RETAILER PROCEDURES

LAST REVIEWED JUNE 4, 2024

INTRODUCTIONS & DEFINITIONS

We know that customer service and customer experience are important to You, and we share a mutual interest in every customer's satisfaction. With that in mind, Progressive has developed these Retailer Procedures ("Procedures").

These Procedures describe the requirements for Your participation in Progressive's lease-purchase program ("Program"). Under the Program, You sell to Progressive leasable consumer goods ("Merchandise"), and Progressive simultaneously leases the Merchandise to customers under leases with purchase rights through a lease-to-own or rent-to-own agreement ("Lease(s)"). Customers do not purchase Merchandise from You outright, usually because they do not want to pay the entire purchase price up front.

As used in this document, (A) "Progressive" means Prog Leasing, LLC and its NPRTO subsidiaries; (B) "You," "Your," or "Retailer" means you as a company and your officers, members, directors, employees, agents, representatives and contractors; and (C) "Customer" means a person who has applied for a Lease with Progressive. **Customers who enter into a Lease have a direct contract with Progressive. The Retailer is not a party to the Lease. You need to read, understand, and act in accordance with these Procedures.**

MERCHANT AGREEMENT

These Procedures should be read alongside the Merchant Agreement between You and Progressive (the "Agreement"). The Agreement governs our working relationship and sets forth the parties' rights and obligations. In case of a conflict between the Procedures and the Agreement, the Agreement controls unless otherwise required by law. **You are responsible for ensuring that You and any and all third parties You use as part of Your participation in the Program (e.g., to provide Merchandise to Progressive) understand and comply with these Procedures.**

UPDATES TO RETAILER PROCEDURES

Progressive may notify You from time-to-time of important changes to the Procedures. You are required to comply with the most current version available on this page.

You are required to provide Progressive with Your current contact information, including Your phone number, street address, and email address, and to update this information if/when it changes.

Progressive may evaluate the Retailer's implementation of the Procedures. Progressive reserves the right to review Your operations without notice. You may be provided with results of Progressive's review that require Your immediate attention and/or corrective action. Your failure to follow these Procedures may result in Progressive terminating its relationship with You.

If there are any questions or concerns regarding these Procedures, please call Progressive Retailer Support at 855-222-0801 or contact Your Progressive Sales Representative.

LEASE-PURCHASE PROGRAM

Key components of the Program include: (A) a Customer completes a Lease application and, if the Customer is approved, (B) the Customer selects merchandise, and that selection is reported to Progressive, (C) the Customer reviews Lease pricing details, as well as the Lease, and then signs the Lease, (D) the Customer's initial payment is successfully processed by Progressive using the Customer's credit or debit card, (E) Retailer delivers the Merchandise identified in the Lease to the Customer, or the Customer takes the

Merchandise home from the Retailer the same day, and (F) You notify Progressive that the Merchandise was delivered, where applicable.

FOLLOW THE LAW

Progressive expects You to obey all applicable laws at all times. Seek legal counsel if You are unsure about how a law or other requirement may apply. Notwithstanding the above:

- You should never misrepresent or assist others in misrepresenting to Customers (i) the costs, fees, or charges associated with the Program; (ii) the nature of the goods or services being provided by Progressive; (iii) the various purchase options available to the Customer; and (iv) any other facts material to the Customer.
- You should never make any representation or assist others in making any representation, regarding the Program, the Customer's Lease, or any terms related to the Program or a Customer's Lease that is inconsistent with Progressive's guidance and these Procedures.
- You should never use marketing materials or make statements regarding the Program without also providing any disclosures that have been provided by Progressive.

CUSTOMER QUESTIONS OR COMPLAINTS

You should refer all Customer inquiries to Progressive at 1-877-898-1970.

PROGRESSIVE'S LEASE-TO-OWN PRODUCT

It is important that Customers are provided with full and complete information about Progressive's lease-to-own product ("Product") (e.g., details in the Lease).

LEASE-TO-OWN

Merchandise is sold by the Retailer to Progressive. Progressive offers Customers the opportunity to acquire durable consumer Merchandise through a lease-to-own or rent-to-own agreement. Progressive owns the Merchandise until the Customer pays the lease-to-own total cost. The Customer can cancel the transaction and return the Merchandise to Progressive at any time without any further obligation, fee, or penalty. The Customer owns the Merchandise by completing scheduled payments or by exercising an early purchase option.

Depending on the state where offered, Progressive's Product may be referred to as lease-to-own, rent-to-own, lease-purchase, lease with purchase rights, or rental-purchase agreements.

You may not refer to Progressive as a creditor, finance company, or lender. A Progressive Lease is **lease-to-own**, not credit. This is important because it allows the Customer to return the Merchandise to Progressive at any time without owing the remainder of the full purchase price. Progressive is not a finance company, and our Leases are not "financing." Additionally, Progressive's Product is not a "loan," nor is the lease-to-own cost the same as "interest."

BEST OPTION FOR THE CUSTOMER

In discussing payment options with a customer, do not pressure a customer into a lease agreement if the customer feels it is contrary to their best interest or if there is a better-suited option. You must not pressure a customer to increase approval limits that are not in

the customer's best interest. Sales incentives tied to lease transactions are prohibited.

COSTS

Cost transparency is fundamental to Your success and customer satisfaction. **The default lease-to-own agreement offers 12 months to ownership and could cost more than double the cash price**, but the customer has the opportunity to exercise early-purchase options that have a lower total cost of ownership, compared to the default lease, as described below.

You should not charge Progressive more for the Merchandise than the lowest price offered to any other customer.

INITIAL PAYMENT

The initial payment is the first lease-to-own payment and is part of the 12-month lease-to-own total cost. The initial payment made to Progressive is a Lease payment and should not be referred to as an "origination fee," "application fee" or any other type of fee. **You may not charge an application fee to Customers.**

The initial payment is made using a credit or debit card provided by the Customer. **You must not pay the initial payment for the Customer.**

EARLY PURCHASE OPTIONS

In addition to acquiring ownership by making all scheduled payments, a Customer may exercise one of Progressive's early purchase options, as described in the Lease.

Early purchase options cannot be set up during the Lease application process. Customers are automatically enrolled in the default Lease agreement that auto-renews for up to 12 months.

You should inform the Customer of the steps required to set up or exercise either the 90-day purchase option or other early purchase options – Customers should call Progressive at 877-898- 1970 or visit our website, progleasing.com.

Except in California, the 90-day purchase option includes a mark-up over the Retailer's cash price. You may **not** refer to this payment option as "90-Day Same-as-Cash" or "90-Day Cash Price." Also, you should not refer to that payment option or any other early purchase option as "interest free" or "no interest." Other early purchase options also exist, and Customers should consult their Lease for this information.

ADVERTISING & APPLICATIONS

Marketing materials that advertise Progressive's product must be approved by Progressive's Compliance Department, as indicated by a Progressive approval number, prior to use. Retired Marketing materials must be removed within 30 days of notification from Progressive.

Changes to materials that reference Progressive, including Customer applications, must be approved by Progressive before release.

When You communicate with Customers about Progressive, it is important to use the correct terms and phrases for transparency and clarity. **Advertising should abide by Progressive's current Advertising Guide for Retailers, available at Advertising Guide for Retailers or https://progleasing.com/merchant/merchant-resources/**

Contact Your Progressive Sales Representative to receive the current approved Progressive advertising material.

SPANISH LANGUAGE ADVERTISING

You may not advertise or market Progressive in Spanish unless: (A) Your entire process supports Spanish (e.g. Lease application including disclosures, Lease execution, etc.); and (B) the marketing materials are approved by Progressive's Compliance Department and contain a Progressive approval number.

You may not advertise or market Progressive in any language other than English or Spanish.

PRODUCT – TERMS & CONDITIONS

LEASABLE ITEMS

Progressive leases Merchandise for personal, family or household use. Progressive will not lease certain kinds of Merchandise. Progressive maintains a list of leasable item principles available at **https://progleasing.com/leasable-items/**

Labor or installation-related costs or fees are not eligible for leasing.

Delivery fees in California, Colorado, Connecticut, Hawaii, Iowa, Maine, Michigan, Nebraska, New York, Ohio, Pennsylvania, South Carolina, or West Virginia are not eligible for leasing.

SALES TAX

Progressive's purchase of Merchandise from the Retailer is a tax-exempt sale.

DOUBLE LEASING PROHIBITED

Progressive must, at all times, be the sole (exclusive) owner of the leased Merchandise. You may not "double lease" or combine a Progressive Lease with any other lease-to-own products offered by another company.

EXTENDED SERVICE CONTRACTS

Extended service contracts (service plans, extended warranties, etc.) may not be included in a lease until the terms and conditions of the plan are reviewed and approved, in writing, by Progressive's Legal Department.

Extended service contracts, in any form, in the states of California, Indiana, or New York are not eligible for leasing.

SPECIAL ORDERS & CUSTOM ORDERS

Special or custom orders that do not allow for cancellation prior to delivery are not permitted.

CUSTOMER APPLICATION & LEASE SIGNING

Progressive reserves the right to deny any Lease application.

LEASE SIGNING

You may not accept terms, conditions or disclosures, or sign a Lease, on a Customer's behalf, even at the Customer's request.

You must provide clear and accurate information to Customers. The Customer, not You, must (A) review all disclosures, (B) review the payment summary, (C) provide express, informed consent for payments, and (D) sign the Lease.

PROGRESSIVE LEASING APPLICATION

You may assist the Customer in completing the application accurately, or the Customer may enter the information without Your help. **The Customer, not You, must click/type during the Lease signing session. It is imperative that the Customer reads and understands all terms and conditions prior to execution.**

Under no circumstances should You submit Your email or telephone number on behalf of the Customer. Progressive uses the Customer's email to send important information about their Lease, including a copy of the Lease, payment schedule, etc. This information is required for Progressive and the Customer to fulfill their obligations to one another.

LEASE COPY

Progressive sends Customers a copy of the Lease via email.

You may provide the Customer a printed copy of the Lease if requested by the Customer. In addition, upon Lease creation, Progressive sends a Lease Cost Summary and a copy of the Lease to the Customer's email.

You may not make copies or otherwise duplicate any Lease or Lease application, either electronic or hard copy, aside from a printed copy provided to customer.

VERIFY IDENTITY

For in-store transactions, You should verify the Customer's identity to confirm the Customer is the person named in the Lease prior to finalizing the Lease. You should verify the Customer's identity using a form of government-issued photo identification (i.e., a driver's license, passport, resident alien card, military ID card, etc.). **You may not make copies or duplicate identity information provided.**

FUNDING A LEASE

DELIVERY REQUIRED FOR FUNDING

You should not release Merchandise to a Customer until (A) Progressive has approved the Lease, (B) the Customer signs the Lease, and (C) the Customer's initial payment is successfully processed. **Progressive will not pay for any Merchandise until You confirm receipt by the Customer or delivery to the Customer of all Merchandise (i.e., no partial delivery) covered by the Customer's Lease with Progressive.** The Retailer must not confirm delivery of Merchandise unless the Merchandise has been delivered to the Customer.

An itemized Lease is required. You must itemize each piece or set of Merchandise so that each item is accounted for accurately and completely in the Lease.

Labor, service, or installation-related costs or fees are not eligible for leasing; You may not include such costs and fees in a Progressive Lease.

Progressive is not required to pay You for Merchandise if a Customer cancels the Lease prior to delivery of the Merchandise or if the Customer refuses delivery of the Merchandise. This is one reason it is important that You notify Progressive when delivery occurs.

APPROVAL STATUS

Customers may be approved for a Lease, but not immediately complete the Lease. In that case, the Customer is considered in an "Approved" status. **Customers may remain in "Approved" status for up to 90 days during which time they may complete the Lease process.** After the 90th day, the Customer will be required to reapply. Reapplication may result in a denial.

RETURNS

Subject to Your return policy and the terms outlined in the Customer's Lease, a Customer may be allowed to return or exchange Merchandise. This may result in a credit to Progressive by You. In such cases, You must send Progressive a Credit Invoice which accurately reflects the total credit due on the account. **You must provide a Credit Invoice within five (5) business days of accepting any return or exchange of Merchandise. Do not provide any refund directly to the Customer.**

While Customers have the right to return Merchandise to Progressive and cancel their Lease at any time, You are expected to honor your customary return policies on Merchandise sold to Progressive under the Program. Treat the return the same as if it were a return of a cash purchase but credit the return to Progressive. Issue a credit invoice to Progressive as soon as possible so that we may cancel the Lease before processing another charge to the Customer.

CUSTOMER DATA RESTRICTIONS

Retailer has responsibilities in handling Customer Data. "Customer Data" means all identifiable information about Customers collected or generated by You or Progressive arising out of or otherwise related to transactions with Progressive, including, but not limited to, the Customer's name, addresses, email addresses, phone numbers, social security number, date of birth, employment information, and financial account information.

You may not keep or otherwise maintain any Customer Data on behalf of Progressive following the completion of the Application. If you are engaged in transactions with the Customer beyond the Program, receiving and retaining data for those purposes is a matter between you and the Customer, but you are not authorized to retain data on behalf of Progressive.

The Retailer may only use Customer Data forwarded to Progressive to fulfill Your obligations in connection with the Lease process as detailed in Your Agreement with Progressive.

The Retailer must immediately notify Progressive if You become aware of or suspect any unauthorized, inappropriate, or accidental access to or use of Customer Data and must cooperate with Progressive in the investigation of any such incident and the mitigation of any damages.

Retailers must be Payment Card Industry (PCI) compliant, if applicable.

DISPOSAL OF CUSTOMER DATA

Any documentation in Retailer's possession that contains Progressive Customer Data must be disposed of in a secure and commercially reasonable manner.

EXCEPTIONS TO RETAILER PROCEDURES

Occasionally, special circumstances make an exception to the Procedures necessary. Any exception must be documented in a written agreement between Progressive and You. If You are uncertain whether an exception has been granted, contact Progressive.

ADDITIONAL INFORMATION

If You have any questions or concerns regarding these Procedures, please call Retailer Support at 855-222-0801 or contact Your Sales Representative.