

SunTrust Master Services, LLC Bankcard Addendum to Master Services Agreement
SCHEDULE Q: CLOVER SERVICES AND EQUIPMENT

1 Background

This Schedule Q (“Schedule”) to the “SunTrust Merchant Services, LLC Bankcard Addendum to Master Services Agreement” adds Clover services and equipment to the merchant card processing services available under Contract No. 14-008474 between the State of North Carolina (by and through its Department of State Treasurer and Office of State Controller (“OSC”)) (the “State”), SunTrust Merchant Services, LLC (“STMS”), and First Data Merchant Services Southeast, LLC (“FDMS”) (Contract No. 14-008474 hereinafter referred to generally as the “Agreement”). As with all other merchant card processing services available under the Agreement, the Clover Services shall be provided to any eligible agency, institution or other unit of North Carolina State Government that has executed an Agency Participation Agreement that reflects such agency, institution or other unit’s intent to receive Clover Services from FDMS (the “Participants”).

2 Services Description

- 2.1 FDMS will provide Participants with software applications (the “Clover Services”) that reside on Clover-branded point-of-sale equipment (the “Clover Equipment”) or on other devices or form factors that FDMS periodically designates. FDMS will also give Participants access to a website associated with the Clover Services. The applications that make up the Clover Services (the “Default Applications”) may reside on the Clover Equipment when a Participant receives it, or the Participant may download the Default Applications during or after initial set-up. The Default Applications (and their functionality) that make up the default Clover Services may vary from time to time.
- 2.2 The Clover Services may provide Participants with access to the Clover App Market and links to software applications that Participants may obtain from developers (“Apps”). *Although designed to function with the Clover Services, these Apps are not part of the Clover Services.* Developers provide Apps directly to Participants. Participants must execute separate agreements with the App developers in order to use their Apps. The State and its Participants acknowledge that Participants are responsible for their use of all Apps, for compliance with any corresponding agreements for Apps, and for any fees or charges associated with Apps.
- 2.3 Participants may designate Apps they wish to be pre-installed and enabled with their Clover Services (“Designated Apps”). To that end, the Participants authorize FDMS to (1) accept agreements from developers governing Participants’ use of Designated Apps, (2) pre-install or install the Designated Apps, and (3) enable the Designated Apps, all on Participants’ behalf.
- 2.4 *The Participants’ use of Apps shall be at the Participants’ own risk. FDMS is not responsible for, makes no representations or warranties related to, and disclaims all liability for Apps, their content, advertising, additional hardware or peripheral requirements, or additional goods or services provided through them, all of which are the responsibility of the App developers.*

- 2.5 The Clover Services will support electronic communications from Participants to their consumers (“Consumers”) (for example, sending digital transaction receipts), as well as from Clover Networks, Inc. (“Clover”) and other third parties (such as App developers). Consumers must provide their consent and enter an email address or phone number when prompted in order to receive electronic communications through the Clover Services. *Participants may not independently provide or modify a Consumer’s consent.* Participants sending electronic communications to Consumers through the Clover Services must do so using the contact information provided by such Consumers for that specific purpose. State laws may impose limitations on how Participants may use their Consumers’ contact information through the Clover Services, and Participants are responsible for complying with such laws.
- 2.6 Participants will provide accurate information when creating their member or merchant accounts (“Accounts”) for the Clover Services and will update this information periodically so that it remains accurate. Clover collects all information or transaction data that Customer provides in connection with its Account through the clover.com website or when using the Clover Services (together, Account Information). Account Information will be managed according to the Agreement and, to the extent not inconsistent therewith, Clover’s privacy policy (available at clover.com/privacy-policy). The Participants authorize FDMS to access their Account Information in connection with providing the Clover Services or other supported Services under the Agreement.
- 2.7 Participants are responsible for maintaining the confidentiality of their respective account numbers, passwords, security questions and answers, login details, and other information (together, “Credentials”) needed to access their respective Accounts or Account Information. FDMS will rely on these Credentials to authenticate access to Participants’ Accounts and Account Information. Should any Participant become aware of any loss or theft of, or unauthorized access to, its Credentials, Account, or Account Information, such Participant shall notify FDMS immediately. FDMS may deny any access to a Participant’s Account or Account Information if it believes someone is misusing the Participant’s Credentials.
- 2.8 The Clover Services will support offline payment transactions and point-of-sale activities. Payment transactions that Participants process while offline will be held and submitted for authorization when Internet connectivity with the Clover systems is restored. In the event any Participant chooses to conduct offline payment transactions, such Participant does so at its own risk and, subject to the terms of the Agreement, will be responsible for all risks (such as subsequent transaction denials) associated with conducting offline payment transactions.
- 2.9 FDMS will provide Participants with documentation, periodic updates, and an operating guide for the Clover Services. Periodic updates may include maintenance releases or bug fixes, and FDMS may make the referenced operating guide available via the Internet. Maintenance or bug fixes for the Clover Services may result in service interruptions, delays, or errors. FDMS will not be liable to Customer for any service interruptions, delays, or errors that result from maintenance or bug fixes for the Clover Services, provided the interruption, delay or error in question was not the result of FDMS’s negligence or intentional misconduct, or that of any subcontractor or affiliate of FDMS. FDMS may contact Participants and may access Participants’ Accounts, Account Information, transaction information and/or payment data in order to identify errors and/or perform necessary maintenance for the Clover Services.

3 Clover Equipment

FDMS will provide Customer with the Clover Equipment selected in the table at the end of this Schedule. Each Participant is responsible for choosing the Clover Equipment that meets that Participant's particular needs. Participants must order the Clover Equipment using forms developed by OSC in consultation with FDMS ("Orders"). FDMS will reject any other forms, purchase orders, or correspondence that Participants attempts to submit as Orders, as well as any documents containing terms that are additional to, or inconsistent with, the terms set forth in this Schedule.

4 Limited Warranty

4.1 FDMS warrants that the Clover Equipment will be free from defects in materials and workmanship for a period of one year (the "Warranty Period"), such period to commence on the date that FDMS, or its designee, ships the Clover Equipment to the relevant Participant. This limited warranty is the "Clover Equipment Limited Warranty."

4.2 The Clover Equipment Limited Warranty does not:

- (1) Include a warranty that the Clover Equipment will operate uninterrupted or error free, except to the extent that such interruption or error was caused by defective materials or workmanship associated with the Clover Equipment;
- (2) Apply to the Clover Services, any Apps, or any other software or peripherals used in connection with the Clover Equipment;
- (3) Cover accident, damage to, or misuse of the Clover Equipment by any Participant, including damage resulting from smashed or cracked units or screens; extraneous materials in the interior of the unit (such as hair, soil, or dust); contact with liquids; missing unit covers; fire damage; melted or burnt units; cosmetic damage (such as scratches, dents, or broken plastic on ports); improper or inadequate maintenance by a Participant (or any of its vendors); other visible damage; or damage resulting from a Participant's breach of this Schedule; or
- (4) Apply to defects or damage resulting from software, interfaces, or supplies that FDMS does not provide; a Participant's negligence, provided FDMS was contributorily negligent; acts of nature (including flood or lightning damage); loss or damage in transit through no fault of FDMS; improper site preparation by a Participant (or by any of its vendors); a Participant's failure to follow written instructions on proper use of the Clover Equipment; unauthorized modification or repair; or normal wear and tear.

4.3 Participants may not transfer the Clover Equipment Limited Warranty to any third parties.

4.4 Participants will contact FDMS's support center for assistance with defective Clover Equipment. FDMS will provide a Return Merchandise Authorization ("RMA") call tag to any Participant whose Clover Equipment is found to be defective during the Warranty Period. The Participant may use the RMA to ship the defective Clover Equipment to FDMS's repair facility. Participants are responsible for any shipping costs associated with sending the defective Clover Equipment to FDMS's repair facility. FDMS will repair or replace any defective Clover Equipment covered by the Clover Equipment Limited Warranty, and will ship the new or

repaired Clover Equipment back to the Participant at no additional charge. Any such new or repaired Clover Equipment shall be covered under the Clover Equipment Limited Warranty for the remainder of the Warranty Period corresponding to the original Clover Equipment.

5 Fees

- 5.1 Participants will pay FDMS: (a) the Clover Services fees reflected at the end of this Schedule or in the Clover App Market; and (b) the Clover Equipment fees reflected at the end of this Schedule (together, the "Clover Fees"). Clover fees shall be billed to the Participants on a monthly basis. Under no circumstances may FDMS debit, or cause or permit any subcontractor or third-party affiliate to debit, any Clover Fees from any bank account of any Participant, or from any bank account of the State generally. Clover Fees do not include fees that FDMS charges separately for other merchant card processing services provided to the State and its Participants under the Agreement.
- 5.2 Participants are responsible for paying all fees associated with Apps obtained from the Clover App Market to the developers of such Apps. The State and its Participants authorize Clover to collect all fees associated with these Apps on behalf of the respective App developers.

6 Term, Termination, and Changes

- 6.1 The provisions of this Schedule shall remain in effect for the duration of the Agreement, unless earlier terminated as provided in this Schedule or as provided under the terms of the Agreement.
- 6.2 Subject to the terms of the Agreement, FDMS may suspend or terminate the Clover Services if:
 - (1) A Participant uses the Clover Services for any fraudulent, illegal, or unauthorized purpose or provides inaccurate or false information related to the Participant's Account; or
 - (2) FDMS terminates its agreements with any third parties involved in providing the Clover Services.
- 6.3 A breach of this Addendum by the State or any Participant of the State, or by FDMS or any subcontractor or third-party affiliate of FDMS, constitutes an Event of Default under the Agreement.
- 6.4 FDMS may update or modify the Clover Services from time to time in its discretion. To the extent reasonably practicable under the circumstances, FDMS shall provide advance written notice of any such update or modification. A Participant's use of the Clover Services after an update or modification to the Clover Services will constitute the Participant's acceptance of the change, provided notice of such change was given in accordance with this section.

7 Intellectual Property

- 7.1 Subject to the terms of the Agreement, FDMS grants to the State and each Participant a revocable, limited, non-exclusive, non-transferrable, non-sub-licensable, royalty-free license

to use the Clover Services and all associated documentation in the United States to operate their respective businesses and conduct their respective point-of-sale activities.

7.2 Subject to the terms of the Agreement, Customer may not:

- (1) Disassemble, reverse engineer, or otherwise attempt to discover the Clover Services' source code, ideas, or algorithms;
- (2) Distribute, lease, sell, republish, modify, copy, alter, or create derivative works from the Clover Services or its associated documentation;
- (3) Access any part of the Clover Services that FDMS does not intend for Participants' use;
- (4) Use the Clover Services through any time-sharing, service bureau, network, consortium, or other multiparty access structure;
- (5) Remove, relocate, or otherwise alter any proprietary rights notices from the Clover Services, Clover Equipment, or Clover Marks (defined below);
- (6) Export the Clover Services outside the United States; or
- (7) Impose unreasonably large loads on FDMS's infrastructure, networks, or bandwidth.

7.3 Subject to the terms of the Agreement, FDMS reserves to itself (or its licensors, as applicable) all right, title, interest, and license (express or implied) to the Clover Services that are not specifically granted to the State and its Participants under this Schedule. Customer may not use the Clover logos, trademarks, or service marks (together, "Clover Marks") in any manner (such as advertisements, displays, or press releases) without FDMS's prior written consent.

7.4 The State and its Participants may submit comments or ideas about the Clover Services or Clover Equipment (including ideas about improving them). A Participant's comments or ideas about the Clover Services or Clover Equipment are not confidential information under the Agreement and do not constitute the Participant's intellectual property. FDMS may use or disclose Participants' comments or ideas about the Clover Services and Clover Equipment without compensating or sending notice to such Participants.

8 Electronic Communications

8.1 While this Schedule is in effect, FDMS may:

- (1) Contact Participants using electronic communication methods (such as email, SMS/text messaging, fax, live agent calls, automatic telephone dialing system, or artificial/pre-recorded voice messages), provided any such communication is not made for marketing, promotional or solicitation purposes;
- (2) Give Participants legal disclosures electronically, including disclosures required by law, notices about the Clover Services or Clover Equipment that are required or permitted under this Schedule or the Agreement, and other information about your legal rights and obligations; and

- (3) Give Participants billing statements and other information about the Clover Services or Clover Equipment electronically.

9 All Other Rights and Obligations of the Parties

All other rights and obligations of the parties with respect to the Convenience Fee Service shall be governed in accordance with the terms and conditions of the Agreement, consistent with the order of precedence established on page 1 of that portion of the Agreement identified as "Request for Proposal No. 14-008474."

Clover Equipment Selections & Fees

Amount per Item

Clover Station 2 w/ Accessory Kit	1297	N-FDTABYJ5 + N-FDTABYJ5A-KIT	CLOVER STATION 2 YJ5 DISPLAY ASSY, 1YJ5BZZ0001 (WIRELESS VERSION) + STATION 2 ACCESSORY KIT (1HYNZZZ026Y)	Purchase	\$764.00
Clover Station 2 w/ Accessory Kit & Cash Drawer	1297	N-FDTABYJ5 + N-FDTABYJ5A-KIT + N-FDCDWYJ1	CLOVER STATION 2 YJ5 DISPLAY ASSY, 1YJ5BZZ0001 (WIRELESS VERSION) + STATION 2 ACCESSORY KIT (1HYNZZZ026Y) + CASH DRAWER YJ1(FAYJ1006010,REV3A)	Purchase	\$849.00
Clover Flex WIFI & 3G	11QX	N-FDTABYJM4BZ	CLOVER FLEX MOBILE YJ4 ASSY, 1YJ4BZZ0004 (WI-FI / 3G+SIM) (US)	Purchase	\$679.00
Clover Mobile WIFI & 3G	106B	N-FDTABMYJ23A	CLOVER MOBILE YJ2 DISPLAY ASSY, (V3 + ATT) 1YJ2UZZ0005 (WI-FI / 3G+SIM) (US)	Purchase	\$649.00

Clover Services Fees

Amount

Driver

Clover Services Monthly SaaS Fee

\$

per device, per month

Clover Station Load Fee

\$

per device

Equipment Deployment Fee

\$10.00

per deployment

*Taxes and Shipping fees not included