

# The Hit Channel (“THC”) Fee Policy

## EFFECTIVE AS OF JANUARY 1, 2018

### A. Basic Fees: Goods

1. **Insertion Fees:** When you list an item on THC.com, you will not be charged a listing (or insertion) fee. THC only collects a fee on successful transactions (i.e., when a buyer purchases an item(s) from a seller).
2. **Final Value Fee:** If the item you list on THC.com sells, you are charged a final value fee. Final value fees are calculated based on the total amount of the sale and are charged per item. The “total amount of the sale” is the final price of the item, shipping charges, and any other amounts you may charge the buyer. Sales tax is not included. THC charges a final value fee of 10% of the total amount of the sale. In addition, we charge a processing fee of 6.5% of the total amount of the sale, which covers our transaction costs, for a total of 16.5% in fees. We also pass along referral credits, which are paid directly to THC community members, as described below.
3. **Shipping Options:** You may select a shipping option from the Post – THC Store – Product Box. You may select the shipping box and pricing options and shipping boxes will be provided at the post office, or you may choose to ship products to consumers by an alternative shipping method of your choice. The price for each USPS flat rate box is listed in the “Post – THC Store – Product Box” menu and you may choose to pass along this shipping charge to the buyer.
4. **Referral Credits:** Users of THC may endorse products or services by adding the products or services to their stores, or sharing a post or page link with others, inside or outside of the THC network. Users are paid a referral credit of 5% of the total amount of the sale of any purchases made from these marketing efforts. You may request for the referral fee to be increased. This fee is charged in every transaction on THC.com, except when a good is purchased directly from a seller on THC.com without a referral. In such a case, no referral credits are deducted and the net earnings shall be passed directly to the seller. The referral fee is deducted from the total amount of the sale and paid directly to the referring party’s Earnings account, without any additional markup by THC. The referring party may use the balance in their Earnings account at check-out at any time, or may redeem the Earnings account for cash when it reaches \$25.00 or more. Prior to receiving any Earnings account redemptions, the account holder must provide THC with an accurate name, address, social security number or tax identification number for tax reporting purposes, and ACH information for wire transfer of redemption amounts.

### B. Basic Fees: Services and Events

1. **Insertion Fees:** When you list a service or event on THC.com, you will not be charged a listing (or insertion) fee. THC only collects a fee on successful transactions (i.e., when a buyer purchases service(s) or event(s) from a seller).
2. **Final Value Fee:** If the service or event you list on THC.com sells, you are charged a final value fee. Final value fees are calculated based on the total amount of the sale and are charged per item. The “total amount of the sale” is the final price of the service or event, and any other amounts you may charge the buyer. Sales tax is not included. THC charges a final value fee of 6.5% of the total amount of the sale of the service or event to cover transaction costs. We also deduct the credits and sales commissions, which we then pay directly to the THC community members, as described below.
3. **Shipping Options:** There are no shipping costs. Purchase confirmations are sent via email at no charge.
4. **Referral Credits:** Users of THC may endorse your THC Store Services or Events by sharing a post or page link to others, inside or outside of THC. Users are paid a referral credit of 5% of the total amount of the sale of any purchases made from these marketing efforts. This fee is charged in every transaction, except when a service or event is purchased directly from a seller without a referral. In such a case, no referral credits are deducted and the net earnings shall be passed directly to the seller. The referral fee is deducted from the total amount of the sale and paid directly to the referring party’s Earnings account, without any additional markup by THC. The referring party may use the balance in their Earnings account at check-out at any time, or may redeem the Earnings account for cash when it reaches \$25.00 or more. Prior to receiving any Earnings account redemptions, the account holder must provide THC with an accurate name, address, social security number or tax identification number for tax reporting purposes, and ACH information for wire transfer of redemption amounts.

### C. Chargebacks

A chargeback occurs when funds are returned to a cardholder after they report an incorrect or unwanted transaction on their credit card to the credit card issuer. Because THC will be a listed merchant on record, the credit card issuer will inform THC of the chargeback and may also request more information, such as transaction information, proof of delivery, and proof of refund. THC must respond to the credit card issuer with this requested information within the time period allowed. You are responsible for any and all chargebacks filed against your account. THC reserves the right to (1) charge sellers \$20 for each chargeback THC receives as the merchant on record; (2) reverse any payments made to sellers for thirty (30) days after deposit; (3) deduct payments owed to THC in connection with chargebacks from sellers’ Earnings accounts or withhold future Earnings account credits to cover the prior chargeback; (4) invoice sellers for payment of such costs; and (5) charge the seller’s credit card on file for such costs. Repeated chargebacks may result in termination of a user’s account, which may occur in THC’s sole discretion.

### D. Payment Flows to Merchants

THC Store Goods sold on THC are tracked using our USPS pre-paid postage labels. Assuming there are no customer complaints claiming that the item was misrepresented or was not received, you shall

receive the net amount on the fourth business day following the package's arrival at its destination based on USPS tracking information. You must adhere to THC's shipping methods or risk significant delays in account reconciliation. Proceeds from sales of THC Store Services shall be paid out on the 4th business day following the sale. Proceeds from Event registrations sold on THC shall be paid out on the 8th business day following the date of the Event, provided that no complaints are logged. You shall address all complaints before any funds are disbursed to you. In all cases, cleared funds shall be transferred directly into your bank account (assuming ACH information is on file), or your Earnings account to be either redeemed if the account balance is \$25.00 or more, or used at checkout for future purchases.

#### E. No Inspection Rights

You shall have no right to inspect, examine, or audit THC's books, records or accounts in connection with the calculation of prices, costs, fees, or for any other purpose whatsoever.

#### F. Taxes

THC does not collect sales tax on products, services or events. Sellers shall be solely responsible for collecting taxes and remitting required tax payments to applicable taxing authorities, and for identifying to buyers at checkout the amount of applicable tax.