

CLIENT AGENCY POLICY (UK)

APPOINTMENT AS THE SUPPLIER UK'S PSD AGENT

This policy applies where the Client is appointed as the Supplier UK's PSD Agent in accordance with the Key Terms and the General Terms and Conditions.

1. DEFINITIONS

1.1 For the purposes of this Client Agency Policy (Appointment as the Supplier UK's PSD Agent), the following words and phrases will bear the following meanings:

"Agreement" means the agreement (including both the Key Terms and General Terms and Conditions), together with any schedules, annexes, policies, guidelines and procedures (as set out in the Key Terms and GTC) and amendments agreed in writing and executed by both parties from time to time. In the event of any conflict between the documents that comprise the Agreement, unless there is specifically a statement to the contrary in the General Terms and Conditions, the Key Terms shall prevail over the General Terms and Conditions which shall prevail over any schedules, annexes, policies guidelines and procedures. Any amendments agreed in writing and duly executed by the Parties shall expressly state which paragraphs and clauses in which document they vary;

"Effective Date" means the date on which the Client is included on the FCA's register as the Supplier UK's PSD Agent;

"FCA" means the Financial Conduct Authority or any successor authority responsible for the regulation of financial services in the UK;

"FCA Approach" means the FCA's *Payment Services and Electronic Money – Our Approach* document, as amended from time to time;

"FCA Handbook" means the FCA's handbook of rules and guidance as updated from time to time;

"Legal Requirements" means all applicable statutory and other rules, regulations, instruments and provisions in force from time to time including without limitation the PSRs 2017 and any FCA guidance relating to the PSRs 2017 (including the FCA Approach and any relevant provisions of the FCA Handbook) and the MLRs;

"Material" means all product documentation, the Supplier's Directions, promotional materials relating to PIS, AIS and other material, including but not limited to training instructions, forms and guidance manuals produced by or on behalf of the Supplier UK relating to PIS and / or AIS, which are supplied to the Client;

"MLRs" means the Money Laundering Regulations 2017;

"PSD Agent Pack" means a suite of documents provided by the Supplier UK to the Client that the Client is required to complete in order for the Supplier UK to review and submit to the FCA. The information required includes, but is not limited to information relating to the directors and persons responsible for the management of the Client to confirm such persons are 'fit and proper' together with information concerning the Client's anti-money laundering policies and procedures;

"Supplier's Directions" means all reasonable written directions, instructions, codes, manuals, policies and procedures of the Supplier UK, that Supplier UK notifies to the Client from time to time; and

"Transactions" means Payment Transactions and / or Information Transactions.

1.2 Capitalised terms which are not defined above shall have the meanings set out elsewhere in the Agreement.

2. APPOINTMENT

- 2.1 From the Effective Date, the Supplier UK hereby appoints the Client to act as its PSD Agent in respect of the provision of PIS and / or AIS on and subject to the terms of this Client Agency Policy and the Agreement, and the Client hereby accepts the appointment (the "**Appointment**").
- 2.2 The Client hereby acknowledges that the Appointment does not confer on the Client any express, implied or other authority to act in any capacity for the Supplier UK other than as expressly set out in this Client Agency Policy.
- 2.3 The Supplier UK hereby accepts responsibility for the activities of the Client, including anything done or omitted to be done, in providing PIS and / or AIS.
- 2.4 In consideration of the Appointment, the Client shall follow all the Supplier's Directions and fully comply with the terms of this Client Agency Policy and the Agreement.

3. FCA REGISTRATION

- 3.1 In order to submit the PSD Agent application to the FCA, the Supplier UK requires certain information from the Client. The Client shall provide all information reasonably required by the Supplier UK and the FCA, as set out in the PSD Agent Pack.
- 3.2 The Client agrees to respond to the Supplier UK within five (5) Business Days, when requested to complete this information.
- 3.3 The Client agrees to bear any costs directly associated with making applications or notifications to the FCA under this Client Agency Policy and shall reimburse the Supplier UK for any reasonable costs incurred by the Supplier UK in relation to making any such application or notification, provided an acceptance of such cost has been given by the Client to the Supplier UK prior to its bearing.

4. CLIENT'S OBLIGATIONS

- 4.1 The Client shall not process any Transactions before the Effective Date.
- 4.2 In relation to undertaking Transactions, the Client shall:
 - 4.2.1 undertake such Transactions in accordance with this Client Agency Policy and the Agreement;
 - 4.2.2 comply with the Supplier's Directions and all Legal Requirements;
 - 4.2.3 only distribute promotional materials relating to PIS and / or AIS, which have been approved in advance by the Supplier UK;
 - 4.2.4 at the request of the Supplier UK, assist the Supplier UK in complying with any Legal Requirement (including but not limited to the Supplier UK's obligations under the PSRs 2017 or the MLRs) including in relation to any acts that the Supplier UK is required, directed or ordered to take by the FCA or otherwise in connection with the Transactions;
 - 4.2.5 subject to prior arrangements being made, co-operate with the Supplier UK's monitoring activities as required under the PSRs 2017 and the FCA Approach;
 - 4.2.6 immediately notify the Supplier UK as soon as it becomes aware of any breach of this Client Agency Policy, the Agreement or any Legal Requirement;

- 4.2.7 immediately notify the Supplier UK in writing of any matter affecting its ability to act as Supplier UK's PSD Agent or of any change in any information concerning the Client submitted to the Supplier UK or to the FCA;
- 4.2.8 not carry on and ensure that its employees, agents and subcontractors do not carry on any activity in breach of the Legal Requirements, including but not limited to carrying on any payment services activities (other than PIS/AIS as authorised under this Client Agency Policy) in breach of the PSRs 2017 and/or PSD2;
- 4.2.9 ensure that its employees, and if permitted under the Agreement, any agents and subcontractors, are appropriately trained to carry out any activities relating to PIS/AIS and comply with Supplier's Directions at all times;
- 4.2.10 ensure that, in respect of PIS/AIS, it describes itself as a PSD Agent of the Supplier UK in all promotional materials, on its website and in any other dealings with an End User in respect of the provision of Transactions.
- 4.3 If, the Supplier UK provides the Client with written consent to apply for the FCA authorisation on its own behalf, to provide any payment services (within the meaning of the PSRs 2017) including PIS and / or AIS, the Client will provide the Supplier UK with regular updates on the progress of such application, including the provision of information on request and shall immediately notify Supplier UK in writing as soon as it becomes aware of the outcome of such application.
- 4.4 The Client may not delegate, subcontract, outsource any of its duties or authority under the Agreement to any other party, person or legal entity save for any of its employees, without the prior written agreement of Supplier UK.
- 4.5 The Client shall provide to Supplier UK on at least a quarterly basis or any other time period as reasonably requested by the Supplier UK, anonymised data on each End User, including but not limited to an End User ID and the Merchant to whom the End User connected to the Supplier Software for the purpose of the Transactions.
- 4.6 The Client shall undertake the KYB Requirements for all Merchants in order to comply with the Legal Requirements and as directed by the Supplier UK.

5. COMPLAINTS

- 5.1 The Client shall refer any complaint received in relation to any Transactions (the "**Complaint**") immediately to the Supplier UK by email to support@token.io for the Supplier UK to manage in accordance with the PSRs 2017.
- 5.2 The Client will provide Supplier UK with all necessary assistance in dealing with Complaints. All such Complaints shall be managed solely by the Supplier UK in accordance with the PSRs 2017 and the applicable provisions of the FCA Handbook and the Client will follow all of Supplier UK's reasonable instruction in relation to such Complaints.
- 5.3 The Client shall maintain a record of all Complaints in human readable form for a period of seven (7) years from the date the Complaint is received.

6. RESTRICTIONS IN LICENSEE'S OTHER ACTIVITIES

- 6.1 The Client agrees that it shall not for the duration of the Agreement either itself provide Transactions nor act as an agent (including as a PSD Agent) of another person or legal entity in the provision of PIS and / or AIS.

- 6.2 The Client agrees that it shall not provide services comparable or similar to PIS/AIS with respect to non-payment accounts, which for example include but are not limited to ISAs, investment accounts, certain savings accounts with conditions attached.
- 6.3 The Client agrees that it shall provide PIS and / or AIS only with the End User's explicit consent, not use, access or store any information for any purpose except for the provision of PIS and / or AIS explicitly requested by the End User and otherwise comply with all the Legal Requirements including the Data Protection Legislation.

7. SUPPLIER UK'S OBLIGATIONS

- 7.1 Where the Supplier UK is required to provide the FCA with a notification and/or an application for registration in relation to the appointment of the Client as its PSD Agent (including but not limited to those registration requirements set out in [paragraph 3 of this Client Agency Policy](#)), the Supplier UK shall be responsible for filing the relevant notification with the FCA as soon as possible and in any event within any timescales stipulated by the relevant Legal Requirements, subject at all times to the Client taking all of the steps necessary and providing all of the information required for Supplier UK to make the filing.
- 7.2 The Supplier UK shall at all times comply with all Legal Requirements and the FCA Rules.
- 7.3 The Supplier UK shall inform the Client immediately of any changes to its FCA authorisation, including the regulatory permission it holds for providing PIS/AIS, or upon it becoming aware of any event that may make any such change reasonably likely to occur.
- 7.4 The Supplier UK shall provide the Client with the Supplier's Directions as amended and updated from time to time to assist the Client complying with its obligations under this Client Agency Policy.

8. ACCESS RIGHTS

- 8.1 For the term of the Agreement and for a period of six (6) months after the Agreement is terminated the Client shall, in relation to the Client's performance of PIS/AIS:
- 8.1.1 permit Supplier UK, its agents, employees, or representatives, at reasonable times and on reasonable prior notice to have access to and to inspect and take copies of documents, books and accounts (at the Client's reasonable cost); and
- 8.1.2 use reasonable endeavours to assist with any request by Supplier UK to conduct interviews, investigations and audits directly with the Client (including such officers and employees as the parties may agree, each acting reasonably),
- in each case, as the Supplier UK considers to be reasonably necessary to discharge its duties under the Legal Requirements or any other regulatory or legal requirement applying to the Supplier UK.
- 8.2 The Client agrees that the FCA and/or any representative or appointee of the FCA shall be entitled for the term of the Agreement and for a period of six (6) months after the Agreement is terminated to have access to such of the Client's business premises as the FCA, or the representative or appointee of the FCA, may reasonably require, with or without notice, during normal business hours in order to assist the FCA with the discharge of its statutory functions in connection with the appointment of the Client as a PSD Agent of the Supplier UK and/or the PIS/AIS activities undertaken by the Client or its officers and employees pursuant to the terms of the Agreement and agrees that it shall and shall procure that it and each of its officers and employees (as applicable) will:

- 8.2.1 make itself (and each of its officers and employees will make themselves) readily available for meetings with representatives or appointees of the FCA as reasonably requested;
- 8.2.2 give representatives or appointees of the FCA reasonable access to such records, files, tapes or computer systems, which are within its possession or control or the possession and control of any of the employees and which relate to the Client's provision of AIS/PIS, and provide any facilities which the representatives or appointees of the FCA may reasonably request;
- 8.2.3 produce to representatives or appointees of the FCA specified documents, files, tapes, computer data or other material in the possession or control of the Client and/or any of the officers and employees as reasonably requested;
- 8.2.4 permit representatives or appointees of the FCA to copy documents or other material on the premises of the Client (at its reasonable expense) and to remove copies and hold them elsewhere, or provide any copies, as reasonably requested (at the Client's reasonable expense); and
- 8.2.5 answer truthfully, fully, and promptly all questions which are reasonably put to the Client and/or officers and employees by representatives or appointees of the FCA.

9. WARRANTIES

- 9.1 The Supplier UK represents, warrants and undertakes to the Client, that, as at the Effective Date and at all times throughout the Agreement Term:
 - 9.1.1 it is permitted by the FCA to provide PIS and / or AIS;
 - 9.1.2 it has the authority to enter into the Agreement; and
 - 9.1.3 if at any time during the course of the Agreement it ceases to be permitted to provide PIS/AIS in the UK and/or becomes subject to any cancellation or suspension of any such permission or the imposition of any conditions or limitations in respect of PIS/AIS, it shall immediately inform the Client.
- 9.2 Each party represents and warrants that all information and correspondence it supplies to the other party (including but not limited to information provided in respect of registration applications prepared in accordance with [paragraph 3 of this Client Agency Policy](#)) throughout the duration of the Agreement is accurate, up to date and complete in all material respects.
- 9.3 The Client represents, warrants and undertakes to Supplier UK, that, as at the Effective Date and at all times throughout the Agreement Term that:
 - 9.3.1 it will not seek authorisation from the FCA on its own behalf to provide PIS/AIS or any other payment service under the PSRs 2017 without the prior written consent of the Supplier UK;
 - 9.3.2 it will not seek to be appointed as a PSD Agent of any third party to provide PIS/AIS during the Agreement Term;
 - 9.3.3 its appointment and all obligations pursuant thereto are clearly distinct from any of its other business and so far as the Supplier UK is concerned it shall only act as a PSD Agent in respect of PIS/AIS;
 - 9.3.4 it will comply with all Legal Requirements applicable to the provision of PIS/AIS (as if it were the provider of such PIS/AIS)
 - 9.3.5 it is solvent, is suitable to act as a PSD Agent for the Supplier UK and has no close links (as defined in the PSRs 2017) that would be likely to prevent its effective supervision by the Supplier UK;

- 9.3.6 it knows of no reason, after due enquiry, which would affect its (or that of any of its employees, controllers, directors, officers, partners, proprietors or managers) ability to act as a PSD Agent and that it will inform the Supplier UK immediately in writing if it becomes so aware during the term of the Agreement; and
- 9.3.7 it shall at all times comply with all Legal Requirements, the terms of the Agreement and with the Supplier's Directions.

10. INDEMNITIES

- 10.1 The Client agrees to indemnify the Supplier UK against any and all losses, claims, damages, costs, charges, expenses and liabilities (including properly incurred and reasonable legal costs) suffered by it directly arising out of or in connection with any breach of this Client Agency Policy by the Client, including any fines, fees or costs which the Supplier UK may incur as a result of the Client's breach of its obligations under this Client Agency Policy and/or in relation to any Complaint made in relation to the Client providing PIS/AIS in accordance with this Client Agency Policy.

11. MITIGATION AND RECOVERY OF LOSS

- 11.1 Each party shall take all reasonable action to mitigate any loss suffered by it in respect of a fact, matter, event or circumstance giving rise to a warranty or indemnity claim pursuant to the indemnity set out in [paragraph 10 of this Client Agency Policy](#). Nothing in the Agreement shall restrict or limit the parties' obligations at law to mitigate any loss or damage which it may incur as a result of a fact, matter, event or circumstance giving rise (or potentially giving rise) to a warranty or indemnity claim provided that in relation to a warranty of indemnity claim nothing in this [paragraph 11.1 of this Client Agency Policy](#) shall imply a greater obligation to mitigate any loss than arises under common law.

12. RECORDS AND REPORTING

- 12.1 The Client shall, for the term of the Agreement, maintain all such accounts, books, records (and other financial reports as Supplier UK may from time to time, reasonably require) and data relating to the Client and its provision of PIS/AIS as may reasonably be required for the proper conduct of its appointment as a PSD Agent or as are required under the Agreement or in accordance with any Legal Requirements (the "Records").
- 12.2 The Client agrees that the Supplier UK and any other person, whom the Supplier UK may from time to time nominate, including any relevant supervisory or regulatory authority, may on not less than forty eight (48) hours' notice and during normal working hours, have access to all information and Records held by or under the control of the Client in respect of its appointment as a PSD Agent and the Client shall provide copies (at the Client's cost) of all accounts, books and records relating thereto.

13. TERM AND TERMINATION OF APPOINTMENT AS A PSD AGENT

- 13.1 The Appointment shall commence on the Effective Date and shall continue unless and until terminated in accordance with this [paragraph 13 of this Client Agency Policy](#).
- 13.2 The Appointment shall immediately terminate in the event that the Client obtains authorisation from the FCA on its own behalf, which includes permission for carrying on PIS/AIS or any other payment service under the PSRs 2017 and/or PSD2.

- 13.3 The Supplier UK may terminate the Appointment with or without cause by giving at least three (3) months' written notice.
- 13.4 The Appointment shall immediately terminate upon the Supplier UK ceasing to be permitted by the FCA to provide PIS/AIS and/or becoming subject to any cancellation or suspension of any such authorisation or permission or the imposition of any conditions or limitations in respect of PIS/AIS.
- 13.5 The Appointment shall immediately terminate upon termination of the Agreement.
- 13.6 The Supplier UK may terminate the Appointment immediately on written notice if:
- 13.6.1 it has reasonable grounds to believe that the conditions in regulation 34(7) of the PSRs 2017 are not satisfied, or are likely not to be satisfied;
- 13.6.2 it has reasonable grounds to believe that the Client has or is likely to breach any Legal Requirements; or
- 13.6.3 the Client commits a material breach of any other term of this Client Agency Policy or the Agreement which breach is not capable of remedy or if such breach is remediable,
- 13.6.4 the Client fails to remedy that breach within a period of thirty (30) days after being notified of that breach.
- 13.7 On termination, the Client shall:
- 13.7.1 immediately desist from providing PIS/AIS as PSD Agent of the Supplier UK and holding itself out as PSD Agent of the Supplier UK;
- 13.7.2 immediately desist from using and distributing any promotional materials relating to PIS/AIS as a PSD Agent of the Supplier UK;
- 13.7.3 within five (5) Business Days, at the option of the Supplier UK, either return to the Supplier UK or destroy, all the Material;
- 13.7.4 immediately on request provide to the Supplier UK all Records maintained in accordance with [paragraph 12.1 of this Client Agency Policy](#);
- 13.7.5 co-operate as necessary to enable the Supplier UK to advise any clients or End Users or other third parties affected by the termination that the Client no longer acts as a PSD Agent of the Supplier UK and to implement arrangements enabling the Supplier UK to continue to meet and fulfil its obligations, regulatory or otherwise, to its clients or End Users;
- 13.7.6 co-operate fully with Supplier UK in notifying the FCA of the termination.
- 13.8 In the event that one or more of the events specified in [paragraph 13.6 of this Client Agency Policy](#) may arise by virtue of which the Supplier UK shall be entitled to terminate this Client's appointment as a PSD Agent, the Supplier UK may immediately by notice in writing, suspend, modify or restrict the scope of PIS/AIS. In the event that the Supplier UK shall give such notice as is prescribed by this [paragraph 13.8 of this Client Agency Policy](#), the Client agrees that it shall abide by and observe the same and modify any activities undertaken by it so as to comply with such notice. This [paragraph 13.8 of this Client Agency Policy](#) shall be without prejudice to any other rights, which may have accrued or accrue to the Supplier UK under the Agreement.