Payment Processing Terms

Effective Date: October 9, 2026
Last Updated: October 15, 2026
Version: 3.2

These Payment Processing Terms ("Terms") apply to Merchants and marketplace Suppliers who receive payouts through the Platform. They do not apply to managed wholesale Suppliers, who are paid on each purchase order under the Managed Supplier Wholesale and Dropship Agreement. Capitalized terms not defined here have the meaning given in the Platform Terms of Service or your Merchant or Supplier Agreement.

1. Definitions

• **"Payment Processor"** means Stripe, Inc. ("Stripe") and any other payout provider Lesuto enables, including Wise.

• **"Connected Account"** means your Stripe Express account, or other payout account, connected to the Platform for receiving payouts.

• **"Chargeback"** means a payment reversal initiated by a Customer's card issuer or payment method provider.

• **"Reserve"** means an amount withheld from payouts as security against likely Chargebacks, refunds, or disputes.

2. Merchant of Record and Nature of Payouts

Lesuto is the merchant of record and receives Customer payments for its own account. A payout is Lesuto's payment to you of the commission or net proceeds Lesuto owes you under your Merchant or Supplier Agreement. Lesuto does not hold funds on your behalf as a money transmitter, trustee, or fiduciary, and no interest accrues on amounts awaiting payout. Neither you nor Lesuto is a bank or payment processor. Card payments are processed by Stripe.

To receive payouts you must accept the Stripe Services Agreement (https://stripe.com/legal) and the Stripe Connected Account Agreement, and the terms of any other payout provider you enable.

3. Connected Account

You must connect a Stripe Express account (or another supported payout account) to receive payouts. You are responsible for: (a) completing identity verification and know-your-customer checks; (b) keeping your Connected Account in good standing; (c) providing accurate banking and tax information; and (d) complying with the Payment Processor's terms. Lesuto may pause payouts while your Connected Account is incomplete, restricted, or closed, and will release them once it is active.

4. Transaction Flow

• A Customer places an order on a Storefront or Lesuto surface.

• Stripe processes the payment for Lesuto. Card numbers are entered in Stripe-hosted fields and never touch Lesuto servers.

• The Platform calculates the split: Merchant commission, Supplier net proceeds, and Platform Fee.

• Amounts are held until the applicable Return Window expires.

• After the Return Window, payouts are released to the Connected Accounts.

• The Payment Processor transfers the payout (typically 2 to 7 business days).

5. Fees

• The Platform Fee is a flat ten percent (10%) of the customer price, inclusive of card processing, unless an Order Form says otherwise. Lesuto pays Stripe's standard processing fees on Customer payments out of the Platform Fee.

• Fees the Payment Processor charges to your Connected Account for optional services you choose (such as instant payouts or payout currency conversion) are yours.

• The figure 2.9% + 30 cents in Section 9 is the standard card processing fee used only to calculate the refund retention described there.

6. Payout Schedule and Holds

• Payouts are held during the Return Window set by the applicable Supplier.

• After the Return Window expires, payouts are released and processed by the Payment Processor.

• The first payouts on a new account may be held for up to 14 days as a fraud-prevention measure.

• Lesuto may extend a hold only as provided in Section 7.

Amounts owed are never capped. Holds and Reserves do not cancel Lesuto's duty to pay amounts that have become payable and are not in dispute.

7. Reserves and Withholding

Lesuto may establish a Reserve or extend a hold only if: (a) your Chargeback rate exceeds 0.75% of transactions; (b) there are unresolved disputes reasonably likely to result in a refund or Chargeback; (c) your account shows patterns reasonably indicative of fraud; or (d) the law or a Payment Processor requires it. Lesuto will give you a written reason, hold an amount proportionate to the exposure, review the Reserve at least every 30 days, and release it when the exposure closes.

8. Tax

- The Platform uses Stripe Tax to calculate sales tax, VAT, or similar tax at checkout based on the Customer's shipping address, per line item and per jurisdiction. Lesuto, as merchant of record, collects that tax.
- These Terms do not state that Lesuto is registered as a marketplace facilitator in any particular state.
- You must provide a valid IRS Form W-9 (U.S. persons) or Form W-8BEN or W-8BEN-E (non-U.S. persons) through the Platform or Stripe. If you do not, Lesuto or the Payment Processor may apply backup withholding or other withholding the law requires.
- Lesuto or the Payment Processor issues information returns (such as Form 1099) where the law requires.
- You are responsible for your own income tax obligations and filings.

9. Refunds

- Lesuto issues full and partial refunds to Customers through Stripe as merchant of record.
- Where the order total exceeded three thousand dollars ($3,000), and where the law allows, the card processing fee (2.9% + 30 cents) may be retained from the refund. It is not retained where a Customer exercises a statutory right of withdrawal, or where the product was defective, damaged, or not as described.
- A refund made before payout reduces the payout. A refund made after payout is deducted from later payouts.
- If your later payouts are insufficient to cover a refund for which you are responsible, Lesuto may invoice you, and you will pay within 30 days.

10. Chargebacks and Disputes

- Chargebacks are handled through Stripe's dispute process.
- You will cooperate with Lesuto and Stripe by providing documentation (proof of delivery, correspondence, and similar) within 3 business days of a request.
- Chargeback amounts and fees are allocated to the party whose products or conduct caused the Chargeback: typically the Supplier for product or fulfilment issues and the Merchant for Storefront misrepresentation. Lesuto bears Chargebacks it causes.
- Excessive Chargebacks (above 0.75% of transactions, or 100 Chargebacks in a rolling 30-day period) may lead to a Reserve, payout holds, account review, or termination.
- Lesuto contests Chargebacks where it reasonably believes the evidence supports doing so, but is not required to contest every Chargeback.

11. Fraud Prevention and Sanctions

You will: (a) not create or encourage transactions you know or suspect to be fraudulent; (b) comply with card network rules that apply to you; (c) not take Customer payments outside the Platform for Platform orders; and (d) report suspected fraud to Lesuto promptly. Lesuto and the Payment Processors screen accounts and payouts against sanctions lists and may block or hold a payout where the law requires.

12. Card Data

Card payments are processed by Stripe, a PCI DSS Level 1 certified service provider. Card numbers are entered directly into Stripe-hosted fields and are never transmitted to, stored on, or processed by Lesuto's servers.

You will not request, store, or log cardholder data outside Stripe's systems.

13. Currency

Customer payments are processed in the currency configured for the Storefront. Payouts are made in the currency of your Connected Account. Currency conversion, if needed, is performed by the Payment Processor at its prevailing rates.

14. Payout Errors

If a payout is wrong, notify Lesuto within 90 days of the payout date. Lesuto will correct an underpayment with the next payout. Lesuto may recover an overpayment by deducting it from later payouts after telling you the amount and the reason.

15. Account Deactivation

If your account is deactivated or terminated: (a) Lesuto settles payable amounts within 60 days; (b) amounts needed to cover refunds, Chargebacks, and disputes that are pending or reasonably likely, as permitted by Section 7, may be held as a Reserve until the exposure closes, and no longer than 180 days after deactivation unless a dispute is still open; and (c) the Payment Processor may independently restrict or close your Connected Account under its own terms.

16. Limitation of Liability

Lesuto is not liable for: (a) Payment Processor outages or processing errors; (b) unauthorized transactions not caused by Lesuto; (c) card network decisions on Chargebacks; (d) payout delays by Payment Processors or banks; or (e) currency exchange rate fluctuations. This section does not affect amounts that have become payable, which remain payable.

17. Order of Precedence

A current Executed Agreement controls. The applicable Merchant or Supplier Agreement controls over these Terms for the commercial relationship. These Terms control over the Platform Terms of Service for payouts, Reserves, Chargebacks, and tax collection mechanics.

18. Contact

Payment support: support@lesuto.com
Billing inquiries: billing@lesuto.com

Signature

Signing this page executes this document. Type your name in the signature field, or apply a digital signature in your PDF reader. A typed name is an electronic signature under the ESIGN Act (15 U.S.C. sections 7001 to 7031) and the Uniform Electronic Transactions Act as enacted in Texas (Texas Business and Commerce Code chapter 322).

Lesuto Technologies, Inc.

Legal name

Lesuto Technologies, Inc.

Printed name

Title

Signature (type your name, or sign in your PDF reader)

Date

Counterparty

Legal name

Printed name

Title

Signature (type your name, or sign in your PDF reader)

Date