

## INTRODUCED CLIENT SCHEDULE

### MODULR INTRODUCED CLIENT TERMS OF BUSINESS

#### BACKGROUND

Modulr is a provider of Modulr Products (as described to you by Partner Platform), which includes the provision of an electronic money account for businesses and associated payment services. The electronic money account is provided by Modulr FS. These Introduced Client Terms of Business govern the Modulr Products that Modulr agrees to provide to the Introduced Client.

These Introduced Client Terms of Business (including all the attached Schedules), together with the Modulr Account Terms and Conditions set out the terms on which the Modulr Products are provided and constitute the Agreement between Modulr, Modulr FS and the Introduced Client.

#### THE PARTIES AGREE AS FOLLOWS:

##### 1. Interpretation

- 1.1. In these Introduced Client Terms of Business: (a) a reference to a clause is a reference to a clause in these Introduced Client Terms of Business; (b) headings are for reference only and shall not affect the interpretation of these Introduced Client Terms of Business; (c) the singular shall include the plural and vice versa; (d) a reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assigns; (e) a reference to a party shall include its personal representatives, successors and permitted assigns; (f) reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

##### 2. Modulr Products

- 2.1. Modulr will make available to the Introduced Client such products that are provided to the Partner Platform and, as described by Partner Platform in the application process.
- 2.2. The Introduced Client agrees to the Partner Platform providing all such information to Modulr who will check and verify the identity of the Introduced Client, its directors, beneficial owners and Authorised Users as required by law.
- 2.3. The Introduced Client acknowledges that a search of the electoral register may take place for anti-money laundering purposes on the individuals listed in clause 2.2 above.
- 2.4. The Introduced Client acknowledges that a "soft footprint" search may be placed on the electronic files of the individuals noted in clause 2.2 above by the Credit Reference Agencies and their personal details may be accessed by third parties for the specific purpose of anti-money laundering and countering the financing of terrorism (AML/CFT), identity verification and fraud prevention.
- 2.5. The Account and Cards (where applicable) are provided by Modulr FS to the Introduced Client in accordance with the Modulr Account Terms and Conditions. Modulr Products provided to the Introduced Client under this Agreement are for the sole use by the Introduced Client.
- 2.6. The Introduced Client can use the Account and Cards (where applicable) to make Transactions on the terms and conditions set out in the Modulr Account Terms and Conditions. A record of all Transactions relating to the Account can viewed on the Website or accessed via the Partner Platform (as applicable).
- 2.7. The Introduced Client shall promptly notify Customer Services as soon as it becomes aware login and security information enabling access to its Modulr Products have been lost, stolen or compromised.
- 2.8. From time to time Modulr may carry out additional checks on the Introduced Client, including the identity of its directors, beneficial owners and the nature of its business in accordance with its Due Diligence Procedure and as required by law. Modulr may contact the Introduced Client or the Partner Platform (as applicable) for such purposes. The Introduced Client agrees to provide such information as necessary.

- 2.9. The Introduced Client shall comply with all legislation and regulation as it applies to the Introduced Client. Any failure to comply with relevant legislation or regulation shall be considered a material breach of the Agreement and may result in Modulr discontinuing the provision of the Modulr Products as set out in clause 6.4.
- 2.10. The Introduced Client shall implement as appropriate Modulr's reasonable security recommendations it notifies to the Introduced Client from time to time.

### 3. Authorised Users

- 3.1. Access to the Modulr Products is restricted to individuals that have been designated by the Introduced Client as Authorised Users.
- 3.2. The Introduced Client must notify Modulr of all individuals it wishes to be an Authorised User.
- 3.3. Each Authorised User is permitted to access and use the Modulr Products in accordance with these Introduced Client Terms of Business.
- 3.4. The Introduced Client will be responsible for training its Authorised Users in the appropriate use of Modulr Products.
- 3.5. The Introduced Client shall ensure its Authorised Users;
  - 3.5.1 take all reasonable care to ensure Modulr Product access credentials, including login details to the Website, where applicable, are kept confidential to each Authorised User; and
  - 3.5.2 do not share any information that would enable another party to access the Introduced Client's Account.
- 3.6. The Introduced Client acknowledges and agrees that each Authorised User is authorised by the Introduced Client to act on its behalf. Modulr shall deem any instruction given by an Authorised User is an instruction given by the Introduced Client.
- 3.7. The Introduced Client will be responsible for timely notification to Modulr of any revocation of Authorised User access and will be liable for Transactions made, Fees incurred and use of Modulr Products by an Authorised User until Modulr has had one full Business Day to act on any received notice. This clause shall not apply to Introduced Clients accessing Modulr Products via the Partner Platform.
- 3.8. Where the Introduced Client accesses Modulr Products through a Partner Platform, such Partner Platform will be considered the Authorised User. In this instance if additional Authorised Users are required they must be requested by the Partner Platform. The use of a Partner Platform to access the Modulr Products by the Introduced Client are set out in further detail below.

### 4. Accessing Modulr Products through a Partner Platform

- 4.1. In the event the Introduced Client utilizes a Partner Platform to access Modulr Products, the Introduced Client agrees and authorises the Partner Platform to instruct Modulr to access and use the Modulr Products on behalf of the Introduced Client, which shall include but not be limited to making Transactions, viewing and retrieving Transaction data, initiating refunds and closing the Account.
- 4.2. The Introduced Client acknowledges and agrees that Modulr shall have no liability whatsoever with respect to the performance, availability or quality of any Partner Platform.
- 4.3. The Introduced Client acknowledges and agrees to the following:
  - 4.3.1. it must satisfy itself that its Platform Partner Agreement grants the Partner Platform all permission necessary to operate the Account on the Introduced Client's behalf;
  - 4.3.2. the Platform Partner will be granted full access to operate the Introduced Client's Account as an Authorised User of the Introduced Client;
  - 4.3.3. it is responsible for monitoring Partner Platform activities on its Account. Any queries relating to such activities will be raised with the Partner Platform directly and settled between Partner Platform and the Introduced Client;
  - 4.3.4. the Introduced Client has no recourse against Modulr for any act or omission of the Partner Platform with respect to its Account;

- 4.3.5. the Introduced Client understands it can only access its Account to make Transactions, review Transactions made or otherwise use Modulr Products through the service provided by the Partner Platform; and
- 4.3.6. it will only use the Account for the purpose set out in the Partner Platform Agreement.
- 4.4. On receipt of notification by Modulr from the Partner Platform that it wishes to terminate this Agreement, this Agreement shall terminate. Any funds in the Introduced Client's Account will be returned in accordance with the terms of the Modulr Account Terms and Conditions.
- 4.5. If the Introduced Client has any complaint or concern relating to the Account or other Modulr Products, such complaint or concern shall be raised directly to the Partner Platform, who shall deal with it in accordance with Modulr's Complaints Policy, a copy of which is available on request from the Partner Platform and on the Website.

## 5. Customer Services

- 5.1. The Introduced Client can contact Customer Services if it has any queries about the Modulr Products. Information may be requested from the Introduced Client, including but not limited to, its Authorised Users, Cardholders or Transaction information so that it can verify the identity of an Authorised User, the Cardholder and/or the Modulr Products provided to such Introduced Client.
- 5.2. Any information shared by the Introduced Client will be kept strictly confidential. Where such information is provided in connection to a service provided by a third party, for example, the Account, then the Introduced Client's information will only be used in accordance with instructions of such third party and only for the purpose of providing Customer Services to the Introduced Client on behalf of such third party.
- 5.3. As part of Modulr's commitment to providing a quality customer service, its managers periodically monitor telephone communications between its employees and Introduced Clients to ensure that Modulr's high quality service standards are maintained. The Introduced Client consents to such monitoring and recording of telephone communications and agrees to make its Authorised Users aware of such practice.

## 6. Term and Termination

- 6.1. This Agreement shall commence on the date the Introduced Client receives confirmation from Modulr or the Partner Platform (where applicable) of its successful application for Modulr Products and shall continue until terminated by the Introduced Client, Partner Platform (if acting on behalf of the Introduced Client) or Modulr.
- 6.2. The Introduced Client or the Partner Platform (where applicable) may terminate this Agreement immediately by notifying Customer Services in writing by post or email.
- 6.3. Modulr may terminate this Agreement at its discretion and close the Introduced Client's Account(s) by providing the Introduced Client with at least three months' notice.
- 6.4. Modulr may suspend or terminate this Agreement immediately if, for any reason, the Introduced Client (i) is unable to satisfy the Due Diligence Procedures, (ii) for breach of this Agreement, (iii) has provided false, incomplete or misleading information, (iv) has engaged in fraudulent, money laundering, terrorism financing or other illegal activity or we have reasonable suspicions in respect of same or (v) we are required to do so under any applicable law or regulation or at the direction of any regulatory, law enforcement or other competent authority. Modulr shall notify you as soon as possible, unless prohibited by law, of such suspension or termination of the Agreement.
- 6.5. This Agreement will automatically terminate when all Accounts of the Introduced Client are closed (for any reason).
- 6.6. Modulr may terminate or suspend this Agreement in whole or in part immediately by giving written notice to the Introduced Client if Modulr ceases to provide Cards pursuant to the provisions of Schedule 1.
- 6.7. On termination of this Agreement for any reason, any balance remaining in the Introduced Client's Account(s) shall be returned to the Introduced Client in accordance with the Modulr Account Terms and Conditions. The Introduced Client shall pay immediately all outstanding Fees due (where applicable) under this Agreement and in the event of a negative balance in an Account, shall reimburse Modulr FS such amount equal to the negative balance.

## 7. Intellectual Property

- 7.1. The Introduced Client acknowledges all Intellectual Property Rights in the Modlur Products are owned by or provided under licence to Modlur. Modlur grants the Introduced Client a nonexclusive, royalty-free licence for the duration of this Agreement to access and use the Modlur Products only for the purpose contemplated by this Agreement.
- 7.2. Nothing in this Agreement shall operate to create or transfer any Intellectual Property Right to the Introduced Client.

## 8. Force Majeure

- 8.1. Modlur and/or Modlur FS will not be liable for the non-performance or failure to provide any part of the Modlur Products occurring as a result of any events that are beyond the reasonable control of Modlur, for example, but not limited to, fire, telecommunications or internet failure, utility failure, power failure, equipment failure, employment strife, riot, war, terrorist attack, non-performance of third party suppliers, acts of God such as storm or lightening damage, or other causes over which Modlur and/or Modlur FS has no reasonable control.

## 9. Assignment Transfer and Subcontracting

- 9.1. The Modlur Products provided to the Introduced Client are personal to the Introduced Client. The Introduced Client may not novate, assign or otherwise transfer this Agreement, any interest or right under this Agreement (in whole or in part) without the prior written consent of Modlur.
- 9.2. The Introduced Client agrees Modlur may, in its sole discretion, assign, or transfer some or all of its rights and obligations or delegate any duty of performance set out in the documents forming this Agreement. Modlur may subcontract any of its obligations under this Agreement.
- 9.3. In the event of any transfer of this Agreement by Modlur to another service provider; if the Introduced Client does not want to transfer to the new provider, the Introduced Client must notify Modlur of its objection in writing to Customer Services. On receipt of such notification, Modlur it will terminate this Agreement. Any balance remaining in the Introduced Client's Account(s) will be returned to the Introduced Client in accordance with the redemption procedure set out in the Modlur Account Terms and Conditions.
- 9.4. It is acknowledged by the Introduced Client that Modlur enters into this Agreement on its own behalf and as agent for and on behalf of Modlur FS with respect only to clauses 10 and 14 of these Introduced Client Terms of Business.

## 10. Liability

- 10.1. Nothing in this Agreement will operate to limit either party or its agent's liability with respect to fraud or for death or personal injury resulting from negligence, in either case whether committed by that party or its employees, agents or subcontractors.
- 10.2. Modlur and Modlur FS makes no warranty that access to and use of the Modlur Products will be uninterrupted or error free.
- 10.3. The Introduced Client acknowledges and agrees that Modlur and/or Modlur FS are not liable to the Introduced Client for any loss, liability or damages the Introduced Client suffers which result from, are related to, or in any way are connected with any fraud control, restriction measures or other measures implemented from time to time including as require, unless such loss, liability or damage is a direct result of Modlur and/or Modlur FS's fraud, gross negligence or willful misconduct in procuring the implementation of fraud control or purchase restriction measures that Modlur has expressly agreed in writing to procure for the Introduced Client.
- 10.4. Modlur and Modlur FS shall not be liable to the Introduced Client for any loss or damage the Introduced Client may suffer as a result of any act or omission of an Authorised User or Cardholder or an Authorised User's or Cardholder's use of or inability to use of the Modlur Products.

- 10.5. The Introduced Client agrees to indemnify Modulr and Modulr FS against any and all actions, claims, costs, damages, demands, expenses, liabilities, losses and proceedings Modulr and/or Modulr FS directly or indirectly incurs or which are brought against Modulr if the Introduced Client, or an Authorised User, or a Cardholder has acted fraudulently, been negligent or has misused a Modulr Product or any of the services provided under this Agreement.
- 10.6. Modulr and/or Modulr FS shall not be responsible in any way for any interest or claims of any third parties in respect of the Modulr Products, except as required by law or regulation.

## 11. Reports

- 11.1. Modulr may make available certain management or other reporting or business administration functionality via the Website.
- 11.2. Modulr may from time to time amend, modify, replace or withdraw in whole or in part such reporting it provides without further notice.

## 12. Data Privacy

- 12.1. Modulr will collect and retain personal information about the Introduced Client and each Authorised User and Cardholder to enable Modulr to deliver the Modulr Products, the services linked to it and deal with any enquiries that the Introduced Client may have about it. Modulr is the data controller of the personal information gathered by Modulr for such purpose. If Modulr uses a third party to provide a part of the Modulr Product then that provider will be the owner and controller of the personal information they require to collect in order to operate the relevant service. The use of personal information by third-party service providers will be set out in their service terms and conditions of use. Modulr will, at such third-party provider's direction, process personal data on its behalf, for example, to enable Modulr to provide Customer Services to the Introduced Client.
- 12.2. Modulr processes personal information in accordance with relevant laws on the protection of personal data.
- 12.3. If Modulr transfers the Introduced Client's information to a third party in a country outside of the European Economic Area Modulr will ensure that the third party agrees to apply the same levels of protection that Modulr is legally obliged to have in place when Modulr processes personal data.
- 12.4. Further information about how Modulr uses personal information can be found in Modulr's Privacy Policy; please contact Customer Services for a copy of this.

## 13. Changes to the Agreement

- 13.1. Modulr may amend or modify this Agreement by giving no less than two (2) months' notice to the Introduced Client unless Modulr is required to make such a change sooner by law. All proposed changes will be posted on the Website and communicated to the Introduced Client by such other means that Modulr agreed with the Introduced Client, for example by email. If the Introduced Client is accessing Modulr Products via a Partner Platform, all notifications will be communicated via such Partner Platform.
- 13.2. The Introduced Client has no obligation to accept such amendments proposed by Modulr.
- 13.3. The Introduced Client will be taken to have accepted any change to this Agreement that Modulr notifies to the Introduced Client unless the Introduced Client tells Modulr otherwise before the relevant change takes effect. In such circumstance, Modulr will treat notice of objection by the Introduced Client as notification that the Introduced Client wishes to terminate this Agreement and the use of all Modulr Products immediately. All Accounts of the Introduced Client will be closed and any balance remaining in the Introduced Client's Account will be returned to the Introduced Client in accordance with the redemption procedure set out in the Modulr Account Terms and Conditions. In this circumstance the Introduced Client will not be charged a fee for the Account closure and return of any balance.

#### 14. General

- 14.1. In these Introduced Client Terms of Business, headings are for convenience only and shall not affect the interpretation of these Introduced Client Terms of Business.
- 14.2. Any delay or failure by Modulr to exercise any right or remedy under this Agreement shall not be interpreted as a waiver of that right or remedy or stop Modulr from exercising its rights at any subsequent time.
- 14.3. In the event that any part of this Agreement is held not to be enforceable, this shall not affect the remainder of the Agreement which shall remain in full force and effect.
- 14.4. The Introduced Client shall remain responsible for complying with this Agreement until its Account(s) are closed (for whatever reason) and all sums due under this Agreement have been paid in full.
- 14.5. This Agreement is written and available only in English and all correspondence with the Introduced Client shall be in English.
- 14.6. This Agreement is governed by the laws of England and the Introduced Client agrees to the non-exclusive jurisdiction of the English courts.

## Schedule 1: Card Obligations

### 1. Introduction

1.1. The terms of Schedule 1 shall apply where Virtual Cards and/or Physical Cards are included within the Modulr Products.

### 2. Transactions Disputes and Chargebacks

2.1. For the purposes of these Introduced Client Terms of Business, a “Chargeback” means a refund of a Card Transaction after the Introduced Client (or Modulr FS on its behalf) successfully disputes the Card Transaction as permitted by the Card Scheme rules.

2.2. The Introduced Client shall provide Modulr all relevant information in relation to Virtual Card Transaction as may be required by Modulr to resolve the dispute in accordance with applicable law and, where applicable, to raise a Chargeback in accordance with Card Scheme rules.

2.3. The Introduced Client agrees that Card Scheme’s decision on the validity of the Chargeback is final and binding and that in the event a Chargeback is not successful or is subsequently reversed the Introduced Client will be liable for the amount of the disputed Card Transaction.

2.4. Modulr shall at its discretion not refund a Chargeback to the Introduced Client until the relevant challenge periods have passed under the relevant Card Scheme rules unless it is required to do under relevant law or regulation.

### 3. Cardholders

3.1. Where corporate Cards are made available to the Introduced Client as part of Modulr Products, Introduced Client will be able to designate individuals as Cardholders permitted to use certain Cards.

3.2. The Introduced Client must notify Modulr of all individuals it wishes to be Cardholders and shall not permit any other person to use the Cards.

3.3. The Introduced Client shall be responsible for ensuring that each Cardholder is informed of the Modulr Account Terms and Conditions as they apply to the Cards and the Introduced Client shall ensure that the Cardholder complies with them.

3.4. In addition to clause 3.3 above, Introduced Client shall be responsible for ensuring that each Cardholder reads and accepts the Modulr Corporate Cardholder Terms and Conditions, which shall be made available to the Cardholder by the Introduced Client. Introduced Client shall keep a record of each Cardholder’s confirmation given in accordance with this clause and shall promptly make such records available to Modulr on request.

3.5. The Introduced Client shall ensure its Cardholders take all reasonable care to keep any security credentials relating to the use of Cards, such as PIN or any access or similar codes, where applicable, confidential and in accordance with the Modulr Account Terms and Conditions and Corporate Cardholder Terms and Conditions. Where Modulr enables Cards to be registered/stored within third party apps/devices, the security credentials relating to those third party apps/devices will also be deemed to be security credentials relating to the use of Cards.

3.6. The Introduced Client acknowledges and agrees that each Cardholder is authorised by the Introduced Client to act on its behalf. Modulr shall deem any instruction given by a Cardholder with respect to Card Transactions as an instruction given by the Introduced Client and the Introduced Client shall be responsible for all actions and the use of Physical Cards by any Cardholder.

3.7. In the event of any changes to this Agreement, Modulr Account Terms and Conditions and/or the Modulr Corporate Cardholder Terms and Conditions, or if the Introduced Client’s Account and/or Card is suspended, cancelled or terminated, it is the Introduced Client’s responsibility to communicate any such changes and/or any information regarding the suspension, cancellation or termination to each Cardholder.

### 4. Withdrawal of Cards; Change of Card Scheme; and Conditions for Tokenisation Services

4.1. Modulr reserves the right to:

- 4.1.1. cease providing Cards as part of Modlr Products for any reason;
- 4.1.2. provide Cards issued under a different Card Scheme ; and
- 4.1.3. cease or amend the ability for Cards to be registered/stored within one or more third party apps/devices.
- 4.2. Modlr shall provide to Introduced Client tokenisation services subject to, where applicable, prior approval of the Introduced Clients by the relevant tokenisation provider (Apple Pay and/or Google Pay). Modlr shall not be liable to the Introduced Client in the event approval is not granted or is later withdrawn by the relevant tokenisation provider.

## Schedule 2 – Direct Debit Collection Service

### 1. Introduction

- 1.1. The terms of this Schedule 2 shall apply where Direct Debit Collections are included within the Modulr Products as set out in the Introduced Client Application Form.

### 2. Direct Debit Collection Service

- 2.1. The Direct Debit service allows the Introduced Client to set up a direct debit to collect funds from a bank account of an individual or business (the “Direct Debit Customer”) that uses the Introduced Client’s services to be paid into an account in the name of Introduced Client for the specific purpose of collection (the “Collection Account”) (the “Direct Debit Collection Service”). The terms and conditions of service, which are set out below apply.
- 2.2. The Collateral Account shall hold the Collateral Account Amount and the Collateral Account Amount may only be applied by Modulr in accordance with the terms of this Schedule 2.

### 3. Interpretation

- 3.1. In this Schedule the following expressions shall bear the following meanings:-
  - 3.1.1. “Accounting Month” shall be calculated by reference to the first day to the last day of each calendar month.
  - 3.1.2. “BACS” means Bankers Automated Clearing System.
  - 3.1.3. "Collateral Account" means an account held by Modulr in the name of the Introduced Client for holding the Collateral Account Amount as notified to Introduced Client from time to time.
  - 3.1.4. "Collateral Account Amount" means the amount required to be held in the Collateral Account being the amount specified by Modulr and notified to Introduced Client from time to time.
  - 3.1.5. “Collection Account” as defined above.
  - 3.1.6. “Collection Request” shall mean a request made by the Introduced Client, in the agreed format, to Modulr to effect the collection of any number of individual monetary sums due in any Accounting Month. A Collection Request may effect either single or multiple collections.
  - 3.1.7. “Direct Debit Claims Guide” means the direct debit claims guide issued by Modulr (as amended from time to time) in relation to process flow, required documentation and contesting claims.
  - 3.1.9. “Direct Debit Indemnity Claim" has the meaning given to it in the Direct Debit scheme rules.
  - 3.1.10. “Failure(s)” means any act of default by the Direct Debit Customer in making any payment due directly to Modulr or any other third party, agent or intermediary or failure by the Direct Debit Customer to adequately and timeously complete a Mandate Request incorporating an instruction to its bank or building society to pay direct debits or the Direct Debit Customer becoming bankrupt or insolvent as prescribed by the Insolvency Act 1986 or compounding with its creditors or passing a resolution or having proceedings commenced against it for its administration or liquidation or the appointment of a receiver manager administrator or administrative receiver in respect of all or any part of the Direct Debit Customer's assets or undertaking, or withdrawal of the Direct Debit Customer’s consent to the collection of direct debit transactions.
  - 3.1.11. “Indemnity Claim(s)” means a claim for reimbursement made in accordance with the BACS rules and submitted by the Direct Debit Customer to the Direct Debit Customer’s bank.
  - 3.1.12. “Invoice Balance” means the credit incurred by the Direct Debit Customer.
  - 3.1.13. “Mandate Request” means a request sent by the Introduced Client to Modulr via API or Online Portal (as relevant) from time to time in order to set up collections from a Direct Debit Customer providing such information as is required by BACS to set up a paperless direct debit (including Direct Debit Customer’s name, address, bank account number and sort code).

3.1.14. "Service User Number" or "SUN" means the user number allocated to the Introduced Client under which the Introduced Client can submit Collection Requests and direct debit collections will be processed.

3.1.15. "Terms" means these terms between Modulr and the Introduced Client.

#### 4. Obligations of Modulr

- 4.1. On receipt of a Mandate Request Modulr will set up a Direct Debit Customer wishing to use the Direct Debit Collection Service. Modulr will apply for payment of the Invoice Balance on receipt of a Collection Request submitted by the Introduced Client. Subject to clauses 4.2, and 4.3., Modulr will submit all Collection Requests and Mandate Requests received prior to 23.59 on a Business Day to BACS no later than the next Business Day.
- 4.2. Modulr may refuse to process a Collection Request or Mandate Request if it suspects there has been unauthorised or fraudulent use of this direct debit service. In such instance, Modulr shall give written notice to the Introduced Client setting out the reasons for the refusal either before the scheduled submission time or, if it is unable to do so, immediately afterwards, unless providing such notification would compromise reasonable security measures or is unlawful.
- 4.3. Modulr shall notify the Introduced Client at the earliest opportunity of any other refusal to initiate or execute a Collection Request and shall include the reasons for the refusal and the procedure for rectifying any factual errors that led to the refusal in such notice, provided that such notification is not unlawful.
- 4.4. Modulr shall monitor the receipt of payments received from a Direct Debit Customer and notify the Introduced Client of any payments that are not made when due.
- 4.5. In the event of Modulr becoming aware of a Failure, Modulr shall notify the Introduced Client. Modulr shall use all reasonable endeavours to provide success and failure information on the Business Day after the collection date, and will provide any additional information on the following Business Day. Modulr will notify Indemnity Claims received prior to 23.59 on a Business Day no later than the next Business Day.

#### 5. Obligations of the Introduced Client

- 5.1. The Introduced Client shall send Mandate Requests to Modulr via API or Online Portal (as relevant) from time to time in order to set up collections from the Direct Debit Customer.
- 5.2. The Introduced Client shall use its Service User Number in Collection Requests in order for transactions to be executed.
- 5.3. The Introduced Client shall submit Collection Requests via the interface provided by Modulr prior to 23.59 on a Business Day not less than two (2) Business Days prior to the collection date. By submitting the Collection Request via the interface, it is deemed to be authorised by the Introduced Client. Once the Collection Request is submitted, it cannot be revoked.
- 5.4. The Introduced Client warrants that any sum submitted to Modulr for collection from the Direct Debit Customer is due and owing by the Direct Debit Customer to the Introduced Client and that any invoice issued will be made available to Modulr if requested.
- 5.5. The Introduced Client must not include any sums disputed at any time between the Direct Debit Customer and the Introduced Client as a sum to be collected by Modulr until such dispute is resolved to the Direct Debit Customer's satisfaction.
- 5.6. Where Modulr is advised of any Failures or is required to repay any sum or sums to the Direct Debit Customer under its BACS obligations, these Failures and Indemnity Claims will fall immediately due for reimbursement from the Introduced Client to Modulr and the Introduced Client indemnifies Modulr in respect of any such sums. Modulr reserves the right to deduct any such sums from future payments made to the Introduced Client under clause 4.1 of these Terms.

- 5.7. If requested, the Introduced Client will forward copies of all invoices due between the Direct Debit Customer and the Introduced Client to Modulr.
- 5.8. The Introduced Client shall ensure that its terms and conditions of trading in connection with providing or distributing services to the Direct Debit Customer shall not in any way conflict with or prejudice the timing and methods of Modulr collecting payments from the Direct Debit Customer in accordance with these Terms or any of the other provisions of these Terms and in the event and to the extent that such conflict or prejudice exists the Introduced Client shall forthwith rectify and remedy the conflict or prejudice by amending the said terms and conditions and shall be responsible for all losses, damages, claims, demands proceedings liabilities and costs that are directly incurred by Modulr as a result of the existence of any such conflict or prejudice.
- 5.9. The Introduced Client shall notify Modulr without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the credentials used by it to access the Modulr services for the purposes of initiating Collection Requests.
- 5.10. The Introduced Client shall notify Modulr without undue delay upon becoming aware of any transaction which has been incorrectly processed or settled by Modulr.
- 5.11. Notwithstanding the termination of these Terms for any reason the terms set out in clause 5.8 shall continue to apply in respect of any amounts which Modulr may be obliged to repay in respect of any Failures or under its BACS obligations and whether during the subsistence of these Terms or after its termination.
- 5.12. The Introduced Client will use the Direct Debit Collection Service only for its own, internal business purposes, and will not resell them or otherwise make them available to any third party. The Introduced Client will not permit any third party to access the Direct Debit Collection Service, except its accountants or such other third-party access is expressly agreed to in writing by Modulr.
- 5.13. Introduced Client shall be responsible for handling Direct Debit Customer disputes or requests for refunds and Direct Debit Indemnity Claims with respect to the Direct Debit Collection service from Direct Debit Customers in accordance with the Direct Debit Indemnity Claims Guide.

## 6. Collateral Account

- 6.1. The terms of this clause 6 shall apply where the Introduced Client has its own Service User Number.
- 6.2. Introduced Client shall prior to the Go Live Date pay the Collateral Account Amount into the Collateral Account. Without prejudice to any other rights of Modulr under this Agreement, Modulr shall be under no obligation to provide the Direct Debit Collection Service unless and until the Collateral Account Amount is received in cleared funds into the Collateral Account.
- 6.3. Introduced Client shall ensure that from the Go Live Date until this Agreement is terminated, the Collateral Account Amount is maintained in the Collateral Account at all times and in accordance with the terms set out in this Schedule 2 by making further payments into the Collateral Account.
- 6.4. Introduced Client agrees that Modulr may at any time immediately and without notice, apply any sums held in the Collateral Account in satisfaction of all or any of liabilities or fees payable or incurred by Modulr as a result of providing the Direct Debit Collection Service to Introduced Client including but not limited to any deficit in a Direct Debit Customer's Account or Introduced Client Account as a result of the payment of a Direct Debit from such Accounts or any liability arising under clause 6.5 of this Schedule 2.
- 6.5. Introduced Client shall indemnify Modulr for any loss or damage or liability Modulr incurs under this Schedule 2 as a result of Modulr being unable to otherwise apply funds in the Collateral Account due to insufficient funds.
- 6.6. Upon Modulr exercising its rights under clause 6.4 of this Schedule 2, Introduced Client shall within 2 Business Days pay an amount into the Collateral Account in order to ensure the Collateral Account Amount is maintained.
- 6.7. Modulr will review the Collateral Account Amount from time to time and, if the Collateral Account Amount is revised, Modulr will notify the Introduced Client of the revised Collateral Account Amount

and the amount (if any) to be paid by the Introduced Client in order to ensure that the revised Collateral Account Amount is maintained in the Collateral Account. The Introduced Client shall pay the said amount into the Collateral Account within 2 Business

Days of Modulr's notice. Where Modulr's review results in a decrease in Collateral Account Amount from the amount then held as such in the Collateral Account, Modulr shall pay to the Introduced Client the amount of the surplus.

- 6.8. Any failure to make a payment and/or to maintain the Collateral Account Amount by the Introduced Client in accordance with this clause 6 of this Schedule 2 shall be deemed a material breach of the Agreement and in case of such breach Modulr can (notwithstanding any other rights Modulr may have as a result of Introduced Client's breach) immediately and without notice suspend or withdraw the Direct Debit Collection service in whole or in part.
- 6.9. Upon termination of this Agreement or the Direct Debit Collection service, Modulr shall return the amounts in the Collateral Account to Introduced Client within 30 days, notwithstanding that Modulr shall be entitled to deduct any amounts to satisfy in full any liabilities of Modulr relating to providing the Direct Debit Collection service. In the event Modulr's liabilities are greater than the amount in the Collateral Account, Introduced Client shall pay such amount to Modulr on Modulr's demand.

## 7. Termination

- 7.1. In addition and without prejudice to the termination rights of Modulr in the Agreement, Modulr may terminate or suspend the Direct Debit Collection Service in whole or in part immediately by giving written notice to the Introduced Client if:
  - 7.1.1. indemnity claims exceed the 2% threshold for more than one month in any period; and/or
  - 7.1.2. Introduced Client fails to discharge its obligations under this Schedule.

## Schedule 3 – Direct Debit Mandate Service

### 1. Introduction

1.1. The terms of this Schedule 3 shall apply where BACS Direct Debit Mandates are included within the Modlr Products.

### 2. Direct Debit Mandate Service

2.1. The Direct Debit Mandate service enables the Introduced Client and / or Account Manager to set up Direct Debit Mandates on an Account via UK BACS Direct Debit scheme (“Direct Debit Mandate Service”). The amounts and payment dates of the Direct Debits may vary.

2.2. The Introduced Clients (or the Partner Platform or the Account Manager acting on the Introduced Client’s behalf) will be able to set up a Direct Debit Mandate on the Account by completing a Direct Debit Mandate form.

2.3. The Introduced Client will be able to view or cancel a Direct Debit Mandate on the Introduced Client’s Account via the user interface provided by Partner Platform.

2.4. Without prejudice to any other rights of Modlr, Modlr may withdraw the Direct Debit Mandate Service by giving the Introduced Client at least 2 months’ notice by e-mail.

## Schedule 4 – PIS Terms and Conditions

### 1. INTRODUCTION

1.1 The terms of Schedule 4 shall apply where the PIS is included within the Modulr Products provided to you.

1.2 These PIS Terms and Conditions, alongside the Modulr Account Terms and Conditions form the agreement between Modulr FS and you and sets out the terms that apply to your use of PIS as defined below.

1.3 We are authorised by the Financial Conduct Authority (FRN 900573) for the issuance of electronic money and providing payment services, including payment initiation services.

1.4 Unless expressly stated in this Schedule 4, the definitions contained in this Agreement shall apply to this Schedule 4.

### 2. DEFINITIONS

Account Servicing Payment Service Provider or ASPSP – the third party payment service provider, such as a bank, with whom you or the End User holds an online payment account (Source Account) which we will access when you use PIS;

End User – means your customer who wishes to purchase your goods and/or services using PIS, and who holds a Source Account;

Information – in relation to PIS, means any information related to you, and any personal information related to the End User;

Payment Initiation – means either (i) a payment order initiated at your request from your Source Account to your Modulr Account ; or (ii) a payment order initiated at the request of an End User from their Source Account to your Account;

Payment Initiation Service or PIS – means a service to initiate a payment from a Source Account, as more particularly described in clause 3.

Source Account – a payment account accessible online which you or an End User holds with an ASPSP;

Standing Order – a regular, recurring Payment Initiation as instructed by an End User.

### 3. OUR SERVICES

3.1 You can only use PIS if you have an Account. You can continue to use PIS as long as you continue to hold an Account.

3.2 You will be able to use our API to:

3.2.1 add funds to your Modulr Account from a Source Account;

3.2.2 allow an End User to initiate a payment from a Source Account to your Account; and 3.2.3 allow an End User to set up a Standing Order from their Source Account to your Account.

3.3 When using PIS to add funds to your Modulr Account, we will provide you with a redirection URL which will redirect you to your ASPSP, where you can log in using your ASPSP credentials and consent to the Payment Initiation from your Source Account.

3.4 For End Users, we will provide you with a redirection URL to provide to the End User to redirect them to their ASPSP, where they can log in using their ASPSP credentials and consent to the Payment Initiation from their Source Account.

3.5 We are not responsible for the services or provided by the ASPSP. The services provided in relation to the Source Account are subject to a separate agreement between you and your ASPSP, or the End User and their ASPSP.

### 4. END USERS

4.1 You will only allow End Users to request Payment Initiations and Standing Orders in accordance with these PIS Terms and Conditions and the End User Terms and Conditions (contained at Annex 1 to this Schedule 4).

4.2 You will ensure that End Users have read and accepted the End User Terms and Conditions prior to the End User using PIS.

4.3 You will keep a record of each End User's confirmation given in accordance with clause 4.2 above and shall promptly make such records available to Modulr on request.

4.4 You acknowledge that an End User may revoke their consent to process Payment Initiations or Standing Orders at any time, and Modulr shall not be liable to you for failing to provide the Information requested by you.

4.5 We will not be able to revoke a transfer from a Source Account once it has been confirmed by an End User.

4.6 Once an End User requests us to initiate a payment from a Source Account, Modulr will make the following information available to you and you must provide it immediately to the End User:

4.6.1 a confirmation that the payment has been successfully initiated with the End User's ASPSP; 4.6.2 a reference to identify the payment transaction and any information transferred with the payment order; and 4.6.3 the amount of payment.

4.7 Where applicable, you will comply with Modulr's PIS Customer Requirement Guidelines as provided to you by Partner Platform and as may be amended from time to time.

## 5. ACCOUNT TOP UP

5.1 You may use PIS to make a payment initiation for the purpose of adding funds to your Modulr Account.

5.2 When you request us to initiate a payment from your Source Account, Modulr will make the following information available to you:

5.2.1 a confirmation that the payment has been successfully initiated with your ASPSP;

5.2.2 a reference to identify the payment transaction and any information transferred with the payment order; and

5.2.3 the amount of payment.

## 6. SECURITY

6.1 You must not allow another person to use security information necessary to use PIS;

6.2 We can restrict or suspend your ability to use PIS, including refusing to initiate the payment from a Source Account, if we are concerned about the security of your access to the Online Portal or the API, using PIS is causing or could cause a breach of these Terms and Conditions or if we have reasonable grounds for suspecting that you or a third party has committed or is about to commit a crime or other abuse in connection with your use of our API or Online Portal.

6.3 If we restrict or suspend your use of PIS or refuse to initiate the payment from a Source Account, we will, without undue delay and provided we are legally permitted to do so, notify you. If possible, we will provide the reasons for this and where it is possible will provide reasons for the restriction or suspension and where those reasons relate to factual matters, the procedure of rectifying any factual errors that led to the restriction or suspension. Where we need to contact you, we will use the contact details associated with your Account, such as email, or telephone. You should inform us without delay if your contact details change.

## 7. DISPUTES AND INCORRECT TRANSACTIONS

7.1 If you or the End User have a reason to believe that a payment from a Source Account initiated by us was unauthorised or was made incorrectly, the owner of the Source Account (i.e. you or the End User, as the context allows) should contact their ASPSP to resolve their query and we will cooperate with the ASPSP's investigation in to such payment. Where we believe that the incorrect payment was due to our error in respect of the part of the Payment Initiation we were responsible for, we will refund the incorrectly initiated payment back to the original Source Account.

7.2. You will be liable for all payments initiated through our API or Online Portal if you have acted fraudulently or with gross negligence (for example failed to keep your security information such as but not limited to the Online Portal log in details and API security details or Source Account credentials safe).

## 8. YOUR LIABILITY

8.1 You are responsible for understanding and complying with these PIS Terms and Conditions.

8.2 You agree to indemnify and hold harmless, us, Modulr and our distributors, partners, agents, sponsors, and service providers and their group companies from and against the costs of any legal action (including any loss arising from action taken by a Regulator) taken to enforce these PIS Terms and Conditions and/or any breach of these PIS Terms and Conditions by you, including in respect of any noncompliance with clauses 4.2 and 4.3 of these PIS Terms and Conditions.

## 9. OUR LIABILITY

9.1 In addition to our liability set out in the Modulr Account Terms and Conditions (whether arising in contract, tort (including negligence), breach of statutory duty or otherwise), where a Payment Initiation is incorrectly made from a Source Account due to our default, our liability shall be limited as appropriate (i) to refund to you an equivalent amount to which was incorrectly deducted from your Source Account; or (ii) to refund to the End User of an equivalent amount to that which was incorrectly deducted from their Source Account.

## 10. TERMINATION

10.1 These PIS Terms and Conditions will apply each time you use PIS in relation to your Account.

10.2 We can terminate your access to PIS at any time if we give you two months' notice.

10.3. We can terminate your access to PIS at any time with immediate effect (and until your default has been remedied or these Terms and Conditions terminated) without any prior notice to you if:

10.3.1 we discover any of the Information that we hold for you is incorrect; or

10.3.2 if we have reason to believe that you or a third party has committed or is about to commit a crime or other abuse (including fraud) in connection with your use of PIS; or 10.3.3 you have breached these Terms and Conditions.

## ANNEX 1 TO SCHEDULE 4 – End User PIS Terms and Conditions

Important information you need to know

These End User PIS Terms and Conditions (“Terms and Conditions”) form the agreement between Modulr FS and you and sets out the terms that apply to your use of PIS as defined below.

Please read these Terms and Conditions carefully before you agree to use PIS provided by us.

By using PIS, you accept the terms of these Terms and Conditions. If there is anything you do not understand, please contact Customer Services using the contact details set out below. You can also request a copy of these Terms and Conditions at any time by contacting Customer Services.

### 1. DEFINITIONS

Account Servicing Payment Service Provider or ASPSP – the third party payment service provider, such as a bank, with whom you hold an online payment account (Source Account) which we will access when you use our Service. Customer Services - the contact centre for dealing with queries about our Services, who can be contacted at [support@modulrfinance.com](mailto:support@modulrfinance.com) or 0303 313 0060.

Data Protection Laws – the following, to the extent they are applicable to a party: the General Data Protection Regulation (EU)

2016/679, the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy (as amended or replaced from time to time), including where applicable the guidance and codes of practice issued by the Information Commissioner (in the United Kingdom) or other applicable supervisory authority.

Information – means any personal information related to you

Merchant - the entity legally responsible for the Modulr Account, from whom you are purchasing goods or services. Modulr – Modulr Finance Ltd, a company registered in England and Wales with number 09897957 and whose registered office is at Scale Space, 58 Wood Lane, London, W12 7RZ. Modulr Finance Ltd (FRN: 900699) is a registered agent of Modulr FS Ltd.

Modulr Account - the electronic account provided by us to the Merchant.

Payment Initiation Service or PIS – means a service to initiate a payment at your request from a Source Account held by you, as more particularly described in clause 3.1.

Source Account – a payment account accessible online which you hold with an ASPSP; Standing Order - a regular, recurring Payment Initiation as instructed by you. we, us, our or Modulr FS - Modulr FS Ltd, a company registered in England and Wales with number 09897919 and whose registered office is at Scale Space, 58 Wood Lane, London, W12 7RZ and who is regulated by the Financial Conduct Authority for issuance of electronic money under FRN 900573, or Modulr acting on Modulr FS Ltd’s behalf. you, your - the payee who wishes to use PIS to send funds to a Merchant’s Modulr Account.

### 2. SCOPE OF THESE TERMS AND CONDITIONS

2.1 These Terms and Conditions apply to your use of PIS. We are authorised by the Financial Conduct Authority (FRN 900573) for the issuance of electronic money and providing payment services, including payment initiation services. Your rights and obligations relating to the use of PIS are subject to these Terms and Conditions between you and us.

2.2 These Terms and Conditions are written and available only in English and we undertake to communicate with you in English regarding any aspect of your use of PIS.

### 3. OUR SERVICES

3.1 You will be able to initiate a payment from your Source Account to the Merchant’s Modulr Account, or set up a Standing Order. You will need to select the linked Source Account and the amount when you ask us to initiate the payment.

3.2 We may use internet providers, web browsers and other third parties to access your Source Account held with the ASPSP, so that we can transmit the information relating to your Source Account or initiate the payment.

3.3 The services provided to you in relation to your Source Account are subject to a separate agreement between you and the ASPSP. We are not responsible for the services or provided to you by the ASPSP.

#### 4. USING THE SERVICES

4.1 Each time you use our PIS, you are giving us your explicit consent to initiate the payment from your Source Account to the Modulr Account for the amount you select at the time of your request.

4.2 You will need to provide the same identifying information that you use when logging into to access your Source Account online with your ASPSP, such as your user name, password and/or other security information (such as answers to challenge questions or one-time-passcodes) (“Security Credentials”). You will need to provide your Security Credentials to:

4.2.1 link the Source Account; and

4.2.2 authorise a payment from your Source Account you have asked us to initiate.

4.3 We will not be able to revoke a transfer from your Source Account once you have confirmed it.

4.4 Once you request us to initiate a payment from your Source Account, the Merchant will provide:

4.4.1 a confirmation that the payment has been successfully initiated with your ASPSP;

4.4.2 a reference to identify the payment transaction and any information transferred with the payment order; and

4.4.3 the amount of payment.

#### 5. STANDING ORDERS

5.1 You will be able to set up a Standing Order to make regular, recurring Payment Initiations to the Merchant’s Modulr Account. When setting up a Standing Order, you are giving us explicit consent to initiate a regular, recurring Payment Initiations from your Source Account to the Modulr Account for the amount you select at the time of your request.

5.2 You must provide the following information to allow us to set up the Standing Order: the date of the first Payment Initiation, the amount of the Standing Order, and if the Standing Order is not open-ended, the date of the final Payment Initiation.

5.3 If you wish to amend or cancel a Standing Order, you must contact your ASPSP. Modulr is not able to amend or cancel Standing Orders and accepts no liability for Standing Orders which have been incorrectly amended or cancelled.

#### 6. FEES

We will not charge you any fees for using PIS.

#### 7. SECURITY

7.1 You must not:

7.1.1 allow another person to use security information necessary to use PIS;

7.1.2 write down password(s) or any security information unless this is done in a way that would make it impossible for anyone else to recognise any of that information; or

7.1.3 disclose passwords or any security information, or otherwise make them available to any other person, whether verbally or by entering them in a way that allows them to be observed by others.

7.2 We can restrict or suspend your ability to use PIS, including refusing to initiate the payment from your Source Account, if we are concerned that using PIS is causing or could cause a breach of these Terms and Conditions or if we have reasonable grounds for suspecting that you or a third party has committed or is about to commit a crime or other abuse in connection with your use of our PIS.

7.3 If we refuse to initiate the payment from your Source Account, we will, without undue delay and provided we are legally permitted to do so, notify you, via the Merchant. If possible, we will provide the reasons for this and where it is possible will provide reasons for the restriction or suspension and where those reasons relate to factual matters, the procedure of rectifying any factual errors that led to the restriction or suspension.

#### 8. DISPUTES AND INCORRECT TRANSACTIONS

8.1 If you have a reason to believe that a payment from your Source Account initiated using our PIS was unauthorised or was made incorrectly, you can contact your ASPSP to resolve your query and we will cooperate with the ASPSP’s investigation in to such payment. Where we believe that the incorrect payment was due to our error in respect of the part of the initiated payment we were responsible for, we will refund the incorrectly initiated payment back to the original Source Account.

8.2. You will be liable for all payments initiated through our PIS if you have acted fraudulently or with gross negligence (for example failed to keep your security information or Source Account Security Credentials safe).  
8.3 In circumstances where payment is initiated from your Source Account by us is disputed by you or your ASPSP, if we require your support to enable us to establish the cause of the incorrectly initiated payment, you agree to provide us with all assistance that we reasonably require.

## 9. YOUR LIABILITY

9.1 You are responsible for understanding and complying with these Terms and Conditions.  
9.2 It is your responsibility to keep the Merchant updated of changes to your Information, including e-mail address and mobile numbers. Failure to do so may result in us being unable to contact you regarding our PIS or to let you know about changes to these Terms and Conditions.  
9.3 You agree to indemnify and hold harmless, us, Modulr and our distributors, partners, agents, sponsors, and service providers and their group companies from and against the costs of any legal action taken to enforce these Terms and Conditions and/or any breach of these Terms and Conditions by you.

## 10. OUR LIABILITY

10.1 Our liability in connection with these Terms and Conditions (whether arising in contract, tort (including negligence), breach of statutory duty or otherwise) shall be subject to the following exclusions and limitations:  
10.1.1 we shall not be liable for any default resulting directly or indirectly from any cause beyond our control;  
10.1.2 we shall not be liable for any loss of profits, loss of business, or any indirect, consequential, special or punitive losses;  
10.1.3 where payment is incorrectly initiated from your Source Account due to our default, our liability shall be limited to refund to you of an equivalent amount to that which was incorrectly deducted from your Source Account.  
10.2 Nothing in these Terms and Conditions shall exclude or limit our liability for death or personal injury resulting from our negligence or fraud.  
10.3 To the extent permitted by law, all conditions or warranties implied by law, statute or otherwise are expressly excluded.  
10.4 The above exclusions and limitations set out in this paragraph shall apply to any liability of our affiliates and other suppliers, contractors, agents or distributors and any of their respective affiliates (if any), to you, which may arise in connection with these Terms and Conditions.

## 11. VARIATION

11.1 Each time you use our PIS you will be bound by the Terms of Service in force at that time.  
11.2 From time to time, we may update these Terms and Conditions. If we do this then we will provide an updated copy to Merchants and you will be bound by those new terms the next time you use our PIS. If you do not agree to those changes you should not use our PIS.  
11.3 If any part of these Terms and Conditions are inconsistent with any legal requirements then we will not rely on that part but treat it as if it did actually reflect the relevant legal requirement. If we need to make operational changes before we can fully comply with the new regulatory requirement, we will make those changes as soon as reasonably practical.

## 12. TERMINATION OR SUSPENSION

12.1 We may at any time terminate or withhold your access to all or any part of our PIS at any time, effective immediately:  
12.1.1 if you have breached any provision of these Terms and Conditions (or have acted in a manner which clearly shows that you do not intend to, or are unable to comply with the provisions of these Terms and Conditions); or  
12.1.2 if we, in our sole discretion, believe we are required to do so by law (for example, where the provision of the PIS to you is, or becomes, unlawful).

## 13. YOUR INFORMATION

13.1 You may provide us with your Information from time to time in connection with your use of PIS. Some Information, especially the Account Information, will be necessary for us to provide you with the PIS under these Terms and Conditions.  
13.2 We and our affiliates are committed to maintaining your Information in accordance with the requirements of the Data Protection Laws. You acknowledge and agree that any Information provided by you or a third party on your behalf to us shall be used, kept and may be disclosed to third parties in accordance with our Privacy Policy which is available on our website. We will take all reasonable steps to ensure that your Information is

kept secure against unauthorised access, loss, disclosure or destruction. Except as required by law, or in accordance with these Terms and Conditions, your Information will not be passed to anyone without your permission.

13.3 You explicitly consent to us accessing, processing and retaining any Information you provide to us for the purposes of providing payment services to you. This does not affect any rights and obligations you or we have under Data Protection Laws. You agree that we can use your Information in connection with the PIS, to enable us to review, develop and improve our products and services. This may involve providing your Information to our partners, affiliates, agents, distributors and suppliers to process transactions and for their statistical research and analytical purposes. We may also disclose your Information as required by law, regulation or any competent authority or agency to investigate possible fraudulent, unlawful or unauthorised activity. You may withdraw your consent at any time. If you do this, we will stop providing our PIS to you and stop using your Information to provide payment services to you. We may continue to process your Information for other purposes, for example where we are required by law to do so.

13.4 If we discover that the Information we hold about you is incorrect, we may have to suspend or cancel your access to the PIS until we can establish the correct Information, in order to protect us both.

#### 14. COMPLAINTS PROCEDURE

14.1 Complaints regarding any element of the PIS provided by us can be sent to Customer Services.

14.2 All complaints will be subject to our complaints procedure. We will provide you with a copy of our complaints procedure upon request and, if we receive a complaint from you, a copy of our complaints procedure will automatically be posted or emailed to you.

14.3 In most cases we will provide a full response by email to your complaint within fifteen business days after the date we receive your complaint. In exceptional circumstances where we are unable to respond in full to your complaint, we will inform you of this giving our reasons for the delay and the timeframe within which you will receive a full reply, which in any event shall be within thirty-five days of the date we received your complaint.

14.4 If we fail to resolve your complaint to your satisfaction you may refer your complaint to the Financial Ombudsman Service (Exchange Tower, London E14 9SR, phone 0800 023 4567). Details of the service offered by the Financial Ombudsman Service are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

#### 15. GENERAL

15.1 Any delay or failure to exercise any right or remedy under these Terms and Conditions by us shall not be construed as a waiver of that right or remedy or preclude its exercise at any subsequent time.

15.2 If any provision of these Terms and Conditions is deemed unenforceable or illegal, the remaining provisions will continue in full force and effect.

15.3 You may not assign or transfer any of your rights and/or benefits under these Terms and Conditions and you shall be the sole party to the contract between us. We may assign our rights and benefits at any time without prior written notice to you. We may subcontract any of our obligations under these Terms and Conditions.

15.4 Save for Modulr, who act on our behalf, no third party who is not a party to these Terms and Conditions has a right to enforce any of the provisions in these Terms and Conditions.

15.6 These Terms and Conditions are governed by English law and you agree to the exclusive jurisdiction of the courts of England and Wales.

## Schedule 5: Confirmation of Payee

For the purposes of this Schedule, the following definitions shall apply:

“CoP Operating Guide” means the operating guide published by Pay.UK in force at the time of this Agreement and as updated from time to time;

“CoP Rules” means the rules contained in the Confirmation of Payee Rulebook published by Pay.UK in force at the time of this Agreement and as updated from time to time; “Data Privacy Notice” means the Modulr privacy policy available online at <https://www.modulrfinance.com/privacy-policy>, as updated from time to time; and “Modulr CoP Developer Guide” means the documentation relating to CoP made available to Partner Platform in the Modulr Developer Centre, as updated from time to time.

### 1. Introduction

- 1.1. These CoP Terms and Conditions shall apply where Confirmation of Payee (“CoP”) is included within the Modulr Products provided to you.
- 1.2. These CoP Terms and Conditions, alongside the Modulr Account Terms and Conditions form the agreement between Modulr FS and you and sets out the terms that apply to your use of CoP as defined below.

### 2. Compliance with Confirmation of Payee Rules

- 2.1. Where applicable, you will comply with all CoP Rules as they apply to CoP.
- 2.2. The Introduced Client shall be responsible for ensuring that any authorised user who uses CoP complies with these terms and conditions and Modulr Account Terms and Conditions.

### 3. Confirmation of Payee

- 3.1. CoP allows the account details of a payee to be checked with their payment service provider before a payment is instructed and made by the sender.

Outbound requests – Checking a payee’s details before making a payment

- 3.2. Modulr FS enables access to the Application Programming Interface (API) used by Modulr FS to send requests to the payee’s payment service provider in order to check that the details entered match the details of the person or business to be paid.

- 3.3. When setting up a new payee for a payment (eg. Faster Payment), you must provide:

- 3.3.1. the payee’s full name, account number and sort code; and
- 3.3.2. the type of account that will be paid (eg. either Business or Personal).

- 3.4. Modulr FS will then send a request to the receiving payment service provider to check these details and provide the Partner Platform with a result within the API in line with the CoP Rules and Modulr CoP Developer Guide. These results include but are not limited to:

- 3.4.1. the account name is a match;
- 3.4.2. the account name is a close match; and
- 3.4.3. the account name is not a match.

- 3.5. Partner Platform will then display results to you in accordance with the CoP Rules and the Modulr CoP Developer Guide, as agreed with Modulr FS.

3.6. It is acknowledged that, notwithstanding any results returned pursuant to clauses 3.4 and 3.5 above:

3.6.1. the decision as to whether to proceed to payment or not remains with you. For the avoidance of doubt, if a payment is made by you and the money is ultimately sent to an incorrect account, Modulr FS may not be able to get the money back; and

3.6.2. Modulr FS will not be liable for any subsequent properly authorised and executed payment.

Inbound requests – Receiving a payment

3.7. Modulr FS intends to enable checks made by other participants of CoP against accounts held with it and respond to such requests from a payer's payment service provider in order to check that the details provided match that of the intended payee.

3.8. The use of this service, when available, will be subject to FAQs and the Data Privacy Notice.

#### 4. Fair usage

4.1. The use of CoP is subject to conditions contained in the CoP Rules, which include but are not limited to:

4.1.1. CoP may only be used by you in anticipation of making a payment; and

4.1.2. the number of the requests by you shall not exceed limits included in the CoP Rules and determined by Modulr FS from time to time.

4.2. For the avoidance of doubt, a breach of these fair usage provisions shall be a breach of these CoP Terms and Conditions which could result in the suspension or termination of this service.

## Schedule 6 – Variable Recurring Payments

### 1. Definitions

Unless otherwise defined within the Agreement, defined terms shall have the following meanings ascribed to them:

‘**ASPSP**’ means the Account Servicing Payment Service Provider.

‘**Destination Account**’ means the Account(s) held by the Introduced Client.

‘**Mandate**’ shall mean the instructions provided by the Introduced Client to Modulr in relation to the VRP Service (as defined at clause 2.2). The requisite instructions are: (i) the time frame during which the maximum cumulative value of VRP transactions can be made, (ii) the maximum cumulative value of all VRP transactions within a defined period, (iii) the maximum specified amount of an individual VRP transaction, (iv) the VRP consent start date, and (v) the VRP consent expiry date. For the avoidance of doubt, there are no restrictions on the number of Mandates that can be setup between a Source Account and a Destination Account.

‘**Source Account**’ means a personal current account, or a business current account held by the Introduced Client with an ASPSP where such ASPSP is enabled for VRP services (as set out in the Open Banking VRP Specification (<https://openbankinguk.github.io/read-write-api-site3/v3.1.11/profiles/vrp-profile.html>)).

‘**Variable Recurring Payments**’ or ‘**VRP**’ a mechanism whereby the Introduced Client (as relevant) authorises Modulr (via a Mandate) to initiate recurring funds transfers from a Source Account to a Destination Account (both the Source Account and Destination Account of which must belong to the same person or legal entity) without the need for authentication on a transaction-by-transaction basis.

### 2. Introduction

2.1. The terms of Schedule 6 shall apply where VRP is included within the Modulr Products.

2.2. By using Modulr’s VRP services (the ‘**VRP Service**’), the Introduced Client agrees to comply with the terms and conditions set out herein for the duration of the use of the VRP Services.

### 3. Introduced Client obligations in respect of the VRP Service

3.1. In order for Modulr to provide its VRP Service to the Introduced Client, the Introduced Client must ensure, at all times, that the VRP Service is only used for one or more of the following purposes (as updated from time to time by The Competition and Markets Authority):

- i. transferring funds between current account providers, including to move funds between current accounts to avoid falling into overdraft on another current account;
- ii. transferring funds to destination accounts which are used for unbundling overdrafts from a current account and other alternative forms of credit that closely compete with overdrafts;
- iii. transferring funds to destination accounts which are used for loan repayments as part of a service that provides alternative forms of credit to an overdraft;
- iv. transferring funds to a credit card account; and
- v. transferring funds to cash savings accounts that are capable of paying interest.

### 4. Modulr’s obligations in respect of the VRP Service

4.1. Subject to the Introduced Client Terms of Business (which shall include this Schedule 6) Modulr shall:

- i. initiate VRP transactions via the VRP Service in accordance any Mandate provided by the Introduced Client; and
- ii. continue to initiate VRP transactions until the Mandate is revoked by the Introduced Client. For the avoidance of doubt, a Mandate cannot be amended. Instead, the original Mandate must be revoked and, if required, a new replacement Mandate can be set-up.

### 5. Fees

5.1. Modulr will not charge the Introduced Client any fees for using the VRP Service.

### 6. Security

- 6.1. Modulr may delay or withhold the transfer of funds via the VRP Service, in accordance with Applicable Laws, if we have reasonable grounds for suspecting fraudulent activity or non-compliance with these terms and conditions.
- 6.2. If Modulr delays or withholds the transfer of funds in accordance with clause 6.1, Modulr will (where legally permitted to do so) provide notification of this along with reasoning for such actions.

## **7. Modulr's liability for the VRP Service**

- 7.1 Modulr's liability in connection with VRP Service (whether arising in contract, tort (including negligence), breach of statutory duty or otherwise) shall, to the extent permitted by law, be subject to the following exclusions and limitations:
  - (a) Where a VRP transaction is incorrectly implemented due to Modulr's default, Modulr's liability to the Introduced Client shall be limited to refunding the amount which was incorrectly deducted from the Source Account;
  - (b) Modulr shall have no liability in the event of the cessation of the VRP Service for reasons which are outside of Modulr's reasonable control;
  - (c) Modulr shall have no liability if a Mandate is inaccurate or incorrect, and Modulr shall not be liable for any fees or charges incurred following such inaccurate or incorrect Mandate; and
  - (d) Modulr shall have no liability if a VRP transaction is executed by Modulr in accordance with a Mandate, however there are insufficient funds within the Source Account to initiate the VRP transaction.
- 7.2 For the avoidance of doubt, the liabilities, exclusions and limitations set out in this clause 7 shall apply in addition to those otherwise set out in the Agreement.
- 7.3 The Introduced Client shall indemnify Modulr for any claim, loss, damage or liability Modulr incurs under this Schedule 6 as a result of the Introduced Client's non-compliance with the terms of this Schedule 6.

## **8. Termination**

- 8.1 Modulr may terminate access to the VRP Service at any time by providing two (2) months' notice.
- 8.2 Modulr may terminate access to the VRP Service at any time with immediate effect and on notice, if:
  - (a) the Introduced Client is in material breach of the terms of this Schedule 6 and such breach is: (i) not capable of remedy, or (ii) is remediable and has not been duly remedied to Modulr's satisfaction within thirty (30) Business Days following the notification of such material breach by Modulr; or
  - (b) a regulatory or governing body determines that use of the VRP Service by the Introduced Client is not permitted.

## Part C: - The Modulr Account Terms and Conditions; Important information you need to know

### The Modulr Account Terms and Conditions

Please read these Terms and Conditions carefully before you agree to use an Account or any related services provided by or through us.

These Terms and Conditions, together with the Introduced Client Terms of Business constitute the entire agreement between Modulr and you.

By signing the Modulr Account Terms and Conditions you accept the terms of the Agreement, or by agreeing to open an Account and/or using our services, you accept these Terms and Conditions. If there is anything you do not understand, please contact Customer Services using the contact details provided to you by Partner Platform.

### 1. DEFINITIONS

**Account** - The electronic money account, also known as Modulr Account provided by us in accordance with these Terms and Conditions.

**Account Information Service Provider** – means a third party payment service provider who is authorised by or registered with the Financial Conduct Authority or another European regulator to provide online account information services, who, with your permission will be able to access certain online account information on one or more payment accounts held by you to give you a consolidated view of your payment accounts.

**Account Limit** – any limit that applies in relation to your Account and/or Card, such as account maximum balance, and limits on receiving and sending payments from your Account as referred in paragraph 2.

**Account Manager** - The individuals elected by the Account Owner to be responsible for the management of the Account, also known as an “Authorised User”.

**Account Owner** – The entity legally responsible for an Account.

**Agreement** - The agreement for your Account made up of these Terms and Conditions, together with the Introduced Client Terms of Business which constitute the entire agreement between you and Modulr.

**Application Programming Interface (API)** – means the interfaces provided by Modulr to the Introduced Client (and the Partner Platform on the Introduced Client’s behalf) to directly instruct Accounts via the Introduced Client’s or the Partner Platform’s own application.

**AML Policy** - Modulr’s written policy on anti-money laundering and counter terrorist financing as may be amended from time to time by Modulr.

**Applicant** – A customer of the Partner Platform who applies for Modulr Products but is yet to be accepted by the Modulr as an Introduced Client.

**Available Balance** - The value of funds available on your Account.

**Bacs Credit** – Means Bacs Direct Credit. A service enabling organisations to make payments to an account which takes 3 Business Days for the funds to be cleared.

**Business Days** - Monday to Friday between the hours of 9am-5pm but does not include bank holidays, or public holidays in the United Kingdom.

**Card** – means a Virtual Card or a Physical Card.

**Cardholder** - means the individual authorised to use the Physical Card issued to you.

**Card Scheme** -Mastercard and/or Visa or such other payment network through which Card Transactions are processed as may be made available to you from time to time.

**Card Transaction** –means a Virtual Card Transaction or a Physical Card Transaction.

**CHAPS** – the Clearing House Automated Payment System, a service enabling organisations to make same-day payments to an account within the UK, within the CHAPS operating days and times.

**Chargeback** has the meaning given to it in Schedule 1 of the Introduced Client Terms of Business.

**Confidential Information** - any information (whether or not recorded in documentary form, or stored on any magnetic or optical disk or memory) relating to: the business, products, affairs, strategy, contracts, customer relationships, commercial pipelines, business contacts, prospective customers, existing customers, business models, customer pricing, management systems, business methods, corporate plans, maturing new business opportunities, research and development projects, marketing and sales information, sales targets and statistics, discount structures, suppliers and potential suppliers, source codes, computer programs inventions, know-how, technical specifications and other technical information relating to products and services.

**Customer Services** - The contact centre for dealing with queries about your Account. Contact details for Customer Services can be obtained from the Partner Platform.

**Data Protection Laws** – the following, to the extent they are applicable to a party: the Data Protection Act 2018, the General Data Protection Regulation (EU) 2016/679, the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy (as amended or replaced from time to time), including where applicable the guidance and codes of practice issued by the Information Commissioner (in the United Kingdom) or other applicable supervisory authority; **Direct Debit** – a payment collected via UK Direct Debit scheme operated by Bacs from or to your Account.

Direct Debit Collection – a payment collected to your Account via UK Direct Debit scheme on the basis of an instruction given by you to the payer’s payment service provider.

Direct Debit Guarantee – means the refund terms applicable to Direct Debit Mandates as set out on the direct debit form or direct debit confirmation provided to you by the payment recipient.

Direct Debit Mandate – a payment collected from your Account via UK Direct Debit scheme on the basis of a mandate permitting someone else (recipient) to instruct us to transfer money from your Account to that recipient.

Due Diligence Procedure - Modulr’s procedures for carrying out due diligence on Introduced Clients in order to comply with its policies and regulatory obligations.

Faster Payment – A service allowing you to make and receive electronic payments in the UK which is received by the recipient bank within 2 hours provided that the receiving organisation or bank is part of Faster Payments Scheme.

Fees – where relevant, those fees payable by the Introduced Client.

Information – Means any information related to the organisation, and any personal information related to Account Manager or the Cardholder.

Intellectual Property Rights – means without limitation, all patents (including models and inventions), trademarks, service marks, trade names, domain names, business names, copyrights, design rights, database rights, rights to or in computer software, know-how, trade secrets, rights to or in confidential information and all other intellectual property rights and rights or forms of protection of a similar nature or effect which may subsist anywhere in the world whether or not registered or capable of registration, together with all applications for registration of, and any licence to use, any of the foregoing and "Intellectual Property" shall be construed accordingly;

Introduced Client – Any client of Modulr which has been introduced by the Partner Platform and whose account is operated by the Partner Platform based on instructions the Partner Platform receives from the Introduced Client (where relevant).

Introduced Client Terms of Business - The terms on which Modulr provides Modulr Products to the Introduced Client.

Merchant- means a merchant authorised to accept Card Scheme-branded Cards.

Modulr – Modulr Finance Ltd, a company registered in England and Wales with number 09897957 and whose registered office is at Scale Space, 58 Wood Lane, London, W12 7RZ. Modulr Finance Ltd (FRN: 900699) is a registered agent of Modulr FS Ltd.

Modulr Account Terms and Conditions - This agreement, between Modulr FS and the Introduced Client which governs the terms on which the Introduced Client may use its Account.

Modulr Products – those products, including but not limited to the Account as described by Partner Platform in the application process.

Online Portal – means the interface provided by Modulr for the Introduced Client to access via the public internet, subject to applicability based on the Introduced Client’s relationship with the Partner Platform.

Payment Initiation Service Provider – means a third party payment service provider authorised by or registered with by the Financial Conduct Authority or another European regulator to provide an online service to initiate a Transaction at your request on your Account.

Partner Platform – A third party that is permitted by Modulr and Modulr FS to introduce and act on behalf of Introduced Clients, and permitted by you to act as an Authorised User.

Partner Platform Agreement - an agreement between the Account Owner and the Partner Platform for the provision of various services, under the terms of which the Introduced Client wishes to open an Account with Modulr to be used for the purpose and in accordance with the terms set out in the Partner Platform Agreement.

Physical Card - means a physical card-based payment instrument issued by us to you which uses the Card Scheme payments network, as well as any version or record of such an issued payment instrument stored on an app or other platform, and which may be used to make Physical Card Transactions.

Physical Card Transaction - means the use of a Physical Card to make a payment to a Merchant.

Regulator – the Financial Conduct Authority, located at 12 Endeavour Square, London, E20 1JN or any authority, body or person having, or who has had, responsibility for the supervision or regulation of any regulated activities or other financial services in the United Kingdom.

SEPA – the Single Euro Payments Area is the area where citizens, companies and other economic actors can make and receive payments in euro, within Europe, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location. SEPA is driven by the European Commission and the European Central Bank, amongst others, as a key component of the EU Internal Market. SEPA shall be deemed to encompass the countries and territories which are part of the geographical scope of the SEPA Schemes, as listed in the EPC List of SEPA Scheme Countries, as amended from time to time.

SEPA Credit Transfer - a service allowing you to make and receive non urgent EUR electronic payments within SEPA provided that the receiving organisation or bank is part of the scheme.

SEPA Instant Credit Transfer - a service allowing you to make and receive near real time EUR electronic payments within SEPA provided that the receiving organisation or bank is part of the scheme.

SEPA Transfers – means, together, SEPA Credit Transfer and SEPA Instant Credit Transfer.

SWIFT – the global member-owned financial telecommunications system used to facilitate the secure transfer of messages, including payment instructions, between financial institutions.

SWIFT Inbound Payment – an inbound payment (in such currencies as may be supported by Modulr from time to time) made via SWIFT.

SWIFT Outbound Payment – an outbound payment (in such currencies as may be supported by Modulr from time to time) made via SWIFT.

SWIFT Payments – means, together, SWIFT Inbound Payments and SWIFT Outbound Payments (and SWIFT Payment shall be construed accordingly).

Transaction – any debit, credit or other adjustment to an Account that affects the balance of monies held in it, including a Virtual Card Transaction.

TPP (Third Party Provider) – means an Account Information Service Provider or a Payment Initiation Service Provider. we, us, our or Modulr FS - Modulr FS Ltd, a company registered in England and Wales with number 09897919 and whose registered office is at Scale Space, 58 Wood Lane, London, W12 7RZ and who is regulated by the Financial Conduct Authority for issuance of electronic money under FRN 900573, or Modulr acting on Modulr FS Ltd's behalf.

Virtual Card – means a virtual card-based payment instrument consisting of (amongst other things) a unique 16 digit account number issued to you which uses the Card Scheme payments network, as well as any version or record of such an issued payment instrument stored on an app or other platform, and which may be used to make Virtual Card Transactions.

Virtual Card Transaction – means the use of a Virtual Card to make a payment to a Merchant.

Website – means the customer portal that Introduced Clients can login to in order to use the Modulr Products. you, your - The Account Owner, also referred to as an Introduced Client.

## 2. ACCOUNT & CARD LIMITS

2.1 Limits may apply to the balance on your Account at any time, the maximum value of an individual payment Transaction, maximum Virtual Transaction value per Card, the maximum aggregate value of all payment Transactions made from your Account or Cards in a particular time period e.g. during any one Business Day and the maximum number of payment Transactions made from your Account over a particular timeframe. Your Cards may also have certain Card Transaction types disabled, such as cash withdrawals at an ATM.

2.2 The limits and restrictions that apply to your Account and Card will be communicated to you during the Account set-up process and/or before the Card is issued to you (as applicable). These limits may also change over time based on your Account and/or Card usage; any such change will be communicated to you. You can check the limits at any time by contacting Customer Services. You should not make a payment Transaction request which exceeds such.

2.3 From time to time a Card Transaction may be authorised which exceeds the limit or restriction applicable to your Account or Card, for example when it is used in an offline environment for example but not limited to payments for or on transport (purchases on a train, aeroplane, underground or toll payments). In such circumstance, a negative balance on your Account may occur. In this case the process in paragraphs 5.14 to 5.16 inclusive will apply.

2.4 Certain Merchants may require verification that the funds held on your Account will cover the Card Transaction amount and will place a "pre-authorisation" on your Card. This amount will be unavailable to you until the Card Transaction is completed or released by the Merchant. The pre-authorisation allows the Merchant up to 30 days to claim and settle any funds owed to them from the Card. Examples include but are not limited to hotels and rental cars. If there are insufficient funds available on your Account, Modulr must still make this settlement, which may result in a negative balance on your Account. In this case the process in paragraphs 5.14 to 5.16 inclusive will apply.

2.5 To manage our risk, particularly with respect to money laundering, fraud or security concerns, we also apply internal controls, including limits, to certain types of payment. We change these as necessary but for security purposes, we do not disclose them.

## 3. SCOPE OF THESE TERMS AND CONDITIONS

3.1 Your Account is an electronic money account and the electronic money and any Card associated with it is issued to you by us. We are regulated by the Financial Conduct Authority for the issuance of electronic money (FRN 900573). Your rights and obligations relating to the use of this Account are subject to these Terms and Conditions between you and us.

3.2 The types of Transactions enabled for your Account will be explained to you by the Partner Platform, or as subsequently enabled by us. The terms of these Modulr Account Terms and Conditions applicable to specific Transactions or payment types (for example, Cards) apply only to the extent that such Transactions or payment types are enabled for your Account.

3.3 This Agreement is written and available only in English and we undertake to communicate with you in English regarding any aspect of your Account.

3.4 You agree that we or the Partner Platform may communicate with you by e-mail or telephone for issuing any notices or information about your Account and therefore it is important that you ensure you keep your e-mail address and mobile phone number updated.

3.5 You can request a copy of these Terms and Conditions at any time by contacting Customer Services.

## 4. OPENING YOUR ACCOUNT

4.1 Your Account will be opened on your behalf by the Partner Platform. You may only hold an Account so long as you remain an approved client of the Partner Platform that provided you with your account details.

## 5. USING THE ACCOUNT

5.1 Your Account can receive bank transfers and other payment types as added and notified to you by Modulr from time to time. Subject to paragraph 5.3, we will credit your Account when we receive the funds which could be up to three Business Days after the payment being instructed, depending on how the payment was sent.

5.2 Your Account can also receive internal transfers from other Accounts owned or controlled by the Partner Platform, which apply instantly.

5.3 An incoming payment will not be credited to your Account if:

5.3.1 the Account has reached the Account Limits; or

5.3.2 the Account is blocked or terminated; or

5.3.3 the sender has provided incorrect/invalid Account Details for your Account; or

5.3.4 we suspect the payment to be fraudulent.

5.4 If we are unable to credit your Account for any of the reasons in paragraph 5.3 then the funds may be sent back to the sender without a prior notification to you.

5.5 Your Account can make payments out to external bank accounts via Faster Payments, SEPA Transfer, SWIFT Payments (if selected as a Modulr Product) and other methods as added and notified to you by the Partner Platform from time to time. 5.6 Your Account will be configured and operated by the Partner Platform. You agree that Modulr and we may take instructions from the Partner Platform regarding the operation of your Account, including the creation of beneficiaries and instruction of payments, on your behalf. We and Modulr have no liability for actions taken by the Partner Platform. If you disagree with any actions taken by the Partner Platform these should be discussed with the Partner Platform. We are also authorised to take instructions from any other Account Manager (where different from Partner Platform) and, with respect to Physical Card Transactions, from the Cardholder. You are responsible for all actions of the Account Manager and any Cardholder in relation to the Account and/or Card(s).

5.7 Where Cards are made available to you, your Account can be used to fund Card Transactions. You or your Account Manager or Partner Platform can request a Virtual Card or a Physical Card to be issued to you via the Online Portal or Modulr API.

5.8 Where a Virtual Card or Physical Card is issued to you, you may be able to register and/or store the details of the Card within third party apps and/or devices and to use those third party apps/devices to initiate payments with your Card. When you first register your Card within a third party app/device we support, you may be required to verify that it is you requesting the registration of the Card. If you do not do this, you may not be able to register and use your Card through the third party app/device.

5.9 The value of any Card Transaction, together with any applicable fees and charges, will be deducted from your Account once we receive the authorisation request from the Merchant.

5.10 If the Card Transaction is made in a currency other than the currency the Card is denominated in, the Card Transaction will be converted to the currency of the Card by the relevant Card Scheme at a rate set by it on the day we receive details of the Card Transaction. The exchange rate varies throughout the day and is not set by us. You can check the relevant Card Scheme rate as follows.

Mastercard Card Scheme rate at: <https://www.mastercard.co.uk/en-gb/consumers/get-support/convert-currency.html>; VISA

Card Scheme rate at: <https://www.visa.co.uk/support/consumer/travel-support/exchange-rate-calculator.html>.

5.11 A Transaction is deemed to be authorised by you:

5.11.1 when you or your Account Manager or Partner Platform enters the security information on the Modulr Online Portal to confirm a Transaction is authorised, or when it is instructed via the Modulr API with the relevant security credentials; 5.11.2

when you or your Account Manager or Partner Platform submits a request for a creation of a Virtual Card via the Online Portal or Modulr API, you shall be deemed to have authorised any subsequent Virtual Card Transaction made using such Virtual Card up to the authorisation value specified when creating the request for creation of the Virtual Card;

5.11.3 when you or the Cardholder (i) enter a PIN or provide any other security credentials; (ii) sign a sales voucher; (iii) provide the Physical Card details and/or provide any other details as requested; (iv) wave/swipe the Physical Card over a card reader; or (v) insert the Physical Card into a card device or an ATM;

5.11.4 when you give instructions through a third party (such as the recipient of a Direct Debit Mandate or a Payment Initiation Service Provider).

Once the Transaction is confirmed, we cannot revoke the Transaction save for in those circumstances set out in paragraph 5.10 below.

5.12 You can cancel any Transaction which is agreed to take place on a date later than the date you authorised it, provided that you give us notice to cancel no later than close of business on the Business Day before the Transaction was due to take place;

5.13 Cancelling a Direct Debit Mandate with us will not cancel the agreement with the organisation you are paying. It is your responsibility to tell the organisation collecting the payment about the changes to your instructions.

5.14 If for any reason whatsoever, a negative balance arises because a Transaction is completed when there are not enough funds on your Account for that Transaction, you shall reimburse the negative balance amount immediately, unless circumstances described in sections 5.15 and 5.16 apply. You agree that once we make this negative balance known to you, we will charge you the amount of negative balance and you must repay it immediately. We may charge the amount of the negative balance against any funds on your Account, including any subsequently loaded funds. Until we are reimbursed this negative balance amount, we

may arrange for your Account, including Card(s) to be suspended. We may also report the negative balance to credit reference agencies.

5.15 Where a negative balance arises because of an error on the part of a Merchant where the Card Transaction occurred, we will seek to recover the negative balance amount from the Merchant.

5.16 Where a negative balance arises because of an error on the part of the recipient of the payment or us, we will seek to recover the negative balance amount from the person who made the error.

5.17 The Available Balance on your Account will not earn any interest.

5.18 You can check the balance and Transaction history of your Account at any time via the interface provided to you by the Partner Platform or by contacting Customer Services, or the Online Portal if you have relevant access details.

5.19 You will be provided with a monthly statement free of charge setting out information relating to individual payment Transactions by the Partner Platform or us (using the details we have associated with your Account).

## 6. THIRD PARTY ACCESS

6.1 You can instruct a TPP to access information on your Account or initiate certain Transactions from your Account provided such TPP has identified itself to us and it has acted in accordance with the relevant regulatory requirements. We will treat any instruction from an TPP as if it was from you or an Account Manager.

6.2 We may deny a TPP access to your Account if we are concerned about unauthorised or fraudulent access by that TPP setting out the reason for such denial. Before doing so, we will tell you that we intend to deny access and give our reasons for doing so, unless it is not reasonably practicable, in which case we will immediately inform you afterwards. In either case, we will tell you in the manner in which we consider most appropriate in the circumstances. We will not tell you if doing so would compromise our security measures or would otherwise be unlawful.

6.3 If you have provided consent to a TPP to access the data in your Account to enable them to provide account information services to you or initiate Transactions on your behalf, you consent to us sharing your information with the TPP as is reasonably required for them to provide their services to you. You must let us know if you withdraw this permission and we recommend you let the TPP know. On notification from you, we will not provide such TPP access to your Account or the data in it.

## 7. CLOSING YOUR ACCOUNT

7.1 You may close your Account by contacting Customer Services. Please refer to your contract with the Partner Platform for any terms relating to your need to maintain your Account.

7.2 The Account will be closed if the Partner Platform instructs us to close your Account (in which case the Partner Platform will inform you of this instruction).

7.3 On termination of the Agreement for any reason, these Terms and Conditions will automatically terminate, and your Account will be closed and any Cards issued to you will be cancelled.

7.4 Any Available Balance remaining on the Account after Account closure will be transferred to your nominated bank account via Faster Payments or SEPA Transfer (as relevant) based on instructions to us from the Partner Platform. If for any reason this is not possible, such Available Balance will remain yours for a period of six years from the date of Account closure. Within this period, you may at any time request a refund by contacting Customer Services. You will not have any access to your Account and we will not return any funds remaining on the Account after six years from the date of Account closure and this Agreement will terminate.

## 8. YOUR LIABILITY AND AUTHORISATIONS

8.1 You are responsible for understanding and complying with the Agreement including these Terms and Conditions.

8.2 We may at any time suspend, restrict or refuse to authorise any use of your Account and/or Cards (including cancelling Card(s)) or refuse to process your instructions or authorise any particular Transaction where:

8.2.1 we are concerned about the security of or access to your Account and/or your Card;

8.2.2 we know or suspect that that your Account and/or Card is being used in an unauthorised or fraudulent manner;

8.2.3 we need to do so in order to comply with the law or otherwise for regulatory or crime prevention purposes;

8.2.4 the Transaction would breach the limits applicable to your Account and/or Card; 8.2.5 you, the Account Manager or the Cardholder breach an important part of these Terms and Conditions, or repeatedly breach any term in this Agreement and fail to resolve the matter in a timely manner.

8.3 If we cancel, suspend or restrict your Account and/or Card(s), or otherwise refuse to execute a payment order to or to initiate a Transaction, we will, without undue delay and provided we are legally permitted to do so, notify you or the Partner Platform of the refusal, suspension or cancellation (as applicable). If possible, we will provide the reasons for the refusal to execute the Transaction and/or suspending the use of your Account and/or Card and where those reasons relate to factual matters, the procedure of rectifying any factual errors that led to the refusal.

8.4 You or the Account Manager or the Cardholder must not:

8.4.1 allow another person to use security information related to the Account, Cards and/or app/device you use to make Transactions

8.4.2 write down password(s) or any security information unless this is done in a way that would make it impossible for anyone else to recognise any of that information, or

- 8.4.3 disclose passwords or any security information, or otherwise make them available to any other person, whether verbally or by entering them in a way that allows them to be observed by others.
- 8.5 You must take all reasonable steps to keep your Account and password(s) and any other security-related details safe, including the security-related details relating to any app and/or devices you have registered or stored your Card on, at all times. If you visit a website or receive a message that asks for your password, other than the Modulr website, this should be reported to us. If you are in doubt whether a website is genuine, you should contact Customer Services. If you have any indication that your Account, password or other security information has been compromised, you must immediately change your password and notify us as soon as possible
- 8.6 You will be liable for all Transactions that take place as a result of you, the Account Manager or the Cardholder acting fraudulently or failing to comply with these Terms and Conditions with intent or gross negligence. Any such Transactions and any fees and charges relating to such Transactions will be deducted from the Available Balance on your Account.
- 8.7 You will be liable for all Transactions that the Partner Platform, any other Account Manager makes on your behalf or the Cardholder makes as per this Agreement, along with those made by a TPP authorised by you to initiate a Transaction.
- 8.8 You will be liable for all unauthorised Transactions that arise from the use of lost or stolen Physical Cards, the Account or Card security information such as but not limited to the Online Portal log in details and API security details, Card number and CVV if you, the Account Manager, or the Cardholder fail to keep the security features of the Account, Cards and/or app/device where your Card is registered/stored safe.
- 8.9 It is your responsibility to keep us updated of changes to your Information, including e-mail address and mobile numbers. Failure to do so may result in us being unable to contact you regarding your Account or to let you know about changes to these Terms and Conditions.
- 8.10 If you request to recall a Transaction due to an error or mistake caused other than by Modulr, we reserve the right to charge you (i) a handling fee of £25 per recall and (ii) any fee payable by Modulr to a third-party bank or institution for handling the recall.
- 8.11 You agree to indemnify and hold harmless, us, Modulr and our distributors, partners, agents, sponsors, and service providers and their group companies from and against the costs of any legal action taken to enforce this Agreement, including these Terms and Conditions and/or any breach of these Terms and Conditions by you.

## 9. DISPUTES AND INCORRECT TRANSACTIONS

- 9.1 If you (or an Account Manager or Cardholder) have a reason to believe that (i) a Transaction on your Account was unauthorised or was made incorrectly, (ii) a Physical Card is lost or stolen; or (iii) someone else (other than TPP) knows the security credentials or otherwise has unauthorised access to your Account and/or Card, you must inform us immediately by contacting Customer Services. After you notify us, we will replace a lost, stolen or misappropriated Physical Card and/or security credentials, as appropriate.
- 9.2 We will investigate your claim for a refund of unauthorised or incorrectly executed Transactions, provided at all times that you have notified us without undue delay of becoming aware of such incorrectly executed or unauthorised Transaction and in any case within the timeframes required by the Card Scheme rules if the incorrect Transaction relates to a Card Transaction and for all other Transactions within 13 months of the date of the relevant Transaction. We will not be liable for any unauthorised or incorrectly executed Transactions notified to us after this period.
- 9.3 If you dispute a Transaction:
- 9.3.1 subject to 9.3.2 and 9.3.3 we will immediately refund the amount to your Account to the position it would have been in if the unauthorised Transaction had not taken place. We will have no further liability to you. If we subsequently discover that you were not entitled to a refund, we shall treat the refund as a mistake and be entitled to reapply the Transaction.
- 9.3.2 if there are reasonable grounds for thinking that you may not be entitled to a refund (based on the evidence available to us at the time you report the unauthorised Transaction), we may investigate before giving you a refund and we will provide you with our supporting evidence if we believe you are not entitled to the refund;
- 9.3.3 if the Transaction was initiated through a TPP, it is for the TPP to prove that, the Transaction was authenticated, accurately recorded and not affected by a technical breakdown or other deficiency linked to the TPP's payment initiation service; and
- 9.3.4 if we make an error on a Transaction made to someone else through the Direct Debit scheme, we will refund you in accordance with the Direct Debit Guarantee.
- 9.4. If an incorrect Transaction is paid into your Account that should not have, we will, where possible, immediately send the funds back to the bank acting for the person from whose account the Transaction was made. In such circumstance you agree to return the funds to us and provide such assistance that we require in recovering the amount from you. If we cannot recover the funds, we are required to provide sufficient details about you and the incorrect payment to the bank or institution that sent the payment to enable them to recover the funds.
- 9.5 You will be liable for all Transactions made from your Account if you (or the Account Manager or the Cardholder) have acted fraudulently or have failed with gross negligence:
- 9.5.1 to keep the security credentials used to access or use your Account and/or Card safe and secure or otherwise failed to comply with these Terms and Conditions in relation to the safety of your Account and/or Card; or 9.5.2 failed to notify us in accordance with 9.1 above.
- 9.6 You may be entitled to a refund where a Transaction from your account which was initiated by payee provided that:
- 9.6.1 the authorisation did not specify the exact amount;

9.6.2 the amount of Transaction exceeded the amount you could reasonably have expected (taking into your previous spending pattern and other relevant circumstances). We may ask you to provide such information as is reasonably necessary for us to determine if this is correct; and

9.6.3 you asked for a refund within 8 weeks of the date the Transaction was debited to your Account.

In such circumstances we will refund you within 10 Business Days of receiving your claim for a refund or, where applicable, within 10 Business Days of receiving any further information we requested - or we will provide you with reasons for refusing the refund.

9.7 If you want a refund for a Transaction made using the Direct Debit scheme, the Direct Debit Guarantee will apply instead of the terms in 9.6 above.

#### 9.8 APP fraud

9.8.1 For the purposes of this clause 9.8: (i) “**Authorised Push Payment**” or “**APP**” shall mean a payment initiated by you (as a Consumer) via Modulr; (ii) “**Consumer**” shall mean an individual, a microenterprise (an enterprise that employs fewer than ten (10) persons and has either an annual turnover or an annual balance sheet total that does not exceed €2 million at the group level, in accordance with European Commission Recommendation (2003/361/EC)) or a charity (a body whose annual income is less than £1 million per year and is a charity as defined by the Charities Act 2011, Charities and Trustees Investment (Scotland) Act 2005 or the Charities Act (Northern Ireland) 2008); and (iii) “**Rules**” shall mean the APP fraud reimbursement rules, as set by the Payment Systems Regulator.

9.8.2 If you (as a Consumer) believe that you have fallen victim to APP fraud (via Faster Payments, CHAPS or any other UK payment scheme as required by the Payment Systems Regulator), the details of the APP fraud (and any associated payment(s)) must be received by us as quickly as possible.

9.8.3 Following the receipt of an APP fraud claim under 9.8.2., if you (as a Consumer) are eligible for reimbursement (such eligibility is as defined in the Rules), we shall assess the APP fraud claim. Subject to clause 9.8.4, we shall notify you of the outcome of such assessment and pay the applicable amount (less any deductions, as permitted under the Rules) to you within five (5) business days of you making the APP fraud claim.

9.8.4 We may pause the five (5) day timescale for reimbursement when we require further information to assess your APP fraud claim. We may only pause the five (5) day reimbursement timescale for as long as is necessary to complete our assessment. We must complete the assessment, decide whether the APP fraud claim (or any payment within the APP fraud claim) is reimbursable (and must close the claim) before the end of the thirty-fifth (35<sup>th</sup>) business day following the reporting of the APP fraud claim.

9.8.5 You may not receive a refund for an APP fraud payment where you have not met the eligibility criteria (as defined by the Rules). This may include, but is not limited to:

9.8.5.1 your failure to respond to any reasonable and proportionate requests for information by or on behalf of Modulr;

9.8.5.2 your failure to consent to Modulr reporting your APP fraud claim to the police or the relevant national competent authority;

9.8.5.3 where we reasonably believe (taking into account all relevant circumstances (including your personal situation)) you have been grossly negligent in the payment instruction and should have known you were being tricked into sending money to a fraudster; and

9.8.5.4 where an intervention is made by or on behalf of Modulr and/or a national competent authority relating your payment instruction and you do not pay due regard to such intervention.

## 10. VARIATION

10.1 We may change these Terms and Conditions by providing you with at least two months’ prior notice by e-mail (provided you have supplied us with an up-to-date e-mail address).

10.2 If you do not agree with the changes to the Terms and Conditions, you may at any time within the two months’ notice period notify us and these Terms and Conditions will be terminated and your Account closed. If you do not notify us to the contrary during this period then you will be deemed to have accepted the change and it will apply to you when it comes into force.

10.3 If any part of these Terms and Conditions are inconsistent with any legal requirements then we will not rely on that part but treat it as if it did actually reflect the relevant legal requirement. If we need to make operational changes before we can fully comply with the new regulatory requirement, we will make those changes as soon as reasonably practical.

## 11. TERMINATION OR SUSPENSION

11.1 We can terminate your Account at any time if we give you at least three months’ notice and transfer any Available Balance at the time to your nominated bank account without a charge.

11.2 We can suspend or terminate your Account and/or Modulr Product at any time a) with immediate effect (and until your default has been remedied or the Agreement terminated) without any prior notice to you if:

11.2.1 we discover any of the Information that we hold for you is false, misleading or materially incorrect; or

11.2.2 if you, the Account Manager, the Cardholder or a third party has engaged in fraudulent activity, money laundering, terrorism, terrorism financing or other illegal activity in connection with your Account or we have reasonable suspicions in respect of the same; or

11.2.3 if you have reached your Account Limit;

11.2.4 you or the Account Manager have breached these Terms and Conditions; or

11.2.5 we are required to do so under any applicable law or regulation or at the direction of any regulatory, law enforcement or other competent authority

11.2.6 b) on at least three months' notice if you do not use your Account(s) and/or any Modulr Product or related service for twelve (12) months.

11.3 In the event that we do suspend or terminate your Account then if we are able to do so, we will tell you in advance otherwise we will let you know immediately afterwards (to the extent we are permitted by law).

## 12. OUR LIABILITY

12.1 Our liability and the liability of our agents in connection with these Terms and Conditions (whether arising in contract, tort (including negligence), breach of statutory duty or otherwise) shall be subject to the following exclusions and limitations:

12.1.1 Neither we, nor our agents shall be liable for any default resulting directly or indirectly from any cause beyond our control, including but not limited to, a lack of funds;

12.1.2 Neither we, nor our agents shall be liable for any loss of profits, loss of business, or any indirect, consequential, special or punitive losses;

12.1.3 where sums are incorrectly deducted from your Available Balance due to our default, our liability and that of our agents shall be limited to payment to you of an equivalent amount to that which was incorrectly deducted from your Available Balance;

12.1.4 in all other circumstances of our default, our liability and that of our agents jointly will be limited to transferring any Available Balance to your nominated bank account.

12.2 In circumstances where sums are incorrectly deducted from your Available Balance due to our fault, if we require your support to enable us to recover the incorrect deduction, you agree to provide us and our agents with all assistance that we reasonably require.

12.3 Nothing in these Terms and Conditions shall exclude or limit our liability or that of our agents for death or personal injury resulting from our negligence or fraud.

12.4 To the extent permitted by law, all conditions or warranties implied by law, statute or otherwise are expressly excluded. 12.5 The above exclusions and limitations set out in this paragraph shall apply to any liability of our affiliates and other suppliers, contractors, agents or distributors and any of their respective affiliates (if any), to you, which may arise in connection with these Terms and Conditions.

## 13. YOUR INFORMATION

13.1 Some personal data will be necessary for us to provide you with the Account and services under this Agreement. Modulr FS is a Data Controller and shall only use your personal data for this purpose. Please see the Privacy Policy (please contact Customer Services for details of where to access this) for full details on the personal data that we and Modulr Finance Ltd hold, how we will use it and how we will keep it safe. Modulr will at all times comply with Data Protection Laws.

13.2 We will retain details of individual transactions for six years from the date on which the particular transaction was completed. We will maintain all other records for six years from which we have ceased to provide you with any product or service

13.3 You must update any changes to your Information by contacting Customer Services.

13.4 If we discover that the Information we hold about you is incorrect, we may have to suspend or cancel your Account until we can establish the correct Information, in order to protect us both.

13.5 If you or the Account Manager allow or give consent to an Authorised Third Party Provider to access your Account to provide their services, you should know that we have no control over how an Authorised Third Party Provider will use your information nor will we be liable for any loss of information after an Authorised Third Party Provider have access to your information.

13.6 The personal information we have collected from you will be shared with fraud prevention agencies who will use it to prevent fraud and money-laundering and to verify your identity. If fraud is detected, you could be refused certain services, finance or employment. Further details of how your information will be used by us and these fraud prevention agencies, and your data protection rights, can be found at <https://www.cifas.org.uk/fpn>.

## 14. COMPLAINTS PROCEDURE

14.1 Complaints regarding any element of the service provided by us can be sent to Customer Services.

14.2 All complaints will be subject to our complaints procedure. We will provide you with a copy of our complaints procedure upon request and, if we receive a complaint from you, a copy of our complaints procedure will automatically be posted or emailed to you.

14.3 In most cases we will provide a full response by email to your complaint within fifteen Business Days after the date we receive your complaint. In exceptional circumstances where we are unable to respond in full to your complaint, we will inform you of this giving our reasons for the delay and the timeframe within which you will receive a full reply, which in any event shall be within thirty-five Business Days of the date we received your complaint.

14.4 If we fail to resolve your complaint to your satisfaction you may refer your complaint to the Financial Ombudsman Service (Exchange Tower, London E14 9SR, phone 0800 023 4567). Details of the service offered by the Financial Ombudsman Service are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## 15. GENERAL

15.1 Any delay or failure to exercise any right or remedy under these Terms and Conditions by us shall not be construed as a waiver of that right or remedy or preclude its exercise at any subsequent time.

15.2 If any provision of these Terms and Conditions is deemed unenforceable or illegal, the remaining provisions will continue in full force and effect.

15.3 You may not assign or transfer any of your rights and/or benefits under these Terms and Conditions and you shall be the sole party to the contract between us. You will remain liable until the Account issued to you is terminated. We may assign our rights and benefits at any time without prior written notice to you. We may subcontract any of our obligations under these Terms and Conditions.

15.4 Save for Modulr, who acts on our behalf, no third party who is not a party to these Terms and Conditions has a right to enforce any of the provisions in these Terms and Conditions and the Contracts (Rights of Third Parties) Act 1999 shall not apply.

15.5 These Terms and Conditions contain the information set out in Schedule 4 of the Payment Service Regulations 2017 and you can obtain a copy of this Agreement at any time by contacting Customer Services.

15.6 These Terms and Conditions are governed by English law and you agree to the exclusive jurisdiction of the courts of England and Wales.

15.7 The Financial Services Compensation Scheme is not applicable for this Account. No other compensation schemes exist to cover losses claimed in connection with your Account. As a responsible e-money issuer, we will ensure that once we have received your funds they are deposited in a safeguarded account in accordance with our legal obligations. In the event that we become insolvent funds that are safeguarded by us are protected against the claims made by our creditors.

## 16. CONTACTING CUSTOMER SERVICES

16.1 Customer Services are provided by the Partner Platform. The details shall be provided by the Partner Platform.