMTX.

2.2 Specific Obligations of BMTX. BMTX shall be responsible for the following obligations in accordance with Joint Oversight Policies, Network Rules and Applicable Law.

(a) Contracts with Higher Education Clients. From time to time, BMTX may enter into agreements with Higher Education clients to provide the services and products to them or their students, faculty, staff, alumni, or other related parties (collectively, with the Student Refund and Deposit Business, the “Higher Education Business”). As part of such agreements, and using Solicitation Materials approved by Bank, BMTX shall make available to the Higher Education clients, or their students, faculty, staff and alumni, the Depositor Program, including Depositor Accounts and services, and BMTX shall manage such relationships with the Higher Education clients on an ongoing basis and shall process any Depositor Accounts under the Depositor Program.

(b) Operations of Depositor Program. BMTX, directly or pursuant to contracts with Service Providers, shall provide for all necessary operations of the Depositor Program, in accordance with Schedule 2.2, including the necessary management, financial expertise, staff, and software and technology needed to conduct the Depositor Program, excluding all Bank staff, systems, networks, utilities, software, and hardware.

(c) Master Account Recordkeeping. BMTX will provide the appropriate reports and supporting documentation necessary for Bank to make entries to an account established by Bank for such purpose to (i) reflect the Financial Transactions to the Depositor Accounts and (ii) maintain such necessary records to establish a Depositor Account for each individual Depositor with sufficient detail as required by Applicable Law to assist in ensuring that the Depositor Accounts qualify for FDIC insurance.

(d) Verification of Customer Identity. BMTX, consistent with the Joint Oversight Policies, shall be responsible for the collection and verification of such Depositor information as is necessary to (i) verify Depositor identity and complete appropriate Office of Foreign Assets Control validation; and (ii) to satisfy the customer identification program requirements applicable to insured depository institutions found in 31 CFR Chapter X. Bank shall approve, in its sole discretion all such policies and procedures.

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(e) Depositor Account Recordkeeping. BMTX shall be responsible for the processing of all transactional activity on behalf of Bank in connection with the Depositor Accounts, including: (i) ACH and wire transfer transactions initiated at the direction of Depositors; (ii) deposits to Depositor Accounts (via ACH, mail, wire transfers, and direct credits from its clients to recipients individually identified to BMTX and identified by BMTX to Bank); and (iii) coordinating and providing support for payments made from Depositor Accounts, including payment by check, Debit Card and electronic payment.

(f) Check Production and Debit Card Management. BMTX shall be responsible for the following:

(i) arranging for the production of all checks or Debit Cards provided to Depositors in connection with any Depositor Account, including the manufacturing, printing and distribution of all checks or Debit Cards including providing the Depositor Agreement related thereto, and including such other names and Marks as may be required to conform to Graphic Standards, Applicable Law, Joint Oversight Policies, and the Network Rules;

(ii) handling and distributing, or having arranged for the handling and distributing of Debit Cards or checks as necessary; and

(iii) managing all security aspects of the Debit Cards.

(g) Document Retention. Consistent with Applicable Law, Joint Oversight Policies or Network Rules, BMTX shall retain on behalf of Bank such potential Depositor's application, all supporting information and documentation, and any reports prepared therefrom, as provided by Applicable Law, the Joint Oversight Policies, and the Network Rules, and shall at all times be available to Bank in electronic form promptly upon request.

(h) Compliance with Law and Regulation. BMTX shall develop, implement, and maintain internal controls reasonably designed to ensure regulatory compliance at all times with Applicable Law including providing Bank with applicable fraud-related information to assist Bank with its Bank Secrecy Act/Anti-Money Laundering obligations and maintaining necessary tax documentation for Depositors (as applicable), maintaining an appropriate regulatory compliance training program, and ensuring the ongoing oversight of Third Parties for compliance with Applicable Law to identify areas of improvement, weaknesses, and trends that may identify non-compliance with Applicable Laws or agreed upon contracts.

(i) Banking Services. Bank will act as a correspondent to enable BMTX to provide banking services including wire processing services, ACH processing services, onboarding, fraud, check processing services, network BIN sponsorship services and ATM sponsorship in connection with the Depositor Program. BMTX shall be responsible for all costs, fees and expenses incurred in connection with its responsibilities under this Agreement to obtain banking services through such Third-Party financial institutions.

(j) Marketing and Advertising. BMTX shall work with its Higher Education clients in the development of Solicitation Materials for marketing the Depositor Program to end users, in accordance with the terms and conditions of the applicable client agreements and this

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Agreement, and consistent with Applicable Law. In all cases, BMTX shall submit all Solicitation Materials to Bank for review and approval, and Bank will have final authority and approval for all Solicitation Materials.

(k) ATM Operations. BMTX is solely responsible for managing an ATM network and will ensure that the ATM network is serviced, maintained, settled and monitored in accordance with industry standard practices for ATMs and Applicable Law.

(l) Interest Expense Banking Services. BMTX will bear the full costs of any interest paid to Depositors in the Depositor Program. BMTX shall administrate the calculation and crediting of funds to the accounts on behalf of Bank.

2.3 Specific Obligations of Bank. Bank shall perform the following obligations in accordance with the Joint Oversight Policies, Network Rules, the Depositor Agreement and Applicable Law:

(a) Sponsorship. Bank will sponsor BMTX into Fed, money movement, card networks and other associations necessary to enable BMTX to provide services described herein to its clients, Depositors, and end users. If the Parties determine that it is necessary to obtain a separate routing/transit number, solely with respect to the Depositor Program, Bank shall cooperate with BMTX in its efforts to transfer a routing/transit number from a Third-Party financial institution which may include working with BMTX and one or more of its existing bank partners to transfer an existing routing/transit number(s), including by entering into any required agreements to facilitate the continued use of existing routing/transit number(s) and, if necessary, obtain and maintain a separate routing/transit number in connection with the Depositor Program.

(b) Deposit Insurance. Bank shall use commercially reasonable efforts to ensure that its FDIC deposit insurance remains in full force and effect so that the Depositor Account of each Depositor qualifies for FDIC deposit insurance, subject to FDIC rules and regulations, in the Depositor's individual right and capacity, either on a pass-through or direct basis. Bank shall bear all costs associated with providing this insurance.

(c) Availability of Checks. Bank shall permit BMTX to make payable checks in connection with certain Depositor Accounts to be made available to each Depositor through BMTX, with which Depositors may draw against their Depositor Accounts, and Bank shall permit these payable through check transactions when properly drawn on the Depositor Accounts based on funds available in the Depositor Accounts, all in accordance with any Depositor Agreement.

(d) Terms and Conditions for Depositor Agreement. Parties agree that Bank will enter into a Depositor Agreement with each Depositor and included in that agreement(s), will be language in substantially the form below, or other modified version agreed to by the Parties.

Your Relationship with First Carolina Bank and BM Technologies, Inc.

By indicating your agreement in the application process, by proceeding with the account opening process, or by initiating any transactions through the service, you appoint BM Technologies, Inc. as your agent. As your agent, you grant us permission to obtain the funds on your behalf per your

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instructions and to transfer the funds to the recipient that you designate, subject to the terms and restrictions of this Agreement. When you send a payment, until that payment is received by the recipient (which may occur instantly), you remain the owner of those funds and BM Technologies, Inc. may hold those funds as your agent, but you will not be able to retrieve those funds or send the funds to any other recipient unless the initial transaction is canceled in accordance with our policies and rules.

You further authorize BM Technologies, Inc., as your agent, after reasonable notice has been provided to you and without any further consent, to direct the FDIC-insured depository institution then holding your deposit account to transfer your deposit account and all of such depository institution's related obligations and responsibilities to an assuming FDIC- insured depository institution designated by BM Technologies, Inc. However, this authorization in no way impedes your ability to request the closure of your account if such a transfer of holding financial institutions is not acceptable to you.

2.4 Compliance Obligations. Each Party shall perform its respective obligations under this Agreement pursuant to Applicable Law. Each Party shall possess and maintain at all times all licenses, permits, approvals, and registrations required by Applicable Law and the Joint Oversight Policies to perform its obligations pursuant to this Agreement. Each Party, at its own expense, shall be responsible for obtaining any and all regulatory approvals related to the transactions contemplated herein, and shall use its respective commercially reasonable efforts to obtain all such regulatory approvals and cooperate with the other Party to facilitate the procurement of all such regulatory approvals.

2.5 Handling of Complaints. BMTX shall notify Bank of any and all Complaints received in connection with the Depositor Program from a Depositor, Regulatory Authority or Third Party and shall promptly respond to and resolve such Complaints as instructed by Bank. In addition, BMTX shall cooperate with Bank in assessing and evaluating the frequency, nature or underlying causes for any Complaints, and preventing the recurrence thereof. BMTX shall include in each notice regarding a Complaint the name and address of the complainant, a brief summary of the complaint, the date upon which such complaint or inquiry was received, and BMTX's proposed resolution thereof.

(a) Tracking Complaints. BMTX shall track Complaints related to Bank. The tracking requirements of this Section 2.5(a) shall apply to all Complaints, whether received orally or in writing, including those delivered by email or other electronic media, and shall include a description of the nature of the Complaint and BMTX's response thereto. BMTX shall provide Bank with a copy of the Complaint Log for each calendar month on or before the tenth (10th) day of the following calendar month. Escalated Complaints shall be reported to Bank within two (2) Business Days of BMTX being notified of such Escalated Complaint. If Bank is named in the Escalated Complaint, BMTX will identify in the Complaint Log which Escalated Complaints specifically name Bank. BMTX shall maintain an internal procedure to ensure that all Complaints are tracked and responded to appropriately in accordance with generally accepted practices related to the deposit processing services and shall provide Bank with evidence thereof upon request.

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(b) BMTX Complaint Responses. With respect to each Escalated Complaint in which Bank is named, BMTX shall forward each proposed response to Bank for review prior to sending the response to the Person that made the Escalated Complaint. Bank shall have three (3) Business Days from receipt of BMTX's proposed response to mutually agree upon each such proposed response with Bank. If Bank and BMTX cannot mutually agree upon a response within three (3) Business Days, then BMTX may send the response to such Complaint in such form, and when, it deems necessary or appropriate. The final written response to any Complaints shall be maintained in such a manner that Complaints can be promptly identified by BMTX. Without limiting any other obligations of BMTX to provide responses to Complaints as provided herein, upon Bank's request, BMTX shall provide Bank with electronic copies of all final written responses to Complaints.

(c) Recording and Monitoring of Servicing-Related Telephone Calls. With respect to the recording and monitoring of servicing-related telephone calls with consumers, BMTX shall:

(i) retain recordings of such telephone calls for a period of at least one (1) year from the date on which such telephone calls were recorded; and

(ii) permit Bank, upon request, to listen to a sampling of such recorded telephone calls or provide unredacted recorded calls to Bank upon request.

(d) Personnel Training. BMTX shall, at all times during the Term, ensure that all personnel involved in the servicing are appropriately and currently trained in all aspects of their respective duties.

(i) During the course of Bank's review, Bank may request additional documentation from BMTX. This information is to be gathered and provided upon request within established timeframes or within timeframes to satisfy regulatory requests.

(e) Refunds and Apology Letters/Emails. In the event of an Escalated Complaint proximately caused by a BMTX error in servicing, upon request by Bank, BMTX shall promptly issue fee refunds and send an apology letter/email to the applicable complaining Person. In the event of an Escalated Complaint proximately caused by a Bank error, upon request by BMTX, Bank shall promptly issue fee refunds and send an apology letter/email to the applicable complaining Person or authorize BMTX to do so. Without limiting the foregoing, in the event of any Complaint that is not within the scope of the foregoing sentences, upon request by either Party, the Parties shall mutually agree how to address such Complaint, including whether to issue fee refunds and send an apology letter/email to the applicable complaining Person. All copies of documentation for any such refund and apology letter/email will be saved by BMTX with the relevant complaint folder.

2.6 Review of Solicitation Materials. BMTX shall submit all Solicitation Materials to Bank in advance for: (i) Bank's prior written approval, which may be granted or withheld in Bank's sole discretion, notice of which Bank shall use reasonable efforts to provide to BMTX within three (3) Business Days; and (ii) the approval of any applicable Third Parties to the extent required.

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BMTX shall not release, launch, or distribute any Solicitation Materials in any form without having first obtained confirmation in writing of Bank's approval. The content of all Depositor Agreements shall be subject to: (1) Bank's prior written approval, which may be granted or withheld in Bank's sole discretion, notice of which Bank shall use reasonable efforts to provide to BMTX within three (3) Business Days; and (2) the approval of any applicable Third Parties to the extent required. Notwithstanding Bank's approval of the form or content of the Solicitation Materials or a Depositor Agreement, Bank shall have the right, in its sole and absolute discretion, from time to time, with reasonable advance notice, if possible, to require alterations to or amendments of, or provide a substitute for, the Solicitation Materials or Depositor Agreement (each a "Revision" and, collectively, "Revisions") thereof in the event that: (a) Bank reasonably determines that Applicable Law, Joint Oversight Policies or Network Rules require such Revision; (b) Bank receives a Supervisory Objection; (c) either Party receives any written demand or Order from a court, Regulatory Authority or Network, mandating that such Revisions must be implemented; (d) either Party receives or becomes aware of any actual or threatened legal claim based upon or in any way related to the affected portion of the Depositor Program; or (e) Bank in its reasonable discretion determines that Revisions are necessary or advisable in view of Risk Management Considerations. Bank shall notify BMTX in writing of any Revisions, and, unless otherwise directed by Bank, BMTX shall within the timeframe set forth in such notice, but in any event within any timeline required by Applicable Law: (x) incorporate such Revisions into such Solicitation Materials or Depositor Agreement, as the case may be, as may be distributed thereafter; and (y) distribute replacement Solicitation Materials or Depositor Agreements incorporating the Revisions to all Depositors who had received prior versions of the Solicitation Materials or Depositor Agreement.

2.7 Access to BMTX Reports. BMTX shall provide Bank with access to all reports, and such services as Bank requests, to facilitate settlements, balance and reconcile Depositor Accounts, monitor for fraudulent Financial Transactions, comply with Bank's Bank Secrecy Act and OFAC obligations, and otherwise monitor regulatory compliance, BMTX shall keep accurate, complete, and up to date records on behalf of Bank of (a) the identity of each Depositor and the steps taken to verify such identity; (b) all charges, Financial Transactions, and fees that have been made or charged Depositor; and (c) such other information as may from time to time be required by Bank, the Joint Oversight Policies, or Applicable Law (collectively, the "Required Records"), BMTX shall retain all Required Records for a minimum time period as mandated by Applicable Law, Joint Oversight Policies or the Network Rules. All Required Records shall be accurate, and to the extent presenting financial information, kept in a manner that is consistent with accounting standards and designed to fairly present the information set forth therein. BMTX shall provide Bank access to any and all Depositor Program related records, including Required Records that Bank reasonably requests in connection with compliance with Bank's obligations under Applicable Law or Joint Oversight Policies, which policies shall substantially be consistent with Applicable Law.

2.8 Right to Audit. Bank shall have the right to conduct annual audits of BMTX and its Service Providers; provided that, additional audits may be conducted in accordance with a schedule agreed upon by the Joint Program Management Committee or as requested or required by a Regulatory Authority. Bank may conduct such audits itself or select an independent Third- Party auditor to conduct such audits. Such audits, in Bank's or the auditor's discretion, may include an on-site inspection of the respective facilities of BMTX and its Service Providers and a review

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of documents, contracts, hardware and software systems, security systems, policies and procedures, internal audit reports, System and Organization Controls (SOC) reports, other internally produced or reported risk management and compliance management documentation, and books and records of BMTX and its Service Providers. Such audits may be conducted during Business Days upon no less than thirty (30) days' advance notice, unless a shorter notice period is requested or required by a Regulatory Authority. BMTX shall (and shall cause Service Providers to) cooperate with such audit and provide copies or access to such documents, information and personnel as necessary or reasonably helpful for Bank or the auditor to conduct such audit. Bank acknowledges that BMTX shall afford Bank only the site access and access to documentation of Service Providers available to BMTX through its contracts with Service Providers; provided that for contracts with Service Providers entered into (i) on or after the Signature Date, BMTX shall use commercially reasonable efforts to include in such contracts audit rights sufficient to permit Bank to exercise its rights under this Section 2.8; and (ii) prior to the Signature Date, BMTX shall use commercially reasonable efforts to amend such contracts at the time of renewal to the extent that such contracts do not permit Bank to exercise fully its rights under this Section 2.8. In exercising its rights under this paragraph, Bank and its representatives shall take reasonable steps to avoid disruption of the business of BMTX or its Service Provider. BMTX shall (and shall cause Service Providers to) provide to Bank and its auditor such information as Bank may request regarding BMTX, Service Provider and the Depositor Program, for purposes of performing a periodic due diligence or compliance review as permitted by Applicable Law and the Joint Oversight Policies. BMTX shall promptly remediate any issues revealed by any audit at its own expense. Bank shall bear the full expense of any audits performed by Bank under this Section 2.8, unless any such audit reveals a failure by BMTX or any Service Provider to comply with the terms of this Agreement or to comply with any Applicable Law, in which case, BMTX shall bear the full expense of such audit.

2.9 Examination by Regulatory Authorities. BMTX shall (and shall cause Service Providers to) permit any Regulatory Authority to inspect, audit and examine the facilities, records, and personnel of BMTX and its Service Providers relating to the Depositor Program to ensure compliance with Applicable Law at any time during normal business hours upon reasonable notice. BMTX shall (and shall cause Service Providers to) permit any such Regulatory Authority to make abstracts of any such records directly pertaining to the subject matter of this Agreement during such an inspection, audit, or examination.

2.10 Exclusivity.

(a) During the Term, BMTX shall not (and shall cause its Affiliates not to), directly or indirectly, enter into or be a party to any agreement or arrangement with any bank or financial institution, other than Bank, to provide deposit processing services in connection with or otherwise relating to the Higher Education Business (including the Student Deposit Business and the Existing Student Depositor Accounts) and BMTX hereby acknowledges and agrees, on behalf of itself and its Affiliates, that Bank shall have exclusive rights during the Term with respect to the Depositor Program and with respect to all existing and potential customers through BMTX partnerships with various Higher Education Business clients (including through the Student Deposit Business) and in connection with other customized products and services offered by BMTX.

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(b) Notwithstanding Section 2.10(a), if Bank has not received all Requisite Regulatory Approvals from the FDIC by May 15, 2023, commencing on the following calendar day, BMTX shall be permitted to explore the interest of other banks or financial institutions in the Higher Education Business for the purpose of mitigating the risk that Bank does not receive all Requisite Regulatory Approvals from the FDIC by the Outside Date. BMTX shall not be permitted to enter into any binding or nonbinding agreement with any other bank or financial institution prior to the effective date of termination by either Party pursuant to Section 7.2(j) or Section 7.2(k). BMTX's rights under this Section 2.10(b) shall expire and terminate on the day that Bank receives all Requisite Regulatory Approvals from the FDIC.

2.11 Joint Program Management Committee. No later than thirty (30) days after the Signature Date, each Party shall designate individuals to serve on a standing joint program management committee ("Joint Program Management Committee") which shall meet (including through participation by telephone or other electronic means) at least quarterly during the time this Agreement is in effect, at such times and places as the members of the Joint Program Management Committee shall agree. The initial members of the Joint Program Management Committee shall be designated in writing by each Party, which may change its designated individuals for the Joint Program Management Committee at any time and from time to time. The purpose of the Joint Program Management Committee will be to review and discuss the effectiveness of the Depositor Program as a whole and the policies and procedures implemented to ensure compliance with this Agreement, Applicable Law, Joint Oversight Policies, and the Network Rules, and to modify any such policies or procedures if Bank receives a Supervisory Objection. All members of the Joint Program Management Committee shall exercise reasonable diligence and shall cooperate fully with other members of the Joint Program Management Committee in carrying out the purposes and functions of such committee. Each Party shall pay for its own expenses incurred with respect to its participation in the Joint Program Management Committee.

2.12 Joint Oversight Policies and Reporting. The Parties shall use best efforts and work together in good faith to reach an agreement on the terms of the Joint Oversight Policies and BMTX's reporting requirements set forth in Schedule 2.2 on, or prior to, sixty (60) days after the Signature Date, unless otherwise mutually agreed upon by the Parties.

2.13 BMTX Policies and Procedures. Without limiting any other obligations of BMTX:

(a) The Parties acknowledge and agree that the Depositor Program is under the principal oversight and control of BMTX. BMTX shall develop and implement policies and procedures necessary to comply with all KYC, AML and IDV rules and regulations applicable to the Depositor Accounts under Applicable Law and shall be responsible for compliance with all Applicable Law pertaining to KYC, AML and IDV in connection with the Depositor Program and for maintaining appropriate record-keeping relating to the foregoing. Such policies and procedures, which shall be in effect prior to enrolling potential Depositors in a Depositor Account, are subject to prior approval by Bank. Any material changes to such policies or procedures must be approved in writing in advance by Bank. If Bank in its reasonable discretion determines that changes to such policies or procedures are necessary or advisable (including because such policies do not comply with any Applicable Law or the Risk Management Considerations or as otherwise determined by Bank to be necessary to fulfill its oversight and diligence responsibilities under Applicable Law or

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the Risk Management Considerations), the Parties shall promptly modify such policies or procedures as directed by Bank.

(b) Prior to enrolling any potential Depositors in a Depositor Account, BMTX shall develop and implement an identity theft prevention program (“IDTP”) designed to detect, prevent and mitigate identity theft in connection with the Depositor Program. The IDTP shall be designed to comply with the provisions of 12 CFR 41.90-41.91 and the Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation set forth at Appendix J to 12 CFR Part 41. BMTX shall submit the proposed IDTP to Bank for its prior approval, which approval shall not be unreasonably delayed, conditioned or withheld. If Bank in its reasonable discretion determines that changes to the IDTP are reasonably required to comply with any Applicable Law or the Risk Management Considerations, the Parties shall promptly modify the IDTP as directed by Bank.

(c) Each Party shall develop, implement and maintain a comprehensive information security program designed to meet the objectives of the security and confidentiality guidelines of the federal banking agencies’ Interagency Guidelines Establishing Standards for Safeguarding Customer Information and the Interagency Guidelines Establishing Information Security Standards, including the implementation of appropriate policies, procedures and other measures designed to protect against unauthorized access to or use of Protected Information associated with the Bank services maintained or used by BMTX that could result in substantial harm or inconvenience to any Depositor and the proper disposal of Protected Information, and to ensure compliance with 12 CFR Part 304, Subsection C. Each Party shall conduct regular testing of its security systems and safeguards, including penetration testing and vulnerability scans, and BMTX shall promptly provide Bank the results of all penetration testing and vulnerability scan. Each Party shall further develop and maintain a response program in accordance with the Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice and, in accordance with such program, shall take appropriate actions to address incidents of unauthorized access to Protected Information or other information, including notification to the other Party and the Depositors as soon as reasonably possible following any such incident related to or affecting a Depositor. Each Party shall further use commercially reasonable efforts to ensure that any Service Provider having access to Protected Information as part of the provision of the Bank services shall maintain similar security measures and response programs.

2.14 Service Providers. BMTX may outsource to, or otherwise subcontract with, Third Parties for the performance of any of BMTX’s duties under this Agreement (each such Third Party, a “Service Provider”); provided that use of any such Service Providers shall not release BMTX of its obligations to Bank under this Agreement, and BMTX shall remain fully responsible and liable to Bank for all acts and omissions of any Service Provider as if they were acts or omissions of BMTX itself and for any breach of this Agreement caused by such Service Providers. The activities of Service Providers, to the extent such activities are substantial and material to the Depositor Program, as determined by Bank in its sole discretion, will be subject to the Bank’s vendor management policies to the same extent that BMTX is subject to such program and policies, and such Service Provider will be deemed a “Material Service Provider.” Service Providers to be used initially by BMTX for certain services that are substantial and material to the Depositor Program are set forth in Schedule 2.14. Material Service Providers that are in compliance with the Bank’s vendor management policies, Applicable Law and the Risk Management Considerations, as

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determined by Bank in its sole discretion, will be approved. Bank shall provide reasonable notice to BMTX of any material changes to Bank's vendor management policies.

2.15 Guaranty; Joint and Several Liability. BMT hereby absolutely, unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to Bank, the full and timely payment and performance of all present and future obligations, liabilities, covenants and agreements required to be observed and performed or paid or reimbursed or credited by BMTX under or relating to this Agreement, including causing any Affiliates of BMT to provide any services under this Agreement, plus all costs, expenses and fees (including the reasonable fees and expenses of Bank's counsel) in any way relating to the enforcement or protection of Bank's rights under this Agreement. BMT shall be jointly and severally liable for any breach of any representation, warranty, term, covenant, provision or condition of BMTX or any Service Provider under this Agreement.

#### 2.16 Ownership of Data.

(a) Except as otherwise provided in this Agreement, as between the Parties, Bank shall own all Depositor Account Data, and shall have all rights, powers and privileges with respect thereto. Bank hereby grants BMTX the worldwide, perpetual right to use Depositor Account Data in accordance with the privacy notices applicable to the Depositor Account Data for the purpose of fulfilling BMTX's obligations in this Agreement. BMTX shall ensure its use and sharing of Depositor Account Data is in compliance with Applicable Law and is properly described in applicable privacy notices or Deposit Account terms and conditions made available to each applicable Depositor. Upon transfer of any Depositor Account to a Successor Bank in accordance with Section 7.4, Bank agrees to assign all right, title and interest in and to the associated Depositor Account Data to BMTX, subject only to Bank's right to retain copies of Depositor Account Data and use the same only in compliance with Applicable Law. For all Depositor data or information obtained by BMTX independent of the Depositor Program, as between the Parties, BMTX shall own all such data. To the extent that any such data overlaps with or is duplicative of Depositor Account Data under the Depositor Program, BMTX shall ensure its use and sharing of such data is in compliance with Applicable Law and is properly described in any privacy notices or Deposit Account terms and conditions made available to each applicable Depositor. Additionally, BMTX hereby grants Bank the worldwide, perpetual right to use such data in accordance with the privacy notices applicable to such data for the purpose of fulfilling Bank's obligations in this Agreement.

(b) For purposes of this Section 2.16, "Depositor Account Data" means any and all information related to a Depositor Account that is obtained from a Depositor, obtained, generated or created in connection with establishing a Depositor Account, or obtained, generated or created as a result of processing, transaction, servicing and maintenance activities conducted in connection with a Depositor Account, including: (i) Protected Information; (ii) transaction data; (iii) any and all documentation relating to a Depositor Account, including checks, notices, correspondence, instruments, magnetic tapes, disks, hard copy formats or other computer-readable data transmissions; (iv) customer service and collections data; and (v) telephone logs and records.

### **SECTION 3 PROGRAM ECONOMICS**

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3.1 Direct Operating Costs. BMTX shall reimburse Bank's direct costs to operate the Depositor Program including: any fees charged by the Federal Reserve Bank, ACH, wire and other processing and transmission fees, data processing (FIS) expenses (including Depositor Program implementation fees), Network assessment fees (net of any rebates or incentives), check processing fees, ATM fees and any other fees arising from the flow of funds to and from Bank related to Depositor Accounts; provided that BMTX shall not be responsible for audit and regulatory fees with respect to the Depositor Program or for Federal Reserve Bank or Network fees related to Depositor Accounts. All of the operating costs that are required to be reimbursed to Bank by BMTX pursuant to this Section 3.1 are referred to as the "Operating Costs."

3.2 Program Revenues and Fees. Each Party will be entitled to and responsible for those fees and charges set forth in Schedule 3.2, payable at the frequency set forth in Schedule 3.2. The compensation in Schedule 3.2 is in addition to reimbursement of costs and fees set forth in Section 3.1.

3.3 Other Costs and Expenses; Payments. Except as otherwise specifically provided in this Agreement, including with respect to the Operating Costs and the Other Costs and Expenses set forth in Schedule 3.2, the Parties shall each be responsible for their own costs and expenses.

#### **SECTION 4 REPRESENTATIONS OF BANK**

Bank represents and warrants to BMTX as follows:

4.1 Organization, Good-Standing and Conduct of Business. Bank is a bank, duly organized, validly existing and in good standing under the laws of the State of North Carolina and has full power and authority and all necessary governmental and regulatory authorizations to own its properties and assets and to carry on its business as it is presently being conducted.

4.2 Corporate Authority. The execution, delivery and performance of this Agreement have been duly authorized. No further corporate acts or proceedings on the part of Bank are required or necessary to authorize this Agreement.

4.3 Bank Marks. Bank is the owner or licensor of the Bank Marks set forth in Schedule 6.9(b) and has the right, power and authority to license or sublicense to BMTX and authorized designees such Bank Marks, as contemplated by this Agreement, and the use of the Bank Marks by BMTX and authorized designees as contemplated by, and in accordance with, this Agreement does not: (a) violate any Applicable Law; or (b) infringe upon the rights of any Person.

4.4 Binding Effect. When executed, this Agreement will constitute a valid and legally binding obligation of Bank, enforceable against Bank in accordance with its terms, subject to: (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar Applicable Laws now or hereafter in effect relating to rights of creditors of FDIC-insured institutions or the relief of debtors generally; (ii) Applicable Laws relating to the safety and soundness of depository institutions; and (iii) general principles of equity.

4.5 Non-Contravention and Defaults; No Liens. Neither the execution or delivery of this Agreement, nor the fulfillment of, or compliance with, the terms and provisions hereof, will:

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(i) result in a material breach of the terms, conditions or provisions of, or constitute a default under, or result in a violation of, termination of or acceleration of the performance provided by the terms of, any agreement to which Bank is a party or by which it may be bound; (ii) violate any provision of any Applicable Law or the Network Rules; or (iii) violate any provisions of Bank's Articles of Incorporation or Bylaws.

4.6 Necessary Approvals. Except for regulatory approvals applicable solely to financial institutions (which approvals, if any, are determined by Bank to be required), no consent, approval, authorization, registration or filing (excluding any such filings with the SEC) with or by any Regulatory Authority is required on the part of Bank in connection with the execution and delivery of this Agreement or the consummation by Bank of the transactions contemplated hereby.

4.7 Liabilities and Litigation. There are no claims, actions, suits or proceedings pending or, to Bank's knowledge; threatened against Bank, at law or in equity, before or by any Regulatory Authority, an adverse determination of which could have a Material Adverse Effect on the Depositor Program, and Bank knows of no basis for any of the foregoing. There is no Order of any Regulatory Authority affecting Bank or to which Bank is subject.

4.8 Disclosure. Neither Bank nor any principal of Bank has been subject to any administrative or enforcement proceedings commenced by any Regulatory Authority, or any restraining order, decree, injunction or judgment in any proceeding or lawsuit, alleging fraud or deceptive practice on the part of Bank or any principal thereof. For purposes of this Section 4.8, the word "principal" means any executive officer or director of Bank.

4.9 FDIC Insurance. As of the Signature Date Bank is FDIC insured to the maximum extent permitted under Applicable Law.

4.10 Well Capitalized. As of the Signature Date Bank is designated "Well Capitalized" under the Prompt Corrective Action provisions of the Federal Deposit Insurance Act and all regulations and guidelines with respect thereto.

4.11 Continuing Accuracy. The representations and warranties made by Bank in this Agreement shall continue to be accurate and shall remain in full force and effect throughout the Term and Transition Period.

4.12 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BANK DISCLAIMS ALL OTHER WARRANTIES, CONDITIONS AND REPRESENTATIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING THOSE RELATED TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT AND THOSE ARISING OUT OF COURSE OF DEALING, USAGE OR TRADE.

## **SECTION 5 REPRESENTATIONS OF BMTX**

BMTX represents and warrants to Bank as follows:

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5.1 Organization, Good-Standing and Conduct of Business. BMTX is a corporation, duly organized, validly existing and in good standing under the laws of the State of Pennsylvania, and has full power and authority and all necessary governmental and regulatory authorizations to own its properties and assets and to carry on its business as is presently being conducted.

5.2 Corporate Authority. The execution, delivery and performance of this Agreement have been duly authorized. No further corporate acts or proceedings on the part of BMTX are required or necessary to authorize this Agreement.

5.3 BMTX Marks. BMTX is the owner or licensor of the BMTX Marks set forth in Schedule 6.9(c) and has the right, power and authority to license or sublicense to Bank and authorized designees such BMTX Marks, as contemplated by this Agreement, and the use of the BMTX Marks by Bank and authorized designees as contemplated by, and in accordance with, this Agreement does not: (a) violate any Applicable Law; or (b) infringe upon the rights of any Person.

5.4 Binding Effect. When executed, this Agreement will constitute a valid and legally binding obligation of BMTX, enforceable against BMTX in accordance with its terms, subject to: (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar Applicable Laws now or hereafter in effect relating to rights of creditors or the relief of debtors generally; and (ii) general principles of equity.

5.5 Good Standing. Neither BMTX nor any executive officer or director of BMTX has been subject to the following:

(a) criminal conviction (except minor traffic offenses and other petty offenses) in the United States of America or in any foreign country;

(b) Federal or state tax lien or any foreign tax lien;

(c) except as set forth in Schedule 5.5, an Order, not subsequently reversed, suspended or vacated, by the SEC, any state securities Regulatory Authority, Federal Trade Commission, federal or state bank regulatory or any other Regulatory Authority in the United States or in any other country relating to an alleged violation of any federal or state securities law or regulation or any law or regulation respecting financial institutions; or

(d) restraining Order in any proceeding or lawsuit, alleging fraud or deceptive practices on the part of BMTX or any such executive officer or director.

5.6 Financial Statements. BMTX has delivered to Bank complete and correct copies of its balance sheets and related statements of income and cash flow. BMTX's financial statements, subject to any limitation stated therein, which have been or which hereafter will be furnished to Bank to induce it to enter into and maintain this Agreement do or will fairly represent the financial condition of the BMTX. The financial statements have been and will be prepared in accordance with GAAP, as consistently applied, and in accordance with all pronouncements of the Financial Accounting Standards Board, except that non-audited financials are without notes, and are subject to normal year-end adjustments.

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5.7 Non-Contravention and Defaults; No Liens. Neither the execution or delivery of this Agreement, nor the fulfillment of, or compliance with, the terms and provisions hereof, will:

(i) result in a material breach of the terms, conditions or provisions of, or constitute a default under, or result in a violation of, termination of or acceleration of the performance provided by the terms of, any agreement to which BMTX is a party or by which it may be bound; (ii) violate any provision of any Applicable Law or the Network Rules; (iii) result in the creation or imposition of any lien, charge, restriction, security interest or encumbrance of any nature whatsoever on any asset of BMTX; or (iv) violate any provisions of BMTX's Certificate of Incorporation or Bylaws.

5.8 Necessary Approvals. No consent of any Person (including any stockholder or creditor of BMTX), and no consent, approval, authorization, registration or filing (excluding any such filings with the SEC) with or by any Regulatory Authority is required on the part of BMTX in connection with the execution and delivery of this Agreement or the consummation by BMTX of the transactions contemplated hereby.

5.9 Liabilities and Litigation. There are no claims, actions, suits or proceedings pending or, to BMTX's knowledge, threatened against BMTX, at law or in equity, before or by any Regulatory Authority, an adverse determination of which could have a Material Adverse Effect on the business or operations of BMTX (including its ultimate ownership of the business), the Depositor Program or the Existing Depositor Programs, and BMTX knows of no basis for any of the foregoing. There is no Order of any Regulatory Authority affecting BMTX or to which BMTX is subject.

5.10 Disclosure. Neither BMTX nor any principal of BMTX has been subject to any administrative or enforcement proceedings commenced by any Regulatory Authority, or any restraining order, decree, injunction or judgment in any proceeding or lawsuit, alleging fraud or deceptive practice on the part of BMTX or any principal thereof. For purposes of this Section 5.10, the word "principal" means any executive officer or director of BMTX.

5.11 Continuing Accuracy. The representations and warranties made by BMTX in this Agreement shall continue to be accurate and shall remain in full force and effect throughout the Term and Transition Period.

5.12 Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BMTX DISCLAIMS ALL OTHER WARRANTIES, CONDITIONS AND REPRESENTATIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING THOSE RELATED TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT AND THOSE ARISING OUT OF COURSE OF DEALING, USAGE OR TRADE.

## **SECTION 6 CONFIDENTIALITY; DATA PROTECTION; INTELLECTUAL PROPERTY**

### **6.1 Confidential Information.**

(a) Each Party shall (and shall cause its Affiliates to) hold in strict confidence, unless disclosure is compelled by judicial or administrative process, or in the opinion of its counsel, by Applicable Law, all Confidential Information of the other Party and not disclose the same to

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any Person, except as otherwise provided in this Agreement. Each Party shall use the Confidential Information of the other Party only for the purpose of and in connection with the performance of its obligations under this Agreement and not for any other purpose. Each Party shall protect the Confidential Information of the other Party from unauthorized use and disclosure using at least the same degree of care that it utilizes with respect to its own similar confidential or proprietary information, but in any event, using no less than a reasonable standard of care.

(b) Neither Party shall disclose any Confidential Information of the other Party to any Person without the prior written consent of such other Party, except that a Party may disclose such Confidential Information without such other Party's prior written consent to such Party's officers, directors, employees, Third-Party service providers (including the Service Providers), agents, consultants or legal advisors (collectively, "Representatives"), in each case, who: (i) have a reasonable need to access such Confidential Information in connection with the Depositor Program; and (ii) agree to be bound by the provisions of this Section 6 and maintain the existence of this Agreement and the nature of their obligations hereunder strictly confidential. Each Party shall be responsible for any breach of this Agreement by its Representatives.

(c) During the Term and a period of one (1) year thereafter, each Party shall hold the Confidential Information of the other Party in confidence and shall not make such Confidential Information available in any form to any Third Party or use the other Party's Confidential Information for any purpose other than for the performance of its obligations hereunder. The Parties agree to safeguard and maintain in strict confidence any information relating to the other's business or to the business of such other Party's customers coming into such party's possession in connection with the negotiation of this Agreement and each Party further agrees to use such information only for the purposes of such negotiations. No Party shall obtain any proprietary rights in any such Confidential Information which has been or at any time after the date hereof is disclosed by the other Party.

6.2 Return of Confidential Information. Upon the written request of a disclosing Party, which may be made at any time or from time to time, the receiving Party shall, or shall cause its Representatives to, promptly return or (at the receiving Party's election) destroy all Confidential Information provided by the disclosing Party. The receiving Party may retain a copy of such Confidential Information for such period of time necessary to comply with its record retention policy, Applicable Law or Network Rules, and in such cases, the receiving Party's obligation to treat such Confidential Information as confidential under this Section 6 shall remain until such Confidential Information has been destroyed in accordance with the applicable policy or rule. In the event of such written request by a disclosing Party, all documents, analyses, studies or other materials prepared by the receiving Party or its Representatives that contain or reflect Confidential Information of the disclosing Party shall be returned to the disclosing Party and no copies thereof shall be retained except as may otherwise be required to be retained pursuant to Applicable Law.

6.3 Required Disclosures. Nothing in this Agreement will be interpreted as preventing or impairing a Party from disclosing any information: (a) pursuant to a subpoena or court Order; (b) pursuant to judicial or governmental process issued by a Regulatory Authority; or (c) required by any Regulatory Authority in connection with an examination of such Party; provided that, with respect to disclosure described in clause (a) or (b) that would involve the other Party's Confidential Information, (i) such disclosure with respect to such Confidential Information shall be limited to

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the minimum acceptable level of disclosure; (ii) such Party, unless prohibited by Applicable Law, shall notify such other Party of the imminent disclosure of such Confidential Information as soon as is practicable; and (iii) such Party shall cooperate, at the sole cost and expense of such other Party, with such other Party's efforts to minimize or prevent such disclosure of such Confidential Information.

6.4 Injunctive Relief. Each Party acknowledges that remedies at law may be inadequate to protect the other against actual or threatened breach of the provisions of this Section 6. Without prejudice to any other rights and remedies available to a Party hereunder, each Party hereby consents to the granting of injunctive relief in the other Party's favor, without proof of actual damages, in the event of an actual or threatened breach hereof with respect to Confidential Information provided by such other Party.

6.5 Consumer Information and Program Security. Each Party acknowledges that Applicable Law, including the Gramm-Leach Bliley Act of 1999, as amended, and the regulations promulgated thereunder (collectively, the "GLB Act") imposes certain obligations on financial institutions with respect to the confidentiality of customer data, including "nonpublic personal information," as such term is defined in the GLB Act (collectively, such data and information, "Protected Information"). Each Party hereby agrees that, in addition to, and without limiting the generality of the confidentiality provisions contained in this Agreement, it shall keep all such Protected Information confidential and shall maintain and use such Protected Information only for the purposes of this Agreement, or as otherwise permitted in accordance with all Applicable Laws, including but not limited to the GLB Act. Without limiting the generality of the foregoing, each Party acknowledges and agrees that it is familiar with, and shall fully comply with, the reuse and redisclosure limitations contained in the GLB Act as they relate to the Depositor Program. Regardless of whether BMTX or its Representatives are otherwise subject to the GLB Act, Bank and BMTX and each of their respective Representatives shall fully comply with all requirements of the GLB Act or applicable state laws with respect to any Protected Information received or accessed in connection with the Depositor Program, has implemented, and shall continue to implement, support, and maintain, commercially reasonable security measures to secure against unauthorized access or damage to Depositor information and other Protected Information (collectively, the "Security Measures").

6.6 Written Policies. BMTX shall provide Bank with copies of written policies of BMTX regarding the safeguarding the security of Protected Information promptly upon Bank's request, in addition to any other Security Measure, BMTX and Bank shall maintain an IDTP designed to detect, prevent, and mitigate identity theft in connection with the Depositor Program. The IDTP shall be designed to comply with the provisions of Applicable Law and the Joint Oversight Policies, including the federal banking agencies' Interagency Guidelines on Identity Theft Detection, Prevention, and Mitigation, 12 CFR Part 30, App. B.

6.7 Computer-Security Incident. Subject to the terms below regarding breaches with respect to Protected Information: (a) BMTX shall notify Bank as soon as possible after determining that a "computer-security incident" (as such term is defined in 12 CFR Part 304, Subsection C) has occurred and promptly provide Bank with information adequate or sufficient for Bank to satisfy its notification obligations under 12 CFR Part 304, Subsection C, but in any event, BMTX shall inform Bank of the nature of the security breach, material incursion or intrusion, what

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Protected Information has been or may be compromised, and the extent, if any, that such Protected Information has been or may be compromised; and (b) Bank shall notify BMTX as soon as possible after determining that a “computer-security incident” has occurred. The foregoing notification by a Party must be made by telephone, followed by email or text message, to the other Party’s appropriate designated notification Person pursuant to the communication protocol approved by the Joint Program Management Committee. In such a case, BMTX or Bank, as applicable, will provide an appropriate response in consultation with the other Party, which may include notification of Depositors or law enforcement. BMTX or Bank, as applicable, shall keep the other Party informed of the corrective measures taken and the time for completing such corrective measures.

6.8 Disaster Recovery. Each Party shall prepare and maintain appropriate disaster recovery, business resumption, and contingency plans in compliance with Applicable Law, and reasonably acceptable to the other Party. Such plans shall be sufficient to enable the Party to promptly resume the performance of its obligations hereunder in the event of a natural disaster, destruction of such Party’s facilities or operations, utility or communication failures, or similar interruptions of operations, or of any necessary Third Party. Each Party shall make available to the other information related to its disaster recovery, business resumption and contingency plans, as well as making available any material changes thereto. Each Party shall regularly test disaster recovery, business resumption, and contingency plans as it deems reasonably appropriate and prudent in light of the nature and scope of the respective Party’s activities and operations and its obligations hereunder. Such testing shall be conducted no less frequently than once per calendar year, and each Party shall promptly provide the other Party with the results thereof upon request. In the event of testing of the Disaster Recovery Plan or in the event of a declared disaster, BMTX and Bank agree to promptly notify the other Party by telephone, followed by email or text message, to the appropriate designated notification Person pursuant to the communication protocol approved by the Joint Program Management Committee as soon as possible after the test commences and when the test concludes an promptly upon any declaration of a disaster by either Party.

6.9 Intellectual Property Ownership and Licenses.

(a) Reservation of Rights. Except for the express licenses and other rights set forth in this Agreement, each Party retains all rights, title and interest in and to the intellectual property and proprietary rights owned by it, and neither Party is granted, whether by implication, estoppel or otherwise, any rights, title or interest in or to the other Party’s intellectual property or proprietary rights.

(b) Bank Marks. Bank hereby grants to BMTX a limited, non-exclusive, non-transferable, non-sublicensable, royalty-free license to use, reproduce and display the Marks identified in Schedule 6.9(b) (collectively, the “Bank Marks”) solely in connection with the activities undertaken pursuant to this Agreement. BMTX shall only use the Bank Marks: (i) in a manner that will not dilute the value of the Bank Marks; and (ii) in strict compliance with Applicable Laws, Joint Oversight Policies, Network Rules and this Agreement. BMTX shall not use the Bank Marks in any way that might result in confusion as to the separate and distinct identities of Bank and BMTX. BMTX acknowledges and agrees that all intellectual property and proprietary rights of Bank, including the Bank Marks and any goodwill which accrues because of BMTX’s use of the Bank Marks, are and shall remain the sole and exclusive property of Bank. All

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use by BMTX of the Bank Marks will be subject to any applicable usage and style guides or limitations, including any Graphic Standards, as from time to time provided by Bank. Without limiting the foregoing, prior to using a Mark licensed hereunder, BMTX shall provide written notice to Bank setting forth exemplars of the intended design and a description of the intended use, and within five (5) Business Days of receipt of such notice, Bank shall either approve the design and allow use or identify the reason for withholding its approval. In the event that use is not approved, the Parties shall cooperate to find an acceptable design or use. Upon the effective date of termination of this Agreement, the license granted to BMTX in the Bank Marks shall immediately terminate and BMTX shall immediately cease and desist all new use of the Bank Marks; provided that any then-existing use of such Bank Marks in connection with any Depositor Program-related materials, including Debit Cards and other plastics, shall be permitted until ninety (90) days after the effective date of termination of this Agreement. BMTX further agrees not to contest or take any action, whether during or following the Term, in opposition to any Mark of Bank or its Affiliates or to use, employ or attempt to register any Mark which is similar to any Mark of Bank or its Affiliates.

(c) BMTX Marks. BMTX hereby grants to Bank a limited, non-exclusive, non-transferable, non-sublicensable, royalty-free license to use, reproduce and display the Marks identified in Schedule 6.9(c) (collectively, the “BMTX Marks”) solely to the extent necessary for Bank to exercise, perform and comply with its rights and obligations under this Agreement and in connection with the activities undertaken pursuant to this Agreement. Bank shall only use the BMTX Marks: (i) in a manner that will not dilute the value of the BMTX Marks; and (ii) in strict compliance with Applicable Laws, Joint Oversight Policies, Network Rules and this Agreement. Bank shall not use the BMTX Marks in any way that might result in confusion as to the separate and distinct identities of Bank and BMTX. Bank acknowledges and agrees that all intellectual property and proprietary rights of BMTX, including the BMTX Marks and any goodwill which accrues because of Bank’s use of the BMTX Marks, are and shall remain the sole and exclusive property of BMTX. All use by Bank of the BMTX Marks will be subject to any applicable usage and style guides or limitations as from time to time provided by BMTX. Without limiting the foregoing, prior to using a Mark licensed hereunder, Bank shall provide written notice to BMTX setting forth exemplars of the intended design and a description of the intended use, and within five (5) Business Days of receipt of such notice, BMTX shall either approve the design and allow use or identify the reason for withholding its approval. In the event that use is not approved, the Parties shall cooperate to find an acceptable design or use. Upon the effective date of termination of this Agreement, the license granted to Bank in the BMTX Marks shall immediately terminate and Bank shall immediately cease and desist all new use of the BMTX Marks; provided that any then-existing use of such BMTX Marks in connection with any Depositor Program-related materials, including Debit Cards and other plastics, shall be permitted until ninety (90) days after the effective date of termination of this Agreement. Bank further agrees not to contest or take any action, whether during or following the Term, in opposition to any Mark of BMTX or its Affiliates or to use, employ or attempt to register any Mark which is similar to any Mark of BMTX or its Affiliates.

(d) No Joint Intellectual Property. The Parties shall not be obligated to jointly develop any technology in connection with this Agreement and shall use best efforts not to do so. If the Parties, in their sole discretion, determine to jointly develop any technology or intellectual property, the Parties shall first enter into a separate and binding written agreement confirming the

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scope of such joint development efforts and the respective rights of the Parties in any jointly developed technology, including ownership of the intellectual property and proprietary rights in any such jointly developed technology including any ideas, technology, designs, know-how, methods or processes jointly developed. For the avoidance of doubt, in connection with this Agreement, neither Party grants to the other Party any rights or licenses, expressed or implied, relating to such Party's own technology or intellectual property or proprietary rights unless otherwise specifically set forth in a written agreement between the Parties.

## SECTION 7 TERM AND TERMINATION

7.1 Term. The initial term of this Agreement will commence on the Signature Date and, unless earlier terminated in accordance with Section 7.2 (including termination by BMTX pursuant to Section 7.2(h) in the event BMTX experiences a Change of Control), continue until the date that is four (4) years after the Effective Date (the "Initial Term"). After the Initial Term, this Agreement will renew automatically for additional two (2)-year successive terms (each, a "Renewal Term"), unless either Party provides written notice of non-renewal to the other Party at least one hundred twenty (120) days prior to the termination of the Initial Term or then current Renewal Term, as the case may be (the Initial Term and any Renewal Terms, collectively, the "Term").

7.2 Termination. This Agreement may be terminated prior to the end of the Term under the following circumstances:

(a) at any time upon the written agreement of the Parties, specifying a mutually agreed upon termination date;

(b) by either Party, upon at least thirty (30) days' written notice to the other Party, in the event of an Event of Default by the other Party;

(c) by either Party, immediately upon written notice to the other Party, upon:  
(i) the direction of any Regulatory Authority or the advice of outside legal counsel that continuation of the Depositor Program violates, or would reasonably be expected to violate, Applicable Law or the Network Rules; and (ii) the inability of the Parties to amend this Agreement to avoid the violation of Applicable Law or the Network Rules;

(d) by Bank, upon at least thirty (30) days' written notice to BMTX, if a Regulatory Authority determines that the continued performance of Bank's obligations under this Agreement is not consistent with safe and sound banking practices;

(e) by either Party, upon at least thirty (30) days' written notice to the other Party, upon the other Party:  
(i) voluntarily commencing any proceeding or filing any petition seeking relief under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency, liquidation or similar law; (ii) applying for or consenting to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such Party or for a substantial part of its property or assets; (iii) making a general assignment for the benefit of creditors; or (iv) taking formal action for the purpose of effecting any of the foregoing;

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(f) by either Party, upon at least thirty (30) days' written notice to the other Party, upon the commencement of an involuntary proceeding or the filing of an involuntary proceeding or the filing of an involuntary petition in a court of competent jurisdiction seeking:

(i) relief in respect of the other Party or of a substantial part of its property or assets under Title 11 of the United States Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law; (ii) the appointment of a receiver (including the FDIC), trustee, custodian, sequestrator or similar official for the other Party or for a substantial part of its property or assets; or (iii) the winding up or liquidation of the other Party, in any case, if such proceeding or petition shall continue un-dismissed for thirty (30) days or an Order approving or ordering any of the foregoing shall be entered;

(g) by either Party, in the event of a Supervisory Objection that, after going through the process described below, in either Party's good faith judgment requires such Party to terminate its obligations under this Agreement, such Party may terminate this Agreement upon at least sixty (60) days' written notice to the other Party or such shorter notice as may be required by a Regulatory Authority; provided that in the event either Party becomes aware of a Supervisory Objection, such Party shall, as soon as reasonably practicable and prior to any termination by it of this Agreement, (i) provide the other Party, to the extent permitted by Applicable Law, with a written certification from an officer of the Party summarizing such Supervisory Objection; and (ii) with the reasonable cooperation of such other Party, use its reasonable best efforts to respond to and challenge any such Supervisory Objection, including, if necessary, proposing and implementing mutually agreed upon modifications to the Depositor Program that will satisfy the Regulatory Authority. If the Parties cannot address the Regulatory Authority's concerns to the Regulatory Authority's satisfaction within sixty (60) days of written notice by a Party of the Supervisory Objection, or the expenses associated with implementing modifications necessary to satisfy the Regulatory Authority will result in significant economic hardship to either Party, this Agreement may be terminated in accordance with the foregoing;

(h) by BMTX, at any time on or after the date that is three (3) years after the Effective Date, upon at least one hundred twenty (120) days' written notice to Bank, if BMTX, on or after such date, experiences a Change of Control;

(i) by Bank, at any time during the Term, upon at least one hundred twenty (120) days' written notice to BMTX, if BMTX experiences a Change of Control;

(j) by either Party, immediately upon written notice to the other Party, in the event: (i) (A) the FDIC has denied any required regulatory approvals in connection with the Depositor Program, including denial of the application by Bank for a primary purpose exception to the brokered deposits rule (the "Requisite Regulatory Approvals"), and such denial has become final, or the FDIC has advised Bank that FDIC will not grant (or intends to rescind or revoke if previously approved) a Requisite Regulatory Approval; or (B) FDIC shall have requested that Bank withdraw (other than for technical reasons), and not be permitted to resubmit within sixty (60) days, any application with respect to a Requisite Regulatory Approval; provided, that the right to terminate this Agreement under this Section 7.2(j)(i) shall not be available to any Party whose failure to comply with any provision of this Agreement has been the cause of, or resulted in, such denial, lack of grant or request; or (ii) any Applicable Law or Order permanently restraining, enjoining or otherwise prohibiting the Depositor Program contemplated by this Agreement shall

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have become final and nonappealable, provided that the Party seeking to terminate this Agreement pursuant to this Section 7.2(j)(ii) shall have used its reasonable best efforts to contest, appeal and remove such Applicable Law or Order; and

(k) by either Party, immediately upon written notice to the other Party, in the event that the Requisite Regulatory Approvals shall not have been consummated by July 15, 2023 (the “Outside Date”), if the failure to consummate the transactions contemplated hereby on or before the Outside Date is not caused by any breach of this Agreement by the Party electing to terminate pursuant to this Section 7.2(k).

7.3 Effects of Termination. In the event of termination of this Agreement for any reason:

(a) Any amounts due and owing from one Party to the other Party shall be promptly paid in full, including, with respect to BMTX, any Make-Whole Payment required to be paid to Bank pursuant to Schedule 3.2 in connection with a termination of this Agreement pursuant to Section 7.2(h); and

(b) This Section 7.3 and Section 1, Section 2.5(c)(i), Section 2.7, Section 2.9, Section 2.15, Section 2.16, Section 3 (solely to the extent that any payment obligations or cost reimbursements remain outstanding), Section 6 (except that Section 6.9(b) and Section 6.9(c) shall survive termination solely for the period set forth therein), Section 7.4, Section 8.3, Section 8.4, Section 8.5, Section 9, Section 10, Section 11 and Section 12 shall survive termination, and any termination hereof shall not preclude any Party hereto from recovering any legal or equitable damages or relief to which it is entitled.

7.4 Post-Termination Transition and Wind-Down.

(a) In the event this Agreement is terminated, BMTX may elect to (i) transition the Depositor Program in accordance with Applicable Law to an alternative insured depository institution or (ii) wind down the Depositor Program within the Transition Period. In such event, BMTX shall provide written notice to Bank of its election to transition or wind down the Depositor Program no later than thirty (30) days after the effective date of termination of this Agreement. Unless otherwise required by Applicable Law or any Regulatory Authority, the Parties shall cooperate in good faith to wind down or transition the Depositor Program (in accordance with any notice of election provided by BMTX) in a commercially reasonable manner as soon as reasonably possible to provide for a smooth and orderly transition or wind-down. The Parties shall service the Depositor Accounts in accordance with the terms of this Agreement that apply prior to its termination for a period up to one hundred eighty (180) days after the effective date of termination, or as mutually agreed to in writing by authorized representatives of each Party, in order to smoothly transition or wind down all activities under this Agreement (“Transition Period”); provided that in the event of a termination by either Party pursuant to Section 7.2(b), Section 7.2(e) or Section 7.2(f), or in the event of a termination by Bank pursuant to Section 7.2(c), Section 7.2(d) or Section 7.2(g), the Transition Period shall be reduced to ninety (90) days. Termination of this Agreement shall not relieve any obligations of the Parties, including the corresponding payment obligations, during the Transition Period.

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(b) In the event BMTX provides notice of its election to transition Depositor Accounts to another insured depository institution, Bank's obligations during the Transition Period will include: (i) taking all required regulatory steps necessary to cause the transfer of all Deposits at Bank to another federally-insured financial institution designated by BMTX, which institution shall assume responsibility for all obligations and liabilities in connection with such Deposits which arise after transfer to such successor bank (such institution, a "Successor Bank"), including those with respect to payment of the Deposit funds to Depositors and settlement of transactions with the appropriate Networks; (ii) making any and all regulatory filings necessary to effect the transition of its undertakings in connection with this Agreement to such Successor Bank (excluding those filings and approvals required to be made by Successor Bank); (iii) assigning all of Bank's rights, duties and obligations with respect to the Depositor Program pursuant to this Agreement, and Bank's relationship with each Depositor to such Successor Bank; (iv) making all filings and taking all other actions necessary for Bank to transfer the related BINs to such Successor Bank; (v) executing and delivering, if necessary or appropriate, transfer agreement containing terms and conditions generally consistent with banking industry practice for the transfer of Deposits between institutions; and (vi) executing such other documents as may reasonably be requested by BMTX, or necessary for Bank to perform its obligations under this Section 7.4(b). Bank's obligations described above will be completed as soon as reasonably practicable after BMTX provides notice of its election to transition the Deposits to a Successor Bank.

(c) In the event BMTX provides notice of its election to wind down the Depositor Program, the Parties agree to use the following process or such other similar processes that are mutually agreed by Bank and BMTX at such time:

(i) As soon as reasonably possible after delivery of BMTX's notice of election, BMTX will provide to Bank in writing a proposed wind down plan, including a proposed timeline, which shall designate a schedule of dates as of which the Depositor Program will be wound down. Bank and BMTX shall meet promptly thereafter (which meeting may occur telephonically) to finalize a mutually-agreed wind down plan. Such plan shall be agreed and implemented to completion within the Transition Period; and

(ii) Bank and BMTX shall continue to be bound by, and comply with, the terms of this Agreement and perform all of their obligations hereunder during the Transition Period until (x) such time as all Depositor Accounts and Debit Cards expire or are canceled pursuant to, and consistent with, the Depositor Agreement, or (y) such earlier date, as permitted by Applicable Law, as mutually agreed by Bank and BMTX in writing.

(iii) In the event BMTX fails to: (i) provide timely an effective notice of its intention to terminate or wind down the Depositor Program; or (ii) complete the assignment of the Deposits to a Successor Bank within the Transition Period, the Parties shall work together to wind down the Depositor Program in accordance with Applicable Law.

(iv) In the event that BMTX substantially ceases operations prior to (i) transitioning the Depositor Program in accordance with Applicable Law to an

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alternative insured depository institution; or (ii) winding down the Depositor Program, BMTX shall continue to cooperate with Bank and any Regulatory Authority to facilitate the orderly distribution of Depositor funds or, at Bank's election, the assumption of Depositor Accounts by Bank (at which time such accounts would cease to be Depositor Accounts governed by this Agreement).

(d) BMTX shall be responsible for all reasonable and documented costs and expenses of the Parties with respect to the performance of their respective obligations hereunder in connection with any transition or wind down.

7.5 Events of Default. The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an "Event of Default" hereunder:

(a) A Party shall fail to make a payment of any material amount due and payable pursuant to this Agreement, except for amounts disputed in good faith, and such failure shall remain unremedied for a period of ten (10) days after the other Party shall have given written notice thereof, provided that for an amount to be excluded from the above as disputed in good faith, the Party disputing such amount must: (i) provide prompt (but in any event, within ten (10) days after the amount becomes due) notice of such dispute; (ii) include in such notice, a reasonably detailed explanation of the reasons why such amount is disputed; (iii) work cooperatively, expeditiously and always in good faith with the other Party to resolve any such dispute; and (iv) if such dispute is not resolved within thirty (30) days of delivery of the notice required by clause (i) above, post a bond or deposit into an escrow account the disputed amount on terms reasonably satisfactory to the Parties.

(b) A Party shall fail to perform, satisfy or comply with any obligation, condition, covenant or other provision contained in this Agreement, and: (i) such failure shall remain unremedied for a period of thirty (30) days after the other Party shall have given written notice thereof; and (ii) such failure shall either have a material and adverse effect on the Depositor Program or Bank's Marks licensed or sub-licensed hereunder, materially diminish the economic value of the Depositor Program to the other Party, or otherwise have a material and adverse effect on the other Party.

(c) Any representation or warranty contained in this Agreement shall not be true and correct in any respect as of the date when made or reaffirmed; and (i) the Party making such representation or warranty shall fail to cure the event giving rise to such breach within thirty (30) days after the other Party shall have given written notice thereof; and (ii) such failure shall either have a material and adverse effect on the Depositor Program, materially diminish the economic value of the Depositor Program to the other Party or otherwise have a material and adverse effect on the other Party.

(d) Bank fails to perform, satisfy or comply with any Applicable Law and such failure shall either have a Material Adverse Effect on the Depositor Program or the BMTX Marks licensed hereunder, materially diminish the economic value of the Depositor Program to BMTX or otherwise have a Material Adverse Effect on BMTX.

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(e) BMTX fails to perform, satisfy or comply with any Applicable Law and such failure shall either have a Material Adverse Effect on the Depositor Program or the Bank Marks licensed hereunder, materially diminish the economic value of the Depositor Program to Bank or otherwise have a Material Adverse Effect on Bank.

(f) Core EBITDA for BMT is less than zero for two (2) consecutive calendar quarters during the Term. For purposes of this paragraph, Core EBITDA shall be calculated using the financial statements contained in the periodic reports that BMT files with the SEC. In the event that BMT is no longer required to file (or does not timely file) reports with the SEC, then BMT shall provide quarterly and annual financial statements to Bank within seventy five (75) days after the end of each calendar quarter.

## **SECTION 8 TRANSFER OF EXISTING DEPOSITOR ACCOUNTS**

8.1 Initial Transfer of Existing Student Depositor Accounts. As of the Signature Date, BMTX, through its relationship with Customers Bank (the original sponsor bank of the Existing Depositor Programs), services approximately Five Hundred and Twenty Five Million Dollars (\$525,000,000) in Existing Student Depositor Accounts. Bank agrees to work with BMTX and Customers Bank on the timely transfer of all Existing Student Depositor Accounts on or before May 1, 2023, subject to receipt of all Requisite Regulatory Approvals.

8.2 Effective Date. The effective date of this Agreement commences on the first date on which Bank takes on Deposits from the Existing Student Depositor Accounts pursuant to Section 8.1, following receipt of all Requisite Regulatory Approvals (the "Effective Date"). The Effective Date will not be deemed to have occurred unless and until the Parties have received approval by the FDIC of all Requisite Regulatory Approvals.

8.3 Transfer of Deposits. Upon the effective date of termination of this Agreement as provided in Section 7.1 or Section 7.2 or upon reasonable written request by BMTX, Bank shall transfer the Depositor Accounts with the existing BIN, Routing, and any other Program specific identifiers to a Successor Bank (the "Transfer"), subject to the requirements of Applicable Law, the Depositor Agreement and any other applicable requirements. Any required approvals shall be obtained as soon as practicable following the date notice of termination is given; provided that notwithstanding anything in this Agreement to the contrary, Bank's obligation to maintain the Depositor Accounts as provided in this Agreement shall not terminate until any necessary approvals have been obtained. As part of the Transfer, Bank shall, to the extent permitted or considered necessary or appropriate, transfer any BINs, routing numbers and other related identifiers used in connection with the Depositor Accounts, and deliver any and all applicable information, account opening contracts and the like. The Parties shall cooperate with each other on the issuance of necessary notices to Depositors and on all other matters necessary or appropriate to a legal and efficient Transfer. Bank shall use best efforts to assist with the Transfer. Until the Transfer is complete, Bank shall continue to provide all services under this Agreement if requested to do so by BMTX, unless otherwise directed by a Regulatory Authority.

8.4 Closing Deliveries and Documents. Upon the consummation of the Transfer, the Parties shall deliver to each other such documents as are typical for such a transfer, including

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contracts and officer's certificates, appropriate adjustments for returned and uncollected items shall be made, as appropriate, on a post-closing basis.

8.5 Certain Transfer Matters. Upon the Transfer, BMTX or its designee shall be responsible for completing Forms 1099 and other tax reporting forms, if applicable, for Depositors who were set up in connection with the Depositor Program, and other similar customer-related matters.

## SECTION 9 INSURANCE

9.1 General BMTX Insurance Requirements. BMTX shall, at its sole expense, obtain and, throughout the Term, maintain insurance (issued by insurers of recognized financial responsibility) of the types, against such losses and in the amounts, with such insurers and subject to deductibles and exclusions as Bank reasonably believes are customary in BMTX's industry and otherwise reasonably prudent, including insurance covering BMTX against all other risks customarily insured against by similarly situated prudent companies, all of which insurance is in full force and effect and no written notice of cancellation has been received. Policy limits may be below benchmark survey levels only upon mutual agreement of both Parties. Upon Bank's request from time to time, BMTX shall provide customary certificates from the insurers that evidence such insurance coverages. All insurance limits required hereunder may be met through a combination of primary and umbrella/excess policies, BMTX agrees to give Bank thirty (30) days' prior written notice that such policy has been canceled or materially changed.

9.2 Specific BMTX Insurance Requirements. At a minimum, BMTX shall obtain and maintain the following types and amounts of insurance:

(a) General Liability Insurance, with a general aggregate of \$2,000,000.

(b) Workers' Compensation and Employer's Liability Insurance (or equivalent coverage outside the United States) in full compliance with Applicable Laws of the State or country in which the work is to be performed or the country of hire, whichever is applicable. Workers' Compensation limits shall be statutory or, if outside the United States, not less than the limits required by Applicable Law. Employer's Liability limits shall be not less than \$1,000,000 per employee per accident, \$1,000,000 per employee by disease, and \$1,000,000 aggregate policy limit by disease or, if higher, the policy limits required by Applicable Law.

(c) Cyber technology E&O risk with: (i) \$2,500,000 total limit for the following third party liability: technology products and services, media, privacy and cyber security, privacy regulatory defense, awards and fines; (ii) \$2,500,000 total limit for the following First Party Liability: Business Interruption and Extra Expense; Data Recovery; Cyber-Extortion and Ransomware; Data Breach Response; and Crisis Management; and (iii) \$500,000/\$1,000,000 Business Interruption and Extra Expense Enhancement: System Failure; and Dependent Business Interruption.

(d) Cyber Technology E&O with \$5,000,000 total limit excess of \$2,500,000 underlying coverage.

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(e) D&O Liability/Employment Practices Liability with a D&O coverage including \$5,000,000 limit, \$5,000,000 Self-Insured Retention.

9.3 Adjustments to Insurance Limits. Notwithstanding any other provision of this Section 9, if: (a) a Regulatory Authority having jurisdiction over Bank determines that one or more of the above-stated insurance limits are not consistent with safe and sound banking practices, BMTX shall increase the amount of such insurance limit or limits as requested by Bank; and  
(b) Bank determines that one or more of the above-stated insurance limits are not sufficient to provide adequate coverage for the activities under the Depositor Program as such activities grow in volume or amount, the Parties shall discuss in good faith, and if mutually agreed, BMTX shall increase the amount of such insurance limit or limits as requested by Bank to such amounts as are customary in BMTX's industry and otherwise reasonably prudent.

9.4 Policy Requirements. BMTX shall cause each insurance policy required of BMTX as set forth in Section 9.2 to:

- (a) name Bank as an additional insured;
- (b) by its terms, be considered primary and noncontributory with respect to any other insurance carried by Bank; and
- (c) be issued by an insurer having an A.M. Best's Key Rating Guide rating of A-IX or better.

9.5 No Limitation of Liability. Neither the issuance of any insurance policy required hereunder, nor the minimum levels of insurance coverage required herein, shall serve to limit any liability otherwise accruing to BMTX hereunder or in connection with the Depositor Program.

9.6 Bank Insurance Requirements. Bank shall maintain the following types and amounts of insurance:

- (a) General Liability Insurance, with a general aggregate of \$2,000,000.
  - (b) Workers' Compensation and Employer's Liability Insurance (or equivalent coverage outside the United States) in full compliance with Applicable Laws of the State or country in which the work is to be performed or the country of hire, whichever is applicable. Workers' Compensation limits shall be statutory or, if outside the United States, not less than the limits required by Applicable Law. Employer's Liability limits shall be not less than \$1,000,000 per employee per accident, \$1,000,000 per employee by disease, and \$1,000,000 aggregate policy limit by disease or, if higher, the policy limits required by Applicable Law.
  - (c) Cyber technology E&O risk with: (i) \$2,500,000 total limit for the following third party liability: technology products and services, media, privacy and cyber security, privacy regulatory defense, awards and fines; (ii) \$2,500,000 total limit for the following First Party Liability: Business Interruption and Extra Expense; Data Recovery; Cyber-Extortion and Ransomware; Data Breach Response; and Crisis Management; and (iii) \$500,000/\$1,000,000 Business Interruption and Extra Expense Enhancement: System Failure; and Dependent Business Interruption.
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(d) Cyber Technology E&O with \$5,000,000 total limit excess of \$2,500,000 underlying coverage.

(e) D&O Liability/Employment Practices Liability with a D&O coverage including \$5,000,000 limit, \$5,000,000 Self-Insured Retention.

## SECTION 10 INDEMNIFICATION

10.1 Indemnification by Bank. Bank shall indemnify, defend and hold harmless BMTX, its Affiliates and its and their respective officers, directors, employees, agents and permitted assigns, from and against any and all Losses incurred by them arising out of, in connection with or otherwise relating to: (a) any breach of representation or warranty made by Bank in this Agreement; (b) any act or omission of Bank or its service providers which materially violates any Network Rule or Applicable Law; (c) failure to fulfill a covenant or obligation of this Agreement except to the extent such Loss is the result of BMTX's failure to perform its obligations in accordance with this Agreement; (d) Bank's gross negligence, recklessness or willful misconduct (including acts or omissions) relating to the Depositor Program; (e) any claim that Bank, or any Third Party retained by Bank, materially breached the obligations owed to or by Bank that directly relates to Bank's existing business offerings and banking services (such as ACH and regulatory reporting) offered under the Depositor Program (except to the extent that BMTX has agreed to fulfill such obligation under this Agreement); (f) allegations, claims or actions by any Person that the use of the Bank Marks licensed by Bank hereunder infringe on the rights of any Person; or (g) any actions or omissions by BMTX taken or not taken at Bank's written request or direction pursuant to this Agreement except where BMTX would have been otherwise required to take such action (or refrain from acting) absent the request or direction of Bank; provided that with respect to each of the foregoing, Bank shall not be liable for any Losses with respect to which BMTX is obligated to indemnify Bank pursuant to Section 10.2.

10.2 Indemnification by BMTX. BMTX shall indemnify, defend and hold harmless Bank, its Affiliates and its and their respective officers, directors, employees, agents and permitted assigns, from and against any and all Losses incurred by them arising out of, in connection with or otherwise relating to: (a) the provision of the Depositor Program; (b) any breach of representation or warranty made by BMTX in this Agreement by BMTX; (c) failure to fulfill a covenant or obligation of this Agreement except to the extent such Loss is the result of Bank's failure to perform its obligations in accordance with this Agreement; (d) any act or omission of BMTX or its Service Providers which violates or does not comply with any Network Rules or Applicable Law; (e) or any claim relating to obligations owed to or by BMTX or any Third Party retained by it, Service Providers, (except to the extent that Bank has agreed in writing to fulfill such obligation under this Agreement); (f) BMTX's (or any Service Provider's) gross negligence, recklessness or willful misconduct (including acts or omissions) relating to the Depositor Program; (g) any actions or omissions by Bank taken or not taken at BMTX's written request or direction pursuant to this Agreement except where Bank would have been otherwise required to take such action (or refrain from acting) absent the request or direction of BMTX; (h) any Depositor claims, breach, losses, regulatory actions, violations or penalties arising from the action or operations of BMTX or its Service Providers; (i) allegations, claims or actions by any Person that the use of the BMTX Marks licensed by BMTX hereunder infringe on the rights of any Person; or (j) all

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uninsured fraud-related Losses incurred on Depositor Accounts owned by Bank and serviced by BMTX on behalf of Bank and all Losses related to Reg-E disputes; provided that with respect to each of the foregoing, BMTX shall not be liable for any Losses with respect to which Bank is obligated to indemnify BMTX pursuant to Section 10.1.

### 10.3 Indemnification Procedures.

(a) If any claim or demand is asserted against any Person entitled to indemnification under Section 10 (each, an “Indemnified Party”) by any Third Party in respect of which the Indemnified Party may be entitled to indemnification under the provisions of Section 10.1 or Section 10.2, written notice of such claim or demand shall promptly be given to the Party (the “Indemnifying Party”) from whom indemnification may be sought. The Indemnifying Party shall have the right, by notifying the Indemnified Party within ten (10) days of its receipt of the notice of the claim or demand, to assume the entire control (subject to the following sentence and the right of the Indemnified Party to participate at the Indemnified Party’s expense and with counsel of the Indemnified Party’s choice, unless (i) the employment of such counsel has been authorized in writing by the Indemnifying Party, (ii) the Indemnifying Party has not employed counsel to take charge of the defense within ten (10) days after delivery of the applicable notice or, having elected to assume such defense, thereafter ceases its defense of such action, or (iii) the Indemnified Party has reasonably concluded that there may be defenses available to it which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which event attorneys’ fees and expenses shall be borne by the Indemnifying Party) of the defense, compromise or settlement of the matter, including, at the Indemnifying Party’s expense, employment of counsel of the Indemnifying Party’s choice and reasonably satisfactory to the Indemnified Party. The Indemnified Party or Indemnifying Party may at any time notify the other of its intention to settle or compromise any claim, suit or action against the Indemnified Party in respect of which payments may be sought by the Indemnified Party hereunder, and (x) the Indemnifying Party may settle or compromise any such claim, suit or action solely for the payment of money damages in which the Indemnified Party does not admit any liability with respect to such claim, but shall not agree to any other settlement or compromise without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld (it being agreed that any failure of an Indemnified Party to consent to any settlement or compromise involving relief other than monetary damages shall not be deemed to be unreasonably withheld), and (y) the Indemnified Party may settle or compromise any such claim, suit or action solely for an amount not exceeding One Thousand Dollars (\$1,000) in which the Indemnified Party does not admit any liability with respect to such claim, but shall not settle or compromise any other matter without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

(b) If the Indemnifying Party gives notice to any Indemnified Party that the Indemnifying Party will assume control of the defense, compromise or settlement of the matter, the Indemnifying Party will be deemed to have waived all defenses to the claims for indemnification by the Indemnified Party with respect to that matter. The Indemnifying Party shall promptly notify the Indemnified Party if the Indemnifying Party desires not to assume, or participate in the defense of, any such claim, suit or action. Any damages to the assets or business of the Indemnified Party caused by a failure of the Indemnifying Party to defend, compromise or

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settle a claim or demand in a reasonable and expeditious manner, after the Indemnifying Party has given notice that it will assume control of the defense, compromise or settlement of the matter, shall be included in the damages for which the Indemnifying Party shall be obligated to indemnify the Indemnified Party. If the Indemnifying Party makes any payment on any third-party claim, the Indemnifying Party shall be subrogated, to the extent of such payment, to all rights and remedies of the Indemnified Party to any insurance benefits or other claims of the Indemnified Party with respect to such third-party claim. Each Party agrees to provide reasonable access to the other Party to such documents and information as may reasonably be requested in connection with the defense, negotiation or settlement of any such third-party claim.

(c) If an Indemnified Party fails to give prompt notice of any claim being made or any suit or action being commenced in respect of which indemnification under this Section 10.3 may be sought, such failure shall not limit the liability of the Indemnifying Party; provided, that this provision shall not be deemed to limit the Indemnifying Party's rights to recover for any Loss which it can establish resulted from such failure to give prompt notice.

10.4 No Waiver of Rights. This Section 10 shall govern the obligations of the Parties with respect to the subject matter hereof but shall not be deemed to limit the rights which any Party might otherwise have at law or in equity.

## **SECTION 11 LIMITATIONS AND EXCLUSIONS OF LIABILITY**

11.1 LIABILITY CAP. EXCEPT AS SET FORTH IN SECTION 11.3, NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, INCLUDING SECTION 10 (INDEMNIFICATION), THE AGGREGATE CUMULATIVE LIABILITY OF EACH PARTY WITH RESPECT TO THE OTHER PARTY FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RELATED TO THIS AGREEMENT WITH RESPECT TO CLAIMS RELATING TO EVENTS DURING THE TERM SHALL NOT UNDER ANY CIRCUMSTANCES EXCEED TEN MILLION DOLLARS (\$10,000,000).

11.2 EXCLUSIONS OF LIABILITY. EXCEPT AS SET FORTH IN SECTION 11.3, NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, INCLUDING SECTION 10 (INDEMNIFICATION), NEITHER PARTY SHALL HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY INDIRECT, EXEMPLARY, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, BUSINESS INTERRUPTION OR LOST DATA) ARISING OUT OF OR RELATED TO THIS AGREEMENT HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11.3 EXCEPTIONS. THE LIMITATIONS AND EXCLUSIONS OF LIABILITY SET FORTH IN THIS SECTION 11, SHALL NOT APPLY WITH RESPECT TO: (A) A PARTY'S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS SET FORTH IN SECTION 6; (B) WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS FOR THIRD-PARTY CLAIMS SET FORTH IN SECTION 10; (C) A PARTY'S FRAUD, GROSS

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NEGLIGENCE OR WILLFUL MISCONDUCT; (D) REGULATORY ASSESSMENTS OR FINES IMPOSED ON BANK DUE TO ACTUAL OR ALLEGED VIOLATIONS OF LAW BY BMTX IN CONNECTION WITH THE DEPOSITOR PROGRAMS; (E) THE FAILURE OF A PARTY TO COMPLY WITH APPLICABLE LAW; (F) IN THE CASE OF EITHER PARTY, A SECURITY BREACH; AND (G) VIOLATION OR BREACH BY A PARTY OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS (INCLUDING BREACH OF THE LICENSES GRANTED BY SUCH OTHER PARTY UNDER THIS AGREEMENT).

## **SECTION 12 MISCELLANEOUS PROVISIONS**

12.1 Cooperation and Access. The Parties shall reasonably cooperate in order to effect the transaction contemplated herein. The Parties hereby agree to provide the other with full and complete access to their respective operations to the extent relating to the transactions contemplated herein and all matters related thereto.

### 12.2 Dispute Resolution; Arbitration.

(a) Dispute Resolution. In the event that any dispute arises with respect to this Agreement or the services to be provided hereunder, the members of the Joint Program Management Committee shall cooperate in good faith to resolve the dispute within thirty (30) days of the date on which the Joint Program Management Committee was first notified of such dispute. In the event such dispute is not resolved by members of the Joint Program Management Committee within such thirty (30) day period, each Party shall refer such dispute for resolution to a Vice President or above, who shall in good faith use commercially reasonable efforts to resolve such dispute within fifteen (15) days following the date that each of such individuals are notified of such dispute. In the event such dispute is not resolved by the Parties within such fifteen (15) day period, such dispute shall be addressed pursuant to the provisions of Section 12.2(b); provided, that if such dispute involves changes to the Bank Rules to the extent required by Applicable Law or the Risk Management Considerations, then the final decision for such dispute shall rest with Bank, unless such change would cause BMTX to violate Applicable Law, then the provisions of Section 12.2(b) will apply to such dispute. Each Party agrees to continue performing its obligations under this Agreement during the attempted resolution of any such dispute, unless this Agreement is otherwise terminated and such Party is relieved of any further obligation to perform.

(b) Arbitration. Any dispute arising under this Agreement that has not been resolved in good faith in accordance with the procedures in Section 12.2(a) (a "Dispute") shall be referred to and resolved by arbitration in accordance with the following guidelines:

(i) Arbitration Rules. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Wake County, in the State of North Carolina before one to three arbitrators, as set forth below. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures (the "Rules"), unless the Parties agree upon expedited or streamlined rules or procedures available through JAMS. Judgment

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on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.

(ii) Arbitrators. An arbitrator shall be selected by mutual agreement of the Parties. If the Parties are unable to agree upon an arbitrator, then either Party may request that JAMS select an arbitrator and such arbitrator shall hear the Dispute in accordance with the Rules.

(iii) Panel. For Disputes amounting to \$1,000,000 or more, a panel of three arbitrators shall be selected to hear the Dispute. In such case, each Party shall select one arbitrator who shall be independent and unaffiliated with such Party, and the two arbitrators shall then select the third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator, the JAMS shall select the third arbitrator.

(iv) Knowledge of Arbitrators. All arbitrators, whether a single arbitrator or a panel of arbitrators, shall be knowledgeable about financial services and information technology transactions.

(v) Seat. The seat of the arbitration shall be Wake County, in the State of North Carolina.

(vi) Governing Law. The governing law to be applied by the arbitral tribunal shall be the laws of the State of North Carolina.

(vii) No Appeal. Any award rendered pursuant to arbitration under this Section 12.2(b) shall be final, conclusive and binding upon the Parties (except for appeals solely to correct computation or clerical errors), and any judgment thereon may be entered and enforced in any court of competent jurisdiction.

(viii) Costs. Each Party shall bear its own fees, costs and expenses of the arbitration, and its own legal expenses, attorneys' fees, and costs of all experts and witnesses; provided that the arbitrators may award arbitration costs, including legal, auditing and other fees to the prevailing party in the arbitration proceeding if the arbitrators determine that such an award is appropriate.

12.3 Relationship of Parties. Except to the extent specifically provided herein or as hereafter agreed in writing by the Parties, nothing in this Agreement shall be construed to create any relationship between the Parties or their respective agents and employees other than one of independent contractors, and the Parties shall take such action as may be reasonably necessary to ensure such treatment.

12.4 Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter contained herein and there are no agreements, warranties, covenants, or undertakings, other than those expressly set forth herein. BMTX and Bank may enter into additional agreement for other products through separate agreements or amendments hereto.

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12.5 Assignment. Neither this Agreement nor any of the rights or obligations under this Agreement, may be assigned or delegated, in whole or in part, by operation of law or otherwise, by any Party without the prior written consent of the other Party, and any such assignment without such prior written consent shall be null and void; provided that a Party may assign any or all of its rights and obligations under this Agreement to any of its Affiliates, surviving entity of a merger of a Party, but only to the extent that such assignment would not result in an impairment of the other Party's rights under this Agreement; and provided, further, that a Party may, without the prior written consent of the other Party, assign all or any portion of its rights and obligations under this Agreement to an Affiliate or the surviving entity of a merger of a Party. Subject to the preceding sentence, this Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the Parties hereto and their permitted successors and assigns. No assignment shall relieve the assigning Party of any of its obligations hereunder.

12.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina without regard to its conflict of laws rules. Subject to Section 12.2(b), each Party irrevocably submits to (a) the exclusive jurisdiction of a state court (or to the extent applicable, any federal court) located in Wake County, in the State of North Carolina for purposes of any suit, action, or other proceeding arising of this Agreement that is brought by or against such Party; and (b) the exclusive venue of such suit, action or proceeding in North Carolina.

12.7 Amendment and Waiver. This Agreement may not be amended except by an instrument in writing signed on behalf of all of the Parties. Any term, provision, or condition of this Agreement (other than that required by Applicable Law) may be waived in writing at any time by the Party which is entitled to the benefits thereof.

12.8 Force Majeure. Neither Party shall be deemed to be in default hereunder or liable for any losses arising out of the failure, delay or interruption of its performance of obligations under this Agreement due to any act of God, act of terrorism, act of public enemy, war, riot, flood, civil commotion, insurrection, severe weather conditions, or any other cause beyond that Party's reasonable control.

12.9 Interpretation. The headings of the various sections of this Agreement have been inserted for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. Except where the context otherwise requires, wherever used, the singular shall include the plural, the plural the singular, the use of any gender shall be applicable to all genders, the word "or" is used in the inclusive sense (and/or), and the words "shall" and "will" have the same meaning. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The Parties intend that this Agreement be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules, appendices, exhibits and addenda referred to in this Agreement are an integral part of this Agreement to the same extent as if they were set forth verbatim in the main body of this Agreement.

12.10 Notice. Any notice permitted or required to be given hereunder to the other Party, including any notice of a change of address, shall be in writing and shall be deemed validly given

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if (a) delivered personally or (b) sent by express delivery service, registered or certified mail, postage prepaid, return receipt requested or (c) sent by facsimile or email, as follows: All such notices shall be deemed given on the date of actual receipt by the addressee if delivered personally, on the date of deposit with the express delivery service or the postal authorities if sent in either such manner, on the date the facsimile or email is sent if sent in such manner, and on the date of actual receipt by the addressee if delivered in any other manner.

12.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows.]

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IN WITNESS WHEREOF, this Deposit Processing Services Agreement is executed by the Parties' authorized officers or representatives and shall be effective as of the Signature Date.

**BMTX, Inc. (BMTX)**

**First Carolina Bank (Bank)**

By: /s/ Luvleen Sidhu

By: /s/ Ronald A. Day

Name: Luvleen Sidhu

Name: Ronald A. Day

Title: Chief Executive Officer

Title: President and Chief Executive Officer

Date: March 16, 2023

Date: March 16, 2023

**BM Technologies, Inc. (BMT)**

**as Guarantor**

By: /s/ Luvleen Sidhu

Name: Luvleen Sidhu

Title: Chief Executive Officer

Date: March 16, 2023

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## **SCHEDULE 2.2 BMTX DUTIES**

[Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the SEC upon request.]

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## **SCHEDULE 2.14 MATERIAL SERVICE**

### **PROVIDERS\***

Bank to sponsor BMTX into the AllPoint Network. FIS

Jack Henry Microsoft MasterCard Fed

Access

Finastra PayPlus (although this is CUBI's today) Rosetta

UGS

Oracle AllPoint Incapsula

LexisNexis Bridger Verafin

\*BMTX reserves the right upon notice to supplement the list and substitute Material Service Providers at BMTX's sole discretion subject to the terms of this Agreement and pursuant to the process, methodologies, and controls applicable through the Joint Program Management Committee.

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### **SCHEDULE 3.2 FEES**

[Schedules to this exhibit have been omitted pursuant to Item 601(b)(2) of Registration S-K. The Registrant hereby agrees to furnish a copy of any omitted schedules to the SEC upon request.]

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## **SCHEDULE 5.5**

### **DISCLOSURE SCHEDULE FOR SECTION 5.5 (GOOD STANDING)**

Pursuant to a Department of Education (“ED”) Final Review Determination Report, BMTX is working with ED to establish standards for reasonable access to fee-free ATMs for institutions with a Tier 1 contractual arrangement. As required by ED regulations BMTX provides a nationwide 55,000 fee-free Allpoint ATM network with its Tier 1 student checking account. BMTX initially provided ED with its proposal for their review on November 19, 2020, to install an ATM on or near each residential campus with an ATM that is more than 1 mile from the center of campus and each commuter campus with an ATM that is more than 2 miles from the center of campus. ED responded with a counter proposal to BMTX on July 12, 2021, establishing a  $\frac{1}{4}$  mile standard for residential and commuter schools with public transportation and a 1-mile standard for other commuter schools. BMTX responded with its own counter proposal to ED on April 12, 2022, to install an ATM on or near each residential campus with an ATM that is more than  $\frac{1}{2}$  mile from the center of campus and each commuter campus with an ATM that is more than 1.5 miles from the center of campus. ED is in the process of reviewing BMTX’s counter proposal and will respond accordingly. A specific timeframe has not been established for resolution of this matter by either party.

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**SCHEDULE 6.9(B) BANK MARKS**

FIRST CAROLINA BANK Word Mark and Logos

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**SCHEDULE 6.9(C) BMTX MARKS**

BMTX, BankMobile Vibe, BankMobile Disbursement Marks.

## EMPLOYMENT AGREEMENT

**THIS AGREEMENT**, made as of January 26, 2023 (“Effective Date”), is by and between BM TECHNOLOGIES, INC., a Delaware corporation, with its main office located at 201 King of Prussia Road, Suite 650, Radnor, PA 19087 (“Company”) and James Dullinger (“Executive”).

### Background

- A. Company wishes to secure the continued services of Executive as the Company’s Chief Financial Officer on the terms and conditions set forth herein.
- B. Subject to the terms and conditions hereinafter, Executive is willing to enter into this Employment Agreement (this “Agreement”) upon the terms and conditions set forth.
- C. The Company’s Board of Directors has approved this Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and agreements set forth herein, the parties agree as follows:

1. **Employment.** Company agrees to employ Executive as its Chief Financial Officer during the “Term” defined in Section 2 of this Agreement. Executive shall report to and be subject to the direction of the Chief Executive Officer of the Company. Executive shall have the powers and authority ordinarily given to the position described above as provided under the Bylaws of the Company. Executive will have such duties as normally apply to such position. Executive shall devote all of his working time, abilities and attention to the business of the Company, and will fulfill all of the duties required of him as Chief Financial Officer. The services of Executive shall be rendered principally in Pennsylvania but Executive shall undertake such traveling on behalf of Company as may be reasonably required.

2. **Term of Employment.** Subject to the terms and conditions of this Agreement, the initial term of employment hereunder shall be for the one (1)-year period commencing on the Effective Date and ending on the day preceding the one (1)-year anniversary of the Effective Date. As of each one (1)-year anniversary of the Effective Date, the term of employment hereunder shall be extended for another one (1) year, automatically, unless either party delivers notice to the contrary to the other party at least sixty (60) days prior to such one (1)-year anniversary, in which case the term of employment hereunder shall expire as of the date to which it was last extended pursuant to this sentence. Such notice shall be delivered in a manner consistent with the requirements of Section 12. References in this Agreement to the “Term” shall refer both to such initial term and any successive terms.

3. **Compensation.** In consideration of the services to be rendered by Executive, Company shall pay to Executive during the initial Term:

(a) A base salary of not less than Two Hundred Seventy Five Thousand dollars (\$275,000) per annum for each year of the Term, payable in equal installments over such payroll cycles as the Company pays its executive officers generally, with any salary for initial or final partial months or other payroll periods being prorated based on the number of calendar days in question. It is understood that the Chief Executive Officer of the Company shall review

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Executive's performance and make a determination regarding increases in his salary at least once in every calendar year during the Term.

(b) Incentive Compensation in an amount, in such form, and at such time as is provided in such executive incentive plan for Executive, either alone or for Executive and other officers and management employees of the Company, as shall be approved by the Board of Directors of the Company and in effect from time to time. Such incentive compensation may take the form of cash payments ("Cash Bonus"), transfers of stock, stock appreciation awards, restricted stock units or stock options (collectively, "Equity Awards"). Equity Awards shall be subject to such restrictions, vesting and other conditions and limitations as set forth in such executive incentive plan.

#### 4. **Reimbursement of Expenses.**

4.1 **Reimbursement of Expenses.** During the Term, Company shall reimburse Executive for reasonable expenses incurred by him in the performance of his duties, as well as those incurred in furtherance of or in connection with the business of Company, including but not limited to traveling, entertainment, dining and other expenses.

#### 5. **Termination of Employment.**

5.1 **Termination by Company; "Cause."** Company shall have the right to terminate Executive's employment hereunder at any time, with or without "Cause" (as defined below). In the event of any termination by Company, Company shall give Executive forty-five (45) days prior notice of any termination without Cause, but shall not be obligated to give Executive prior notice of a termination with Cause. Company shall nevertheless be obligated to pay Executive such compensation and severance, if any, as may be provided for in this Agreement under the applicable circumstances. Company will give Executive notice of termination of his employment pursuant to a "Notice of Termination" (as defined below).

5.2 **No Right to Compensation or Benefits Except as Stated.** If the Company terminates Executive's employment for Cause, Executive shall have no right to severance compensation of any kind, or any right to salary or other benefits for any period after such date of termination. If Executive is terminated by Company other than for Cause, Executive's rights to compensation and benefits under this Agreement shall be as set forth in Section 5.5.

5.3 **Termination by Executive.** Executive shall have the right to terminate his employment, whether or not for "Good Reason" (as hereinafter defined), but, in all events, Executive shall give Company notice pursuant to a written "Notice of Termination" (as defined below). If the termination by Executive is other than for Good Reason: (i) Executive must give Company a Notice of Termination not less than forty-five (45) days prior to the date his termination of employment will be effective, and (ii) Executive shall have no right to severance compensation of any kind, or any right to salary or other benefits for any period after such date of termination. If termination is by Executive for Good Reason, Executive's rights to compensation and benefits under this Agreement shall be as set forth in Section 5.5.

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#### 5.4 Certain Definitions.

(a) In connection with a termination of Executive's employment by the Company, "Cause" shall mean any one or more of the following reasons: (1) the willful material failure by the Executive to perform the duties required of him hereunder (other than any such failure resulting from incapacity due to physical or mental illness of the Executive or material changes in the direction and policies of the Board of Directors of Company), if such failure continues for fifteen (15) days after a written demand for substantial performance is delivered to the Executive by the Company which specifically identifies the manner in which it is believed that the Executive has failed to attempt to perform his duties hereunder; (2) the willful engaging by the Executive in willful misconduct materially injurious to the Company; (3) receipt by the Company of a notice (which shall not have been appealed by Executive or shall have become final and non-appealable) of any governmental body or entity having jurisdiction over the Company requiring termination or removal of the Executive from his then present position, or receipt of a written directive or order of any governmental body or entity having jurisdiction over the Company (which shall not have been appealed by Executive or shall have become final and non-appealable) requiring termination or removal of the Executive from his then present position; (4) personal dishonesty, incompetence, willful misconduct, willful breach of fiduciary duty involving personal profit or conviction of a felony; or (5) material breach of any provision set forth in Sections 6, 7, 8 or 9, to the extent applicable. For purposes of this section, no act, or failure to act, on the Executive's part shall be considered "willful" unless done or omitted to be done by Executive in bad faith and without reasonable belief that his action or omission was in the best interest of Company. Any act or omission to act by the Executive in reliance upon a written opinion of counsel to Company shall not be deemed to be willful.

(b) Good Reason. For purposes of this Agreement, "Good Reason" shall mean (1) a material breach by Company of the provisions of this Agreement, which failure has not been cured within 30 days after a written notice of such noncompliance has been given by Executive to Company; (2) any purported termination of Executive's employment which is not effected in compliance with the requirements of this Agreement; (3) any reduction in title or a material adverse change in Executive's responsibilities or authority which are inconsistent with, or the assignment to Executive of duties inconsistent with, Executive's status as Chief Financial Officer of Company; or (4) any reduction in Executive's annual base salary as in effect on the date hereof or as the same may be increased from time to time.

(c) Notice of Termination. Any termination of Executive's employment by Company or by Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a dated notice which shall (1) indicate the specific termination provision in this Agreement relied upon; (2) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated; and (3) be given in a manner consistent with the requirements of Section 12.

**5.5 Compensation Upon Certain Types of Termination.** If Executive shall terminate his employment for Good Reason during the Term, or if Executive's Employment is terminated by the Company other than for Cause during the Term, or if Executive's Employment is terminated for any reason other than Cause upon expiration of the Term, then in lieu of any

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salary or damages payments to Executive for periods subsequent to the date of termination, Company shall pay as “Severance Compensation” to Executive, in lieu of all other damages, compensation and benefits other than any benefits the right to which shall have previously vested, an amount (the “Severance Compensation”) equal to the following, depending upon whether a “Change in Control” (as defined below) shall have occurred at the time of termination of employment:

(a) If a Change in Control shall not have occurred within twelve (12) months prior to the date of termination of Executive’s employment with the Company, the Company shall pay Executive the following Severance Compensation, payable at the respective times and on the respective conditions set forth in this subsection for each type of Severance Compensation:

(i) Cash Severance Compensation. Notwithstanding anything to the contrary elsewhere in this Agreement, Executive shall be entitled to receive a dollar amount equal to the sum of Executive’s then current base salary plus the average of the annual performance bonus (consisting of both cash and other incentive compensation, but excluding the Company match of any deferred compensation) provided to him with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year of termination, for the greater of one (1) year or the period of time remaining in the Term. This element of Severance Compensation shall be payable in equal installments on the normal pay dates following Executive’s separation from service with the Company within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder (such Section and regulations are sometimes referred to in this Agreement as “Section 409A”). If, as of the date of the Executive’s separation from service, stock of the Company or a holding company or other parent entity with respect to the Company is publicly traded on an established securities market or otherwise, and if necessary to comply with Section 409A, payments otherwise due during the six (6)-month period following his separation from service shall be suspended and paid in a lump sum upon completion of such six (6)-month period, at which time the balance of the payments shall commence in installments as described in the preceding sentence. Payments shall be subject to deduction for such tax withholdings as Company may be obligated to make;

(i) Equity Awards. All Equity Awards shall be vested in full;

(i) Cash Bonus. Executive shall be entitled to a fraction of any Cash Bonus for the fiscal year of the Company within which Executive’s termination of employment occurs which, based upon the criteria established for such Cash Bonus, would have been payable to Executive had he remained employed through the date of payment, the numerator of which is the number of days of such fiscal year prior to his termination of employment and the denominator of which is three hundred and sixty-five (365); and

1. Insurance. Company shall continue to provide health insurance (including dental if applicable) and any life insurance benefits for the shorter of (i) the length of the severance measurement period set forth in Section 5.5(a)(i) above, or (ii) the maximum period the Company is then permitted to extend each individual benefit under the applicable plan or policy or applicable law.

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(1) If a Change in Control shall have occurred within twelve (12) months prior to the date of termination of Executive's employment with the Company, the Company shall pay Executive Severance Compensation equal to one hundred percent (100%) of the sum of Executive's then current base salary plus the average of the annual performance bonus (consisting of both cash and other incentive compensation, but excluding the Company match of any deferred compensation) provided to him with respect to the three (3) fiscal years of the Company immediately preceding the fiscal year of termination. The Severance Compensation shall be payable in a single lump sum within thirty (30) days following Executive's separation from service within the meaning of Section 409A. If, as of the date of the Executive's separation from service, stock of the Company or a holding company or other parent entity with respect to the Company is publicly traded on an established securities market or otherwise, and if necessary to comply with Section 409A, payment of the lump sum shall be suspended and paid within the thirty (30)-day period following the close of the six (6)-month period following his separation from service. Payments shall be subject to deduction for such tax withholdings as Company may be obligated to make. In addition to the aforesaid Executive Severance Compensation, additional Executive Severance Compensation shall be provided as set forth below.

(a) Equity Awards. All Equity Awards shall be vested in full;

(b) Cash Bonus. Executive shall be entitled to a fraction of any Cash Bonus for the fiscal year of the Company within which Executive's termination of employment occurs which, based upon the criteria established for such Cash Bonus, would have been payable to Executive had he remained employed through the date of payment, the numerator of which is the number of days of such fiscal year prior to his termination of employment and the denominator of which is three hundred and sixty-five (365);

(c) Insurance. Company shall continue to provide health insurance (including dental if applicable) and any life insurance benefits for the shorter of (i) the length of the severance measurement period set forth in above in this Section 5.5(b), or (ii) the maximum period the Company is then permitted to extend each individual benefit under the applicable plan or policy or applicable law; and

(d) Golden Parachute Limitation. Notwithstanding any provision of this Agreement to the contrary, if, as a result of a payment provided for under or pursuant to this Agreement, together with all other payments in the nature of compensation provided to or for the benefit of the Executive under any other plans or agreements in connection with a Change in Control, the Executive becomes subject to excise taxes under Section 4999 of the Code, then the amount of severance to be paid pursuant to this Agreement shall be reduced to the maximum amount allowable without causing Executive to become subject to such excise taxes. Such maximum amount shall be determined by a PCAOB Registered Public Accounting Firm selected by the Compensation Committee of the Board of Directors of the Company, whose determination, absent manifest error, shall be treated as conclusive and binding.

(2) For purposes of this Agreement, "Change in Control" means the occurrence of any one or more of the following events:

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(a) There occurs a merger, consolidation, or other business combination or reorganization to which the Company is a party, whether or not approved in advance by the Board of Directors of the Company, in which (A) the members of the Board of Directors of the Company immediately preceding the consummation of such transaction do not constitute a majority of the members of the Board of Directors of the resulting corporation and of any parent corporation thereof immediately after the consummation of such transaction, and (B) the shareholders of the Company immediately before such transaction do not hold more than fifty percent (50%) of the voting power of securities of the resulting corporation;

(b) There occurs a sale, exchange, transfer, or other disposition of substantially all the assets of the Company to another entity, whether or not approved in advance by the Board of Directors of the Company, a wholly owned subsidiary of the Company, would constitute a Change in Control, but for purposes of this section, no assets will be deemed to have been sold if they are leased back contemporaneously with or promptly after their sale);

(c) A plan of liquidation or dissolution is adopted for the Company; or

(d) Any individual, firm, corporation, partnership or other entity (“Person”) (except Company, any subsidiary of Company, any employee benefit plan of Company, any Person or entity organized, appointed or established by Company or any subsidiary of Company for or pursuant to the terms of any such employee benefit plan), together with all Affiliates and Associates of such Person is or shall become the “beneficial owner” (as defined in Rule 13d-3 under the Securities Exchange Act of 1934 (the “Exchange Act”)) of securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities. For purposes of this subsection, “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations issued under the Exchange Act.

(3) In the event that the Executive’s employment is terminated during the Term as a result of his death or disability, he (or his estate, as the case may be) shall not be entitled to any payments or other benefits pursuant to this Section 5.5 or otherwise.

e.1 **Release.** The Company’s obligation to pay Severance Compensation under Section 5.5 hereof is expressly conditioned upon Executive’s execution of and delivery to the Company (and non-revocation) of a release (as drafted at the time of Executive’s termination of employment, and which will include, but not be limited to: (a) an unconditional release of all rights to any claims, charges, complaints, grievances, known or unknown to Executive, against the Company, its affiliates or assigns, or any of their officers, directors, employees and agents, through to the date of Executive’s termination from employment, and (b) a representation and warranty that Executive has not filed or assigned any claims, charges, complaints, or grievances against the Company, its affiliates or assigns, or any of their officers, directors, employees and agents.

5.i **Mitigation by Executive.** Executive shall not be required to mitigate the amount of any payment provided for in Section 5.5 by seeking other employment or otherwise.

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a. **Non-Disclosure.** The Executive covenants and agrees that Executive will not at any time, either during the Term or thereafter, use, disclose or make accessible to any other person, firm, partnership, corporation or any other entity any Confidential and Proprietary Information (as defined herein), other than to (a) Executive's attorney or spouse in confidence, (b) while employed by the Company, in the business and for the benefit of the Company, or (c) when required to do so by a court of competent jurisdiction, any government agency having supervisory authority over the business of the Executive or the Company or any administrative body or legislative body, including a committee thereof, with jurisdiction.

For purposes of this Agreement, "Confidential and Proprietary Information" shall mean non-public, confidential, and proprietary information provided to the Executive concerning, without limitation, the Company's financial condition and/or results of operations, statistical data, products, ideas and concepts, strategic business plans, lists of customers or customer information, information relating to marketing plans, management development reviews, including information regarding the capabilities and experience of the Company's employees, compensation, recruiting and training, and human resource policies and procedures, policy and procedure manuals, together with all materials and documents in any form or medium (including oral, written, tangible, intangible, or electronic) concerning any of the above, and other non-public, proprietary and confidential information of the Company; provided, however, that Confidential and Proprietary Information shall not include any information that is known generally to the public or within the industry other than as a result of unauthorized disclosure by the Executive. It is specifically understood and agreed by the Executive that any non-public information received by the Executive during Executive's employment by the Company is deemed Confidential and Proprietary Information for purposes of this Agreement. In the event the Executive's employment is terminated for any reason, the Executive shall immediately return to the Company upon request all Confidential and Proprietary Information in Executive's possession or control.

b. **Non-Solicitation.** Executive agrees that during the Term and for a period of twelve (12) months thereafter, unless the Executive obtains the Company's prior written permission, which may be granted or denied at the Company's sole and absolute discretion, the Executive shall not:

(a) solicit or divert to any competitor of the Company or, upon termination of the Executive's employment with the Company, accept any business from any individual or entity that is a customer or a prospective customer of the Company, to the extent that such prospective customer was identifiable as such prior to the date of the Executive's termination, except that this covenant of non-solicitation shall not apply with respect to anyone who, while having previously been a customer or prospect of the Company, is no longer a customer or prospect of the Company at the time of the solicitation; and/or

(b) induce or encourage any officer and/or employee of the Company to leave the employ of the Company, hire any individual who was an employee of the Company as of the date of the termination of the Executive's, or induce or encourage any customer, vendor, participant, agent, or other business relation of the Company to cease or reduce doing business with the Company or in any way interfere with the relationship between any such customer, vendor, participant, agent, or other business relation and the Company.

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c. **Noncompete Agreement.** For a period of twelve (12) months after any resignation or termination of Executive's employment for any reason, Executive shall not, directly or indirectly, enter into or engage directly or indirectly in competition with the Company or any subsidiary or other company under common control with the Company, in any fintech business conducted by the Company or any such subsidiary at the time of such resignation or termination, either as an individual on his own or as a partner or joint venturer, or as a director, officer, shareholder, employee, agent, independent contractor, nor shall Executive assist any other person or entity in engaging directly or indirectly in such competition.

d. **Non-Disparagement.** During the Term, after its expiration and following the termination of this Agreement by the Company or the Executive for any reason, each party agrees not to make any statements, in writing or otherwise, that disparage the reputation or character of the other party or, in the case of the Company, any subsidiaries or affiliates of the Company or any of their respective managers, directors, officers, stockholders, partners, members or employees, at any time for any reason whatsoever, except that nothing in this section shall prohibit any party from giving truthful testimony in any litigation or administrative proceedings either between the Executive and the Company or in connection with which such party is subpoenaed and required by law to give testimony, including without limitation, any action by the Executive to enforce Executive's rights hereunder.

e. **Severance Compensation Conditional; Remedies for Breach of Sections 6, 7, 8 and 9; Independence of Covenants; Notice to Others; Savings Clause.**

(i. **Severance Compensation Independent.** Company's obligation to pay Severance Compensation is conditioned on Executive's compliance with Sections 6, 7, 8 and 9 of this Agreement and Company shall not be obligated to pay such Severance Compensation in the event of any breach by Executive of such sections.

4.i **Remedies for Breach of Sections 6, 7, 8 and 9.** Executive and Company agree that the covenants in Sections 6, 7, 8 and 9 are reasonable covenants under the circumstances. Executive agrees that any breach of the covenants set forth in Sections 6, 7, 8 and 9 of this Agreement will irreparably harm the Company. The Executive and the Company agree that in the event of any breach by the Executive of the provisions set forth in Sections 6, 7, 8 and 9 of this Agreement, the Company shall be entitled to all rights and remedies available at law or in equity, including without limitation, the following cumulative and not alternative rights:

(1) the right to obtain injunctive or other equitable relief to restrain any breach or threatened breach or otherwise to specifically enforce the provisions of this Agreement, it being agreed that monetary damages alone would be inadequate to compensate the Company, the amount of such damages will be difficult (if not impossible) to prove precisely, and would be an inadequate remedy for such breach;

(2) the right to institute civil suit to recover damages suffered by the Company;

(3) the right to recover actual reasonable attorneys' fees and other costs incurred by the Company in connection with pursuing remedies hereunder; and

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(4) the right to seek an equitable accounting of all earnings, profits and other benefits arising from any such violation.

4.ii **Independence of Covenants.** The existence of any claim or cause of action of the Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the provisions of Sections 6, 7, 8 and 9.

4.iii **Notice to Others.** Executive agrees to notify any future prospective employers and future employers, and any future joint venturers, partners and contracting parties of Executive, whose activities may be deemed to compete with Company of the existence of each of the covenants contained in Sections 6, 7, 8 and 9 of this Agreement.

4.iv **Savings Clause.** In the event that any provision or provisions of any of the covenants in Section 6, 7, 8 and 9 would otherwise be determined by any court of competent jurisdiction to be unenforceable in whole or in part by reason of being for too great a period of time or covering too great a geographical area or too broad a product market, or for any other reason, each such covenant shall nevertheless remain in full force and effect and be construed so as to be enforceable as to that period of time and geographical area and product market, and on such other conditions, as may be determined to be reasonable by the court.

f. **Amendments.** No amendments to this Agreement shall be binding unless in writing and signed by both parties.

g. **Notices.** All notices under this Agreement shall be in writing and shall be deemed effective (i) when delivered in person or by fax or other electronic means capable of being embodied in written form, or (ii) forty-eight (48) hours after deposit thereof in the U.S. mails by certified or registered mail, return receipt requested, postage prepaid, addressed, in the case of Executive, to her last known address as carried on the personnel records of Company and, in the case of Company, to the corporate headquarters, attention of the Chairman of the Board of Directors, or to such other address as the party to be notified may specify by notice to the other party.

h. **Entire Agreement.** This Agreement is the entire agreement of the parties with respect to its subject matter and supersedes and replaces all other negotiations, discussions and prior or contemporaneous agreements between the parties, whether oral or written, with respect to the subject matter of Executive's employment with Company.

i. **Binding Effect and Benefits.** The rights and obligations of Company and Executive under this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, personal representatives, successors and assigns of Company and Executive.

j. **Construction.** This Agreement shall be construed under the laws of the Commonwealth of Pennsylvania, as they may be preempted by federal laws and regulations. Section headings are for convenience only and shall not be considered a part of the terms and provisions of the Agreement.

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k. **Governing Law; Jurisdiction; Venue.** The validity, interpretation, construction, performance and enforcement of this Agreement shall be governed by the internal laws of the Commonwealth of Pennsylvania, without regard to its conflicts of law rules, and by federal law to the extent it pre-empts state law. For purposes of any action or proceeding, the Executive irrevocably submits to the exclusive jurisdiction of the courts of the Commonwealth of Pennsylvania and the courts of the United States of America located in Pennsylvania (the "Pennsylvania Courts") for the purpose of any judicial proceeding arising out of or relating to this Agreement or otherwise. The Executive irrevocably agrees to service of process by certified mail, return receipt requested, to the Executive at the address listed in the records of the Company. The proper venue for all such disputes, actions or proceedings shall be in the Pennsylvania Courts. The parties agree that in any action or proceeds arising under this Agreement, attorneys' fees and costs shall be awarded to the prevailing party.

l. **Executive's Acknowledgment of Terms and Right to Separate Counsel.** Executive acknowledges that he has read this Agreement fully and carefully, understands its terms and that it has been entered into by Executive voluntarily. Executive further acknowledges that Executive has had sufficient opportunity to consider this Agreement and discuss it with Executive's own advisors, including Executive's attorney and accountants and that Executive has made Executive's own free decision whether and to what extent to do so.

m. **Legal Expenses.** Company shall pay to Executive all reasonable legal fees and expenses incurred by him in seeking to obtain or enforce any rights or benefits provided by this Agreement to the extent he prevails in such efforts.

n. **Indemnification of Executive.** Company shall indemnify Executive against any liability incurred in connection with any proceeding in which the Executive may be involved as a party or otherwise by reason of the fact that Executive is or was serving as Chief Financial Officer to the extent permitted by the Company's articles of incorporation, bylaws and applicable law. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the Company shall cause its director and officer liability insurance to cover Executive during the Term and for such period thereafter as the Company's liability insurance policy permits coverage for actions or omissions of former directors or officers.

IN WITNESS WHEREOF, the parties hereto have caused the due execution of this Agreement as of the date first set forth above.

BM TECHNOLOGIES, INC.

**By: /s/ Luvleen Sidhu**  
**Title: Luvleen Sidhu**  
**Date: March 26, 2023**

**By: /s/ James Dullinger**  
**Name: James Dullinger**  
**Date: March 26, 2023**

**FIRST AMENDMENT TO SEPTEMBER 15, 2021 EMPLOYMENT AGREEMENT**  
**("Agreement")**

**THIS FIRST AMENDMENT**, made as of February 1, 2023 ("Amendment Effective Date") is by and between BM Technologies, Inc., a Delaware corporation, with its main offices located at 201 King of Prussia Road, Suite 650 Radnor, PA 19087 ("Company") and James Donahue ("Executive").

**WHEREAS**, the parties desire to document the expansion of Executive's role and compensation while retaining all of the other provisions of the Agreement as of the Amendment Effective Date,

**WHEREAS**, unless expressly amended herein, all terms shall remain as fully set forth in the Agreement and all definitions in the Agreement shall have the meanings ascribed to the defined terms in the Agreement,

**NOW THEREFORE**, for good and valuable consideration, the sufficiency of which shall not be denied and intending to be legally bound, the parties agree as follows:

1. Paragraph 1 of the Agreement shall be amended by substituting "President" for each reference to "Chief Technology Officer."
2. Paragraph 3(a) of the Agreement shall be amended by substituting "Three Hundred Thousand (\$300,000)" for "Two Hundred Seventy Five Thousand (\$275,000").

**AGREED:**

BM TECHNOLOGIES, INC.

**By: /s/ Luvleen Sidhu**  
**Title: Luvleen Sidhu**  
**Date: February 1, 2023**

**By: /s/ James Donahue**  
**Name: James Donahue**  
**Date: February 1, 2023**

## CERTIFICATION

I, Luvleen Sidhu, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of BM Technologies, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (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.

/s/ Luvleen Sidhu

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Luvleen Sidhu  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 22, 2023



## CERTIFICATION

I, Rajinder Singh, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of BM Technologies, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (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.

/s/ Rajinder Singh

Rajinder Singh

Co-Chief Executive Officer

(Principal Executive Officer)

Date: May 22, 2023

## CERTIFICATION

I, James Dullinger, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of BM Technologies, 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (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.

/s/ James Dullinger

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James Dullinger

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: May 22, 2023

## CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of BM Technologies, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Luvleen Sidhu, Chief Executive Officer of the Company, Rajinder Singh, Co-Chief Executive Officer of the Company, and James Dullinger, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Luvleen Sidhu

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Name: Luvleen Sidhu

Title: Chief Executive Officer

(Principal Executive Officer)

Date: May 22, 2023

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/s/ Rajinder Singh

Name: Rajinder Singh

Title: Co-Chief Executive Officer

(Principal Executive Officer)

Date: May 22, 2023

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/s/ James Dullinger

Name: James Dullinger

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: May 22, 2023

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This certification "accompanies" the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.