



## **EMBEDDED PAYMENT & COMPLIANCE SERVICE AGREEMENT**

The preamble of the EMBEDDED PAYMENT & COMPLIANCE SERVICE AGREEMENT identifies the Parties and the Effective Date of the Agreement.

Pelvo is identified as a company incorporated in Sweden, registered and authorized by Finansinspektionen under Directive enligt 1 kap. 2 § 6 samma lag, (3 kap. 17 § lagen (2010:751) om betaltjänster), and with its registered office at Drottninggatan 86 1tr, 111 36 Stockholm. The Partner customer is identified as the company set out in the embedded payment & compliance service agreement.

### **BACKGROUND**

The background of this embedded payment & compliance service agreement outlines the context and purpose of the agreement :

**A.** Pelvo's embedded payment & compliance service agreement facilitates the processing of AML-compliance and the movement of funds to a receiving party.

**B.** The Parties aim to establish a technical and commercial relationship in which Pelvo will support and facilitate the due diligence and cross-border remittance of end-users.

**C.** The Partner Customer is involved in the preparation and order request of the transfers or payment of the end-customers through Pelvo sustainable finance management platform.

**D.** To ensure transparency, end-customers will receive notice of the partnership agreement between Pelvo and the Partner Customer. It is understood that the Partner Customer may have to provide services or perform operations on behalf of the end-users in accordance with **Section 1**.

**E.** Pelvo is responsible for providing all EU-based Onboarding Services, Platform or Application, and Implementation Services, all of which are governed by the "End-users terms of conditions" and are subject to the embedded payment and compliance service agreement.

### **1. RESPONSIBILITIES OF THE PARTNER CUSTOMER**

The Partner Customer is responsible for various duties as set out in the Agreement, including but not limited to:

- **KYC-Compliance:** Transmitting all necessary documents of the end-users to Pelvo for the purpose of KYC-Compliance assessment.
- **Transfers or payment orders:** Preparing the transfer or payment orders of the end-users.
- **Preparing refunds:** Preparing the list of end-users who require refunds.
- **Support & assistance:** Assisting end-users with inquiries and providing support.
- **Cancellation & Disputes:** Transmitting requests for end-users' cancellation and claims to Pelvo.
- **Transfers or Payment Release:** Releasing transfers and payments to beneficiaries.

It is important to understand that these responsibilities are in addition to those of the end-users in terms of conditions. Failure to fulfill these responsibilities may result in the termination of the embedded payment and compliance service agreement.

## 2. COMPLIANCE OBLIGATIONS

KYC (Know Your Customer) compliance is a crucial part of any financial service, and it requires that all end-users' identities are verified and monitored to prevent money laundering and fraudulent activities.

The Partner Customer is responsible for helping Pelvo ensure KYC-compliance for end-users.

To fulfill this obligation, the Partner Customer must assist Pelvo in obtaining the necessary documents from end-users through Pelvo's embedded payment & compliance service agreement.

The Partner Customer must also verify that the documents are complete and accurate and provide any necessary assistance to the end-users to ensure a smooth and efficient experience.

The completeness and accuracy of the documents provided by the end-users are critical in ensuring that the KYC-compliance process is successful. If any information is missing or incorrect, it can lead to delays, extra costs, or even non-compliance with regulatory requirements.

Therefore, the Partner Customer must take this responsibility seriously and work closely with Pelvo to ensure that all the necessary steps are taken to achieve KYC-compliance for their end-users.

## 3. TRANSFERS OR PAYMENTS ORDERS

The text outlines the rules and procedures that Pelvo follows for processing transfers and payments from end-users, and the role that the Partner Customer plays in the process.

1. The Partner Customer can request a transfer of funds on behalf of an end-user, or the end-users can initiate a transfer or payment to a relative or friend in selected countries and regions through either the Partner Customer Interface or the Pelvo interface.
2. Pelvo will set the exchange rates for these transfers and payments, and provide the Partner Customer with the ability to determine their own exchange rates and fees on top of Pelvo's exchange rate.
3. Prior to initiating a transfer or payment, Pelvo will screen the end-users and beneficiaries of the proposed transfers or payments against the Sanctions Lists and the list of politically exposed persons (the "PEPs List").
4. Pelvo will not carry out a transfer or payment if either the end-users or beneficiaries are present on any of these lists.
5. If any screened party is found to be present on the PEPs List, Pelvo will only send a payment instruction if a member of its senior management has first reviewed and approved the proposed transaction.
6. If the transfer request is approved, Pelvo will carry out the transfer according to its "end-users Terms of Conditions."
7. Pelvo will authorize the transfer or payment order and may notify the Partner Customer before the transfer is carried out.
8. The Partner Customer can then invalidate the transfer on the basis of the conditions of use communicated by it to the end-users.
9. The Partner Customer has full access to the transfer order process in the Pelvo Interface and should ensure that the end-users fully understand the terms and conditions and any associated fees before releasing the transfer.
10. These rules and procedures are designed to ensure that transfers and payments are made in compliance with applicable laws and regulations, including those related to sanctions and anti-money laundering.
11. The Partner Customer plays an important role in the process by assisting with the transfer request, communicating the terms and conditions to the end-users, and ensuring that the transfer is carried out in accordance with Pelvo's procedures.

## 4. PREPARING REFUND

1. The above passage outlines the refund, reporting, and reconciliation process for Pelvo's embedded payment & compliance service agreement.
2. The platform provides the partner customers with access to an online portal where they can track their end-users transactions summary in real-time and access reports on successful or unsuccessful transactions. If a partner customer wants to request a refund on behalf of an end-user, the request is verified by Pelvo and, if approved, the refund is carried out according to Pelvo's "end-users terms of Conditions."
3. Pelvo will authorize the refund order and may notify the partner customer before the refund is carried out. The partner customer can then invalidate the refund on the basis of the conditions of use communicated to the end-customer. The partner customer is responsible for ensuring that the end-user fully understands the terms and conditions and any associated fees before the transfer is prepared, according to Pelvo's "end-users terms of Conditions."
4. If either party identifies a reconciliation issue, they may raise it within 15 calendar days after the transaction has taken place. In such cases, the parties will collaborate in good faith to investigate and resolve the query and make any required adjustments. If a reconciliation request is made after the 15-day period, the party receiving the request may at its discretion charge a reasonable administration fee.
5. It's important to note that neither party will be liable for any claims related to reconciliation issues made after a 60-calendar day period has expired. Overall, this passage outlines the processes and responsibilities associated with refunds, reporting, and reconciliation for Pelvo's embedded payment & compliance service agreement.

## **5. RECEIVING FUND**

The above passage describes the process for Partner Customers to request a receiving fund order on behalf of an end-user in selected countries and regions through the Partner-Customer Interface or Pelvo interface. The request is verified by Pelvo, and if approved, the receiving fund order is carried out according to Pelvo's "end-users Terms of Conditions. Pelvo will authorize the receiving fund order and may notify the partner customer before the transfer is carried out. Upon receiving this notification, the Partner customer may then invalidate it based on the conditions of use communicated to the end-users. The Partner Customer can access the receiving fund order process in the Pelvo Interface and is responsible for ensuring that the end-users fully understand the terms and conditions and any fees associated with the transfer before it is prepared. It's important to note that this process is specific to selected countries and regions and may not be available for all countries. Overall, this passage outlines the responsibilities and processes associated with receiving fund orders through Pelvo's interface and follow according to Pelvo's "end-users terms of Conditions.

## **6. CANCELLATION & DISPUTES**

The above passage outlines the process for handling cancellation and disputes for Pelvo's embedded payment & compliance service agreement. The Partner Customer can forward a cancellation or dispute request on behalf of an end-user to Pelvo, and these requests will be processed in accordance with Pelvo's "end-users Terms of Conditions. Once Pelvo receives the request, their team will process the enquiry and inform the Partner Customer of its decision regarding the end-customer's dispute or cancellation. If applicable, Pelvo will reimburse or cancel the disputed amount. It's important to note that this process is subject to Pelvo's end-users terms and conditions, and the outcome of the dispute or cancellation request will depend on those terms. Overall, this passage outlines the responsibilities and processes associated with cancellation and disputes for Pelvo's embedded payment & compliance service agreement. The Partner Customer is responsible for forwarding the request, and Pelvo will process the request and make a decision in accordance with its end-users terms and conditions.

## **7. SUPPORT & ASSISTANCE**

Throughout the duration of this agreement, Partner Customers are obligated to offer reasonable support and assistance to end-users using their own resources. Partner Customers shall provide this support and assistance through email, phone, or any other mutually agreed-upon communication channels. Partner Customers shall make commercially reasonable efforts to respond to end-user inquiries within 24 hours and to promptly address any issues. Partner Customers acknowledge that to facilitate seamless support for end-users, they have access to Pelvo's interface to review transaction details or submit reports for assistance and support purposes.

## **8. TRANSFERS OR PAYMENTS RELEASE**

Pelvo retains the right to decline the processing of any Transaction if it determines that any necessary information from the end-users is absent. In the event that the information provided by the Partner Customer or end-users in the transfers or Payment Instructions is missing required fields or is frequently inaccurate, Pelvo may suspend some or all of the services. Pelvo may also refuse to process a transfer or transaction if it reasonably believes that doing so may violate applicable AML/CFT regulations, as per the terms and conditions set out for end-users.

## **9. MARKETING AND BRANDING**

Both parties involved in the embedded payment and compliance service agreement grant each other the right to use their respective names, logos, and associated branding materials for the sole purpose of promoting the sustainable finance management platform, subject to specific branding guidelines that may be provided in writing from time to time. Without the prior written consent of the other party, neither party may issue any press release or make any other formal public statement regarding this Agreement or the Parties' relationship, except as required by Applicable Laws. Once a public statement has been mutually agreed upon and the information provided in that statement remains accurate, each party may make additional public statements that are consistent with the original statement without prior notice or consent from the other party.

## **10. PRICING AND COMMERCIAL TERMS**

The pricing and commercial terms of the embedded payment and compliance service agreement performed under this Agreement are outlined in Annex A: Pricing and Commercial Terms. The Partner Customer is responsible for paying the subscription fees for the use of the services by the end-users. In the event that the contract between the Partner Customer and Pelvo is terminated, and if the Partner Customer has not utilized the Services prior to termination, the Partner Customer's payment obligations will be limited to the Onboarding Services Fee and the Implementation Services Fee, which are non-refundable. Upon utilization of the services, the Partner Customer is obligated to fulfill the full amount of the initial subscription period of 12 months as specified in Annex A. If the end-users terminates the services, the end-users will be responsible for paying any costs related to the embedded payment and compliance service according to the end-users Terms and Conditions.

## 11. Term and Termination

This agreement becomes effective on the date the Partner customer accepts it and will remain in effect for a period of one year, automatically renewing for additional one-year terms. Either party may terminate the agreement at any time by giving 90 days' written notice to the other party.

Either party may immediately terminate the agreement for cause, such as a breach of a material term of the agreement, which is not capable of being cured, or if the party in breach of a material term capable of being cured fails to remedy the breach within 30 days of receiving written notice to do so. Termination may also occur if a party commits any Act of Insolvency.

If a party is unable to perform its obligations due to Force Majeure, the other party may terminate the agreement by giving no less than 15 business days' written notice if performance does not resume within 60 days from the date of the Force Majeure event.

Pelvo may terminate the agreement by giving not less than five business days' written notice in the event of any change of Control of the Partner customer or if the Partner customer seeks to assign, delegate, or transfer the agreement or any of its rights or obligations without prior written consent.

Upon termination, the parties will immediately stop processing any further onboarding and Payment Instructions, but will continue to work together until all outstanding transactions have been fully processed. They will ensure that any owed funds are paid in full without delay. They will return all information and equipment received from the other party, including software, and delete all copies from their computer memory or other storage media, except for archival purposes. The parties will stop using each other's name, logo, branding materials, and discontinue any related marketing activities.

Termination of this agreement will not affect the right of either party to recover any invoices owed under this agreement. Certain provisions of this agreement, which by their nature are intended to survive termination, will continue to be binding on the parties. These provisions include but are not limited to clauses like COMPLIANCE OBLIGATIONS, COLLECTION OF PERSONAL DATA, INDEMNIFICATION, LIABILITY, CONFIDENTIAL INFORMATION, MODIFICATION OF THE PARTNER CUSTOMER, TAXES & REGULATIONS, REGULATIONS INSURANCE.

## 12. COLLECTION OF PERSONAL DATA

Personal data will be processed in compliance with applicable laws, for the legitimate purpose of providing payment and fund transfer services, verifying identities, preventing money laundering and terrorist financing, and for other purposes specified in Pelvo's Privacy Policy. Personal data may also be used for communication, statutory, accounting, and archival purposes, in accordance with applicable laws and Pelvo Privacy Policy, which can be accessed via Pelvo website (<https://www.pelvo.io/policy>)

As part of our obligation to combat money laundering and terrorist financing, we may require you and end-customers to provide additional personal identifying information, and we may consult other sources to verify this information.

You agree to maintain the confidentiality of any information or materials received from us, whether in hard copy or electronic format, and not to disclose such information without Pelvo's prior written consent, except when required by applicable laws or regulations.

## 13. INDEMNIFICATION

13.1. Each party ("Indemnifying Party") will indemnify and hold the other party ("Indemnified Party") harmless from any losses resulting from a breach of clauses related to Intellectual Property, Data Protection, Confidential Information, or Compliance Obligations.

13.2. If a claim is made against a party that seeks indemnification, the Indemnified Party must provide written notice to the Indemnifying Party promptly, and the Indemnifying Party will have the right to defend the claim.

13.3. The Indemnifying Party may settle an indemnified claim with a monetary payment and a complete release of the Indemnified Party without its consent. However, in all other cases, the Indemnified Party's consent is required, but it cannot be unreasonably delayed, denied, or conditioned.

#### **14. LIABILITY**

14.1. Except as set forth in clauses 13.2 and 13.3, the liability of each Party for any damages arising out of or related to this Agreement will be limited to a maximum aggregate amount of \$5,000 ( five thousand United States Dollars).

14.2. Neither Party will be liable for exemplary, punitive, special, incidental, indirect, or consequential damages, or for loss of profits, revenues, business opportunities, or goodwill, regardless of whether the damages were foreseeable or whether either Party or any person had been advised of the possibility of such damages.

14.3. Notwithstanding any other provision of this Agreement, neither Party's liability is limited in respect of:

14.3.1. any obligation to return, upon termination or as legitimately requested, any outstanding balances of funds held on behalf of the other Party, or any obligation to settle money or transfer Principal Amounts;

14.3.2. fraud, fraudulent misrepresentation, or willful default; death or personal injury arising from the negligence of a Party; or liability that cannot be limited by applicable law.

The Parties will not be liable for any loss, damage, or expense arising directly or indirectly from any failure or delay in performing any obligation caused by a Force Majeure event. However, a Force Majeure event will not excuse a Party's failure to pay any outstanding amounts owed to the other Party in a timely manner. If a Force Majeure event occurs, the non-performing Party will be excused from further performance of the affected obligations only for as long as the Force Majeure event continues, and the Party will use commercially reasonable efforts to resume performance.

#### **15. INTELLECTUAL PROPERTY**

15.1. Each Party acknowledges that any and all Intellectual Property Rights that they own will remain their exclusive property. Neither Party will assert any claim to the other Party's Intellectual Property Rights at any time, including after the termination of this Agreement.

15.2. The Parties have no intention of jointly developing any Intellectual Property Rights under this Agreement. Any modifications or developments to existing Intellectual Property Rights will not result in a transfer of ownership, regardless of any contributions from the other Party.

15.3. Each Party will use the other Party's Intellectual Property Rights only as permitted by this Agreement and only during the term of this Agreement. Neither Party will engage in any activity that would infringe upon the other Party's Intellectual Property Rights, and both Parties will take reasonable measures to protect their respective Intellectual Property from potential infringement or harm.

#### **16. 3RD PARTY OR SUBCONTRACTORS**

16.1. The parties agree that the Partner customer will take the following steps at all times:

16.1.1. Conduct appropriate initial and ongoing due diligence on any subcontractors it intends to use related to this Agreement;

16.1.2. Ensure that any subcontractor used by the Partner customer is properly licensed;

16.1.3. Ensure that each subcontractor complies with the terms of this Agreement; and

16.1.4. Remain responsible for any act or omission by a subcontractor in performance of any aspect of this Agreement.

16.1.5. Unless otherwise agreed in writing, no subcontractor of the Partner customer will be granted access to Pelvo sustainable finance management platform unless the relevant party has signed a direct agreement with Pelvo governing such access.

#### **17. CONFIDENTIAL INFORMATION**

Pelvo is bound by a duty of confidentiality, which can only be lifted in accordance with applicable laws and regulations. This includes regulatory authorities, tax authorities, and law enforcement agencies. The end-users hereby gives Pelvo permission to share information about the end-users with the Partner Customer in accordance with the end-users terms of conditions. Additionally, the End-users grants Pelvo permission to share any relevant information about the End-users with any individuals or entities that assist in the performance of services under this Agreement or any subsequent agreements. This includes service providers for subcontracted work and/or companies within the Pelvo group for the purpose of evaluating and managing files, including for the provision and execution of services, and if necessary, for collection purposes in accordance with its end-users terms and conditions.

#### **18. MODIFICATION OF THE PARTNER CUSTOMER**

Pelvo may update its products and services in response to changes in applicable laws and regulations. If such updates are made, they will be effective upon their effective date.

Pelvo reserves the right to modify the terms of the Partner Customer. Any changes will be communicated to the End-users in writing at least one (1) month prior to their effective date. If the end-users do not object in writing within one (1) month of receiving this notice, the modifications to the Partner Customer will be deemed accepted. If the end-users disagree with the modifications, they may terminate the Partner Customer without cost in accordance with the provisions outlined in the article "end-users Term and termination". If the end-users do not terminate the Partner Customer, the modifications will take effect.

## 19. TAXES & REGULATIONS

19.1. Each Party shall be responsible for complying with its own Tax obligations.

19.2. The amounts payable under this Agreement do not include any value-added tax or other applicable sales tax, which will be added to the amount due.

19.3. The Parties shall pay the full amounts due without any deductions, except where required by law to withhold taxes from payments. In such cases, the Parties will cooperate to lawfully avoid or reduce such withholdings.

19.4. If one Party incurs any tax liabilities due to the other Party's non-compliance with applicable tax laws or regulations, the non-compliant Party shall indemnify the other Party for all related losses, including penalties, fines, taxes, and reasonable legal and professional fees.

## 20. REGULATIONS INSURANCE

Both parties are required to maintain adequate insurance coverage for the duration of the Agreement to protect against any potential claims related to their respective obligations under this Agreement, including but not limited to claims for personal injury, property damage, fraud, and theft. If requested in writing, each party will provide evidence of their insurance policies.

## 21. MISCELLANEOUS

This agreement constitutes the complete and exclusive understanding between the Parties concerning the subject matter herein and supersedes all prior or contemporaneous agreements or understandings, whether written or oral.

The Parties may not assign this Agreement, in whole or in part, without the prior written consent of the other Party, except that one Party may assign its rights or delegate its obligations to members of its group of companies or to an entity that acquires all or substantially all of its business or assets to which this Agreement pertains, whether by merger, reorganization, acquisition, sale, or otherwise.

Both Parties agree not to engage in any acts of bribery, gift-giving, or any other improper payments to or from any individual, company, or government authority or official in connection with this Agreement. All payments made on behalf of one Party to another must be accurately recorded on the paying Party's books and records, including the amount, purpose, sender, and beneficiary, and must be supported by proper documentation.

Set-off. Neither Party may offset any liability to the other without explicit written permission, regardless of the nature of the liability or the existence of other agreements between the Parties. Such offset may only be taken against sums owed by one Party to the other under this Agreement or any other agreement between the Parties.

Notices. Any official notice must be in writing in English and will be considered received: (a) upon delivery if personally delivered or sent by express courier (proof of receipt required), (b) within four Business Days of posting if sent by registered mail, or (c) upon delivery to the specified email address if sent by email or facsimile: support@pelvo.io

No Partnership. This Agreement does not create a partnership or agency between the Parties. Neither Party has the authority to bind or create liability for the other unless expressly provided for in this Agreement.

Rights of Third Parties. Third parties not party to this Agreement have no rights to enforce its terms under the Contracts (Rights of Third Parties) Act 1999. However, permitted successors or assignees are deemed parties to this Agreement and their rights will be regulated by its terms, subject to any permitted succession or assignment.

**Severability:** If any provision of this Agreement becomes invalid, illegal, or unenforceable, that provision will be removed from the Agreement, but the validity, legality, and enforceability of the remaining provisions will not be affected. The Parties will work in good faith to modify or substitute a provision that is consistent with their original intent. Even if a court determines that a remedy given in this Agreement has failed, all other provisions of this Agreement, including limitations on liability and exclusion of damages, will remain fully effective.

**Waiver:** A Party's waiver of a breach of any provision of this Agreement will not be considered a waiver of any subsequent breach of the same or another provision. The specification or exercise of any remedies will not prevent the exercise of any other rights or remedies available in law or equity.

**Amendment:** This Agreement may be amended from time to time, and any variation or amendment will take effect on the date of such variation or amendment. By continuing to use any Pelvo Services after any amendment, the Partner customer will be deemed to have agreed to be bound by the amended Agreement.

**Dispute Resolution:** Without prejudice to clause (Complaints), if a disagreement, argument, or claim arises between the Parties related to or arising out of this Agreement, the Parties agree to make a good faith effort to resolve the dispute through negotiations. If the Parties fail to

resolve the dispute within four (4) months of one Party giving notice of the dispute to the other Party, then the disagreement, argument, or claim will be exclusively resolved by final and binding arbitration.

All arbitral proceedings, submissions, and rulings will be in the English language. Any monetary award will be in United States dollars and deemed payable in United States dollars. Any award made under this Agreement may be enforced under the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards. This clause will not prevent either Party from seeking temporary or preliminary injunctive relief or a temporary restraining order related to a dispute under this Agreement in court, pending the final resolution of the dispute by arbitration.

**Complaints:** If the Partner customer believes that Pelvo has not met its obligations to the Partner customer under the agreement, the Partner customer may submit a complaint to Pelvo through its regular contact or via the formal notices section. Pelvo will provide a response to any complaint within ten (10) Business Days of receiving the complaint. If Pelvo cannot respond within this time due to exceptional circumstances, it will provide a holding response that explains the reason for the delay, and it will provide its final response within thirty-five (35) Business Days of receiving the complaint.

## 22. GOVERNING LAW

The pre-contractual relations and the agreement will be governed by and interpreted in accordance with the laws of Sweden, and the courts of Stockholm will have exclusive jurisdiction to settle any disputes or claims that may arise in connection with the services provided under this agreement and the terms of use, including in relation to any non-contractual obligations.

**Authorization.** By executing this Agreement, both parties hereby consent to be bound by its terms and agree to pay all fees outlined in **Annex A** in accordance with the stated provisions. The Partner Customer also confirms that it has reviewed and agrees to be bound by this embedded payment & compliance service agreement and "End-user Terms and Conditions"