Third-Party Payment Terms

Schedule to the Client Agreement

Paying and receiving third parties, and transfers to other Lydiam clients

Flumen Pay LLC, trading as Lydiam Group

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Owner: Ayaz Khan, Chief Executive Officer

FLUMEN PAY LLC

Third-Party Payment Terms

These Terms form part of every Client Agreement. They apply whenever the Client pays a third party, receives money from a third party, or transfers money to another client of the Company.

1. Definitions and how these Terms apply

1.1 Capitalised terms not defined in these Terms, including Third-Party Payment, Prohibited Jurisdiction, Sanctioned Person, Service Availability Schedule and Vulnerable Client, have the meanings given in the Common Definitions Schedule. In these Terms:

"Beneficiary" means a person, other than the Client, to whom the Client asks the Company to make a payment.

"Customer Flow" means a payment the Client sends or receives for one of its own customers, rather than for itself, including where the Client is a payment, money services or virtual asset business, a marketplace or platform, or any other business that receives or pays money for others.

"Internal Transfer" means a transfer of money within the Lydiam system, between the Client's own Balances or from the Client to another Client.

"Payer" means a person, other than the Client, from whom the Company receives a payment for the Client.

"Supporting Evidence" means invoices, contracts, purchase orders, delivery evidence or other documents that show the relationship between the Client and a Beneficiary or Payer and the reason for a payment.

"US Payer" has the meaning given in the US Client Schedule: a person located in a US Jurisdiction (a State, the District of Columbia or a US territory) who makes a payment to or for a Client, judged by its address, residence or principal place of business. The Company may also treat a person that pays from an account in the United States as located there unless the Client shows otherwise.

1.2 If these Terms conflict with any other document that forms part of the Client Agreement on a Third-Party Payment or an Internal Transfer, these Terms prevail, except that the US Client Schedule and the Agent-of-Payee Appointment prevail on payments from US Payers. Clause 1.5 of the Client Agreement governs any conflict with the clauses of the Client Agreement itself. The governing law, disputes and liability clauses of the Client Agreement always apply. If the Client is an individual, nothing in these Terms limits the Client's Mandatory Rights.

2. Who can use these services

2.1 Each service is available subject to the Client Agreement, the Service Availability Schedule, and the Company's banking, settlement and liquidity partners for the Client's country and currency.

2.2 **US Clients.** Third-Party Payments from the Company's accounts and Internal Transfers are not available to US Clients. A US Client may receive collections only under route (A) of the US Client Schedule, as it then applies.

2.3 **Clients in Canada.** For Clients in Canada, payment services other than spot FX settled to and from the Client's own accounts are available only from the date the Company notifies them that those services are available.

3. Knowing who the Client pays and who pays the Client

3.1 The Company makes or accepts a Third-Party Payment only where the relationship between the Client and the Beneficiary or Payer, and the reason for the payment, are understood and evidenced to the Company's satisfaction.

3.2 Before the first payment to a new Beneficiary, or the first collection from a new Payer, the Client gives the Company 1 to 3 items of Supporting Evidence. After that, the Company asks for Supporting Evidence on a risk basis, which may be for any payment.

3.3 Supporting Evidence must be genuine, complete and current. The Company may check it with the Beneficiary, the Payer or anyone else. Giving false or misleading Supporting Evidence is a material breach of the Client Agreement.

3.4 The Company does not charge a fee for asking for information or Supporting Evidence, or in connection with any compliance alert.

4. Payment instructions and Beneficiary details

4.1 Instructions for Third-Party Payments come only from Authorised Users, through the Portal or the Company's designated email addresses and messaging numbers and accounts listed in the Portal.

4.2 Each instruction gives the Beneficiary's full legal name and address, account number or IBAN, bank and SWIFT/BIC, the amount, currency, purpose and reference, and any other information the law or the Company's banking partners require. The Company sends full payer and payee information with every electronic funds transfer.

4.3 New Beneficiaries, and changes to a Beneficiary's bank details, are accepted only through the Portal or after a call-back by the Company to a number registered in the Client's Authorised Signatory and Authorised User Mandate. Unless the Client has opted out in writing under the Security Procedures, they are confirmed on a different channel from the one on which the request was made.

4.4 Before acting on any instruction given outside the Portal (WhatsApp, Telegram, email or phone) that, together with other such instructions to the same Beneficiary in the previous 24 hours, exceeds USD 50,000, the Company calls back a number registered in the Mandate.

4.5 The Company may make a payment using the account number, IBAN or other identifier the Client gives, even if the Beneficiary's name does not match it, unless the Company knows of the mismatch. The Client is responsible for checking that a Beneficiary's details are correct.

Protecting the Client from payment fraud. The Company will never ask the Client to pay anyone else, or to change payment details by email or message. Fraudsters alter invoices and emails. Before paying new or changed details, the Client should check them with the Beneficiary on a number it already knows. The Client must tell the Company at once if it suspects that any device, credential, email or messaging account used with the Services has been compromised.

5. Clients that move their own customers' money

5.1 The Client may make or receive Customer Flows only with the Company's prior written agreement, after completing the Nested-Flow Due Diligence Questionnaire.

5.2 For Customer Flows, instead of Supporting Evidence for each Beneficiary or Payer:

(a) every payment carries, in the fields the Company specifies (including API fields), the full name, address and account or wallet details of the underlying payer and payee;

(b) the Client gives the Company its customer's identification records within 2 Business Days of the Company's request; and

(c) the Company may reject any payment that does not meet (a).

5.3 No Customer Flow may involve a customer located in the United States or in a Prohibited Jurisdiction, or any Sanctioned Person.

5.4 The Client confirms that it holds every licence and registration its law requires for its Customer Flows, that it runs its own anti-money laundering and sanctions controls on its customers, and that none of its customers moves money for others through the Client without the Company's prior written agreement.

6. Receiving money from third parties

6.1 The Company credits a payment from a Payer to the Client only where the Payer is accepted under clause 3, or under clause 5 for a Customer Flow.

6.2 **US Payers.** Payments from payers located in the United States are accepted only where the Client has signed an Agent-of-Payee Appointment and the payer is located in a state listed in Part A of the US Client Schedule as recognising that arrangement. The Company returns any other payment from a US payer. The Client gives the Company each US Payer's state, and the Company records it on each collection.

6.3 The Company returns any payment it cannot explain, or that does not meet these Terms, only to the account it came from.

6.4 The Company does not accept cash. This includes cash paid into a Named Account and cash used to fund a Third-Party Payment. The Company returns such payments to the account they came from, or deals with them as the law requires.

7. Transfers within the Lydiam system

7.1 The Company does not charge for Internal Transfers. Money sent into or out of the Lydiam system is charged as set out in the Rate Card and the Fee Schedule.

7.2 Internal Transfers are available only where both the sending and the receiving Client may hold Balances and receive payments. They are not available to or from US Clients, or to or from Clients in Canada before the date in clause 2.3.

7.3 Every Internal Transfer is screened and monitored like any other payment. An Internal Transfer to another Client is a Third-Party Payment, and these Terms apply to it in full.

7.4 Once the Company has credited an Internal Transfer to the receiving Client, the Client cannot cancel it. The Company may ask the receiving Client to return it, but cannot guarantee that it will.

8. Checks, holds and refusals

8.1 The Company screens every Beneficiary, Payer and payment against sanctions lists and its other checks. It does not provide any service where the benefit is received in a comprehensively sanctioned country.

8.2 The Company may refuse, delay, hold or return any payment, or ask for more information, for legal, regulatory, sanctions, fraud, anti-money laundering, security or banking-partner reasons. It need not give reasons, and in some cases the law prevents it from doing so. Property that the law requires to be blocked is held as the law requires.

8.3 Payments in a currency subject to exchange controls, convertibility limits or local reporting rules are made only where one of the Company's partners supports them. The Client bears the risk of delay, rejection or loss caused by those controls or by the actions of the authorities concerned, except to the extent the loss is caused by the Company's own negligence, fraud, wilful misconduct or breach of law.

9. Returns, recalls, errors and scams

9.1 A Third-Party Payment cannot be cancelled once the Company has sent it. On the Client's request, the Company will try to recall or trace it, but cannot guarantee that a recall will succeed. The recall and trace fees in the Fee Schedule apply, except that the Company waives them where the Client is the victim of a scam.

9.2 If a payment is returned or rejected, the Company credits the amount it receives back to the Client, less any charges deducted by other banks. The Client bears the fees and any foreign-exchange loss on a returned or rejected payment, unless the Company caused the return.

9.3 **The Company's own errors.** If the Company pays the wrong person or the wrong amount because it did not follow the Client's instruction, it re-credits the Client with the amount wrongly paid and any charges, and tries to recover the payment at its own cost. A re-credit under this clause returns the Client's own funds and is not limited by the liability cap of the Client Agreement.

9.4 **Scams.** The Company is responsible for a loss from a payment the Client was tricked into instructing only where the Company did not follow its Security Procedures or a scam-warning step that applied to that payment, or where the Company's own systems or staff caused the loss. Otherwise the Client

bears the loss. For a Vulnerable Client, the Company may, at its discretion, make a goodwill payment in a particular case.

10. Charges

10.1 The charges for Third-Party Payments, collections, returned payments, recalls and traces are set out in the Rate Card and the Fee Schedule. Internal Transfers are free (clause 7.1).

11. Records and information

11.1 The Company keeps records of every payment and of each Beneficiary and Payer for as long as the law requires. It shares payer and payee information with its banking partners, other banks and payment providers, regulators and other authorities as the law requires or allows, as explained in its Privacy Notice.

12. The Client's confirmations

12.1 Each time the Client gives an instruction or receives a payment under these Terms, the Client confirms that:

(a) the payment is for the purpose stated and is lawful;

(b) the Client acts for itself, and not for any other person except in an agreed Customer Flow;

(c) any Supporting Evidence given is genuine; and

(d) the payment is not intended to avoid these Terms, the US Client Schedule or any limit on the Services.

13. Changes

13.1 The Company may change these Terms by notice by email and in the Portal: at least 10 Business Days ahead for companies, and at least 30 days ahead for individuals, who may end the Client Agreement without charge before the change takes effect. The Company may make a change at once where the law, a regulator or security requires it. Notice is never given by website posting alone.