

## WE.TRADE RULEBOOK

### PREAMBLE

Terms not defined in this Preamble have the meaning given to them in the Rulebook.

#### Purpose and structure of this Rulebook

This Rulebook contains the rules that apply to the operation of the we.trade Platform as between the Users that have been granted access to the we.trade Platform and we.trade as operator of the we.trade Platform. The nature of the we.trade Platform itself is described in further detail below.

we.trade makes this Rulebook (including this Preamble) available to Banks and third party Users of the we.trade Platform. This Rulebook is then made available to other Users of the we.trade Platform on the website of their respective Enrolling Bank. It is divided into different sections including:

- (a) specific terms that apply to products offered by certain of the banks to their customers: Auto-Settlement; Bank Payment Undertaking (BPU); BPU Financing; and Invoice Financing; and
- (b) the minimum requirements for provisions to be included in Customer Agreements between Traders and their Enrolling Banks in order to form the Adherence Agreements pursuant to which those Customers agreed to be bound by the terms of the Rulebook.

#### Access to the we.trade Platform and compliance with the Rulebook

Users of the we.trade Platform are: (i) Banks; (ii) each Customer that has been Enrolled by such Banks; and (c) third parties, in each case to whom access for the use of the we.trade Platform has been granted.

Each of the Banks has entered into a Licence and Services Agreement with we.trade, in which (among other things) the relevant Bank and we.trade have each committed to comply with the rules set out in this Rulebook.

In turn, each of those Banks has entered into a Customer Agreement with each of its Customers that will be granted access to the we.trade Platform, pursuant to which the relevant Bank and each of its Customers have committed to comply with the rules set out in this Rulebook by accepting the Customer Adherence Rules. Therefore, all participants in the we.trade Platform have agreed to be bound by the rules set out in this Rulebook when accessing and using the we.trade Platform. Each Enrolling Bank also remains responsible for satisfying local law and regulations that apply to those banks in respect of onboarding their Customers and performing anti-money laundering, sanctions and other compliance checks in respect of those Customers.

Until the necessary Adherence Agreements have been entered into, the Rulebook does not create any binding or enforceable rights or obligations between we.trade as operator of the we.trade Platform and the Customers Enrolled by their Enrolling Banks to use the we.trade Platform. Once the relevant Adherence Agreement has been entered into, each of we.trade and the Users are deemed to have entered into a multilateral agreement with each other and be bound by the terms of the Rulebook in respect to any actions or transactions undertaken on or in respect of the we.trade Platform. Under the multilateral agreement, the terms of the Rulebook are directly enforceable between the Users provided, however, that only the relevant Enrolling Bank shall take any action against we.trade to the extent required by a Trader enrolled by that Enrolling Bank.

In the event of any dispute that arises between:

- (a) Traders, where the subject of such dispute relates exclusively to an Underlying Agreement (and does not relate to any Smart Contract Data Set relating thereto), such dispute shall be exclusively handled between the Traders outside the we.trade Platform without the involvement of their respective Enrolling Banks and we.trade;
- (b) a Trader and an Bank, where the subject of such dispute relates to the we.trade Platform or a Bank Product, such disputes shall be exclusively handled between the relevant Trader and that Bank without the involvement of we.trade; and
- (c) a Bank and we.trade, such disputes shall be exclusively handled between the relevant Bank and we.trade in accordance with the Licence and Services Agreement between such Bank and we.trade.

#### Nature of the we.trade Platform

The formation of the we.trade Platform is achieved through the use of dis-

tributed ledger technology. The we.trade Platform itself is a journal that registers transactions to a ledger, which can be directly accessed by we.trade, each Bank that has entered into a Licence and Services Agreement with we.trade, and each Customer of each such Bank that has been Enrolled to the we.trade Platform. The ledger operates through consensus, and records messages or Notifications that represent a change to the state of the ledger. These new transactions are introduced in accordance with Smart Contract Data Sets, which are described further below but reflect pre-agreed rules between participants in the ledger.

The we.trade Platform was created by WE.TRADE INNOVATION DAC, a designated activity company incorporated in Ireland under registration number 621543 having its registered office at 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland. Each Bank has its own interface for the we.trade Platform, which it hosts using the technology of the we.trade Platform that has been made available to it by we.trade, and which each Bank then makes available to those of its Customers that have been Enrolled to access the we.trade Platform. Therefore, each Enrolling Bank is responsible for providing secure credentials to its own Customers to access the technology underpinning the we.trade Platform and for hosting the technology required by those Customers. All of the separate Bank interfaces then interconnect with each other, to create the we.trade Platform, i.e. the we.trade Platform comprises each Bank »instance« of the relevant technology provided to Banks by we.trade, which together combine to form the multi-lateral platform described as the we.trade Platform. The number of participants on the we.trade Platform will vary over time as new Banks become Users of the we.trade Platform and add their Bank instances to the composition of the we.trade Platform, and Enrol their Customers to access the we.trade Platform.

Access to the we.trade Platform is subject to an agreement having been put in place in respect of such access, either between we.trade and the relevant Banks, or between the relevant Enrolling Banks and their Customers; therefore it is a permissioned network. However, all participants have equal rights and obligations on the basis described in this Rulebook.

Whilst Notifications may be sent via the we.trade Platform to Users of that platform, in respect of payments that have been made between Users, no such payments shall be initiated or executed by we.trade or the we.trade Platform and neither we.trade nor any element of the we.trade Platform should be viewed as providing payment services to any Users of the we.trade Platform.

#### Smart Contracts on the we.trade Platform

In order to reflect new transactions on the distributed ledger that forms the we.trade Platform, the transactions must abide by pre-agreed rules. These rules are set out in a Smart Contract template that will be used by the participants on the we.trade Platform. we.trade has created the Smart Contract template in relation to Bank Products for the purposes of the we.trade Platform.

The Smart Contract template is used as the basis for participants to agree on specific Smart Contract Data Sets between themselves, setting out the terms agreed between those participants. To create a Smart Contract Data Set, participants will submit data required by the Smart Contract template to their specific Enrolling Bank instance where it is then on-transmitted to the we.trade Platform and reviewed and agreed or disputed by the other participant via that other participant's Bank instance. If the data is disputed, the relevant participants may exchange revised versions of the Smart Contract Data Set until agreement between the participants is reached. Once the Smart Contract Data Set is agreed between the participants, a Smart Contract will have been formed and will exist on the we.trade Platform by being added to the distributed ledger.

The Smart Contract Data Set can be agreed directly between Customers that are Enrolled to participate on the we.trade Platform, without the involvement of their respective Enrolling Banks. However, Enrolling Banks may access and review submitted Smart Contract Data Sets only if those Banks have been asked to provide Bank Payment Undertakings, BPU Financing or Invoice Financing. In addition, Enrolling Banks can access the Payment Terms (and not the full Smart Contract Data Set) in relation to a particular transaction if such Banks have received a payment instruction for that transaction under the Auto-Settlement functionality. That data will then be used to determine, in part, the specific terms of such Bank Products or for the execution of a payment under the Auto-Settlement functionality.

The Rulebook sets out the circumstances in which Traders are able to agree amendments to the Smart Contract Data Set after it has been originated and agreed between Traders.

### Relationship between Smart Contracts and Underlying Agreements

The data input to a Smart Contract template to form a Smart Contract (described in the Rulebook as the »Smart Contract Data Set«) would typically reflect or follow the terms of an existing agreement for the sale of goods or the provision of services that has been entered into between participants outside the we.trade Platform. These are described as »Underlying Agreements« in the Rulebook and the Traders will commit to correctly reflect data from the Underlying Agreements in their Smart Contract Data Sets submitted to the we.trade Platform.

However, the fact that a Smart Contract Data Set is not fully aligned to the terms of an Underlying Agreement will not invalidate or otherwise impact that Smart Contract.

### Bank Products on the we.trade Platform

As described above, the we.trade Platform can be used to create Smart Contract Data Sets between customers, which allow Banks to enter into Bank Products, such as Bank Payment Undertakings and other forms of financing with their Customers.

Where these Bank Products are requested by Customers (with the exception of Auto-Settlement, which is automatically selected in respect of a Smart Contract Data Set if a BPU is not requested) from their Enrolling Banks, and the relevant Enrolling Bank agrees to provide the relevant product, then the rights and obligations between the parties to those Bank Products will be created and evidenced on the we.trade Platform.

The Rulebook contains in its annexes the key Bank Products that can be made available to Customers at the discretion of their Enrolling Bank and in accordance with that Bank's internal policies and procedures and pursuant to the terms and conditions of the Customer Agreement entered into with the Customer. Bank Products on the we.trade Platform comprise the following products (as amended from time to time):

- (a) **Auto-Settlement:** The relevant Enrolling Bank will automatically process payments on behalf of a Buyer to a Customer that is a Seller, following satisfaction of the Settlement Conditions for the relevant Smart Contract Data Set.
- (b) **BPU:** The Enrolling Bank will issue a Bank Payment Undertaking upon the request of its Customer, as a Buyer. The Bank Payment Undertaking is issued in favour of the Seller and constitutes an irrevocable and absolute undertaking by the Bank to make a payment directly to the Seller, following the satisfaction of the Settlement Conditions defined in the Smart Contract.
- (c) **BPU Financing:** This product may be offered by an Enrolling Bank where its Customer is a Seller in a particular transaction. To access this Bank Product, the Seller, as beneficiary under a BPU, must have received such BPU from the Enrolling Bank of the Buyer. The Seller may then request from its Bank BPU Financing, which allows the Seller to use that BPU to obtain financing from its own Bank. The Seller must effect an assignment of the rights in respect of the BPU such that there is a transfer of the rights to receive payment under the BPU from the Seller to the Seller's Bank on the we.trade Platform, so that the Seller's Bank then has the right to receive payment directly from the Buyer's Bank once the relevant Settlement Conditions specified in the Smart Contract Data Set have been met.
- (d) **Invoice Financing:** This product may be offered by an Enrolling Bank where its Customer is the Seller in a particular transaction. The Seller will request finance from its Bank, based on an invoice that the Buyer has accepted via the we.trade Platform. The financed amount will include a discount to the invoiced amount. The Enrolling Bank for the Seller then has a right to recover the relevant amount that it has advanced to the Seller by debiting an amount equal to the invoiced amount on the Seller's Bank Account, and having full recourse to the Seller. No assignment or transfer of the Seller's rights in respect of the invoice is required through the we.trade Platform (although the Seller's Bank may have the right to require such assignment or transfer of receivables in accordance with the specific terms and conditions of their Customer Agreement outside the we.trade Platform).

Any Customer or Bank using the we.trade Platform accepts, by entering into the relevant Adherence Agreement in respect of the we.trade Platform, that Bank Products created through the we.trade Platform will be fully enforceable between the Customer and the Bank in question. Therefore, each Customer and Bank that commits to be bound by the Rulebook must agree to certain standard terms and conditions that have been agreed between the Banks and we.trade for the use of the we.trade Platform. The Customer Agreement between the Enrolling Bank and its Customer will incorporate the Customer Adherence Rules, which the Customer has to accept in order to access and use the we.trade Platform, and provisions for the creation of Bank Products through the we.trade Platform. The Banks and Customers will also agree that the communications sent through the we.trade Platform will satisfy any requirements for transactions, documents or communications to be made in writing, and can be admissible as evidence before any court or tribunal of the existence of legally binding obligations created through the we.trade Platform.

### Amendments to the Rulebook

Any amendment to this Rulebook will be made in accordance with the Rulebook amendment process as set out in detail in this Rulebook and will be made available to the Users either by we.trade directly or on the website of their respective Enrolling Bank.

## RULEBOOK CONTENTS

Article 1 – DEFINITIONS AND INTERPRETATION . . . . .	4	Annex 4: Invoice Financing . . . . .	22
Article 2 – SCOPE AND APPLICATION OF THE RULEBOOK . . . . .	7	1. Supplemental Definitions . . . . .	22
Article 3 – ENROLMENT . . . . .	8	2. Invoice Financing . . . . .	22
Article 4 – WE.TRADE PLATFORM SERVICES . . . . .	8	3. Execution of Invoice Financing . . . . .	22
Article 5 – BANK PRODUCTS AND SERVICES . . . . .	11	4. Recourse . . . . .	22
Article 6 – COMMUNICATIONS AND SECURITY OF CREDENTIALS . . . . .	12	5. Customer agreements and Invoice Financing . . . . .	22
Article 7 – RECORDS . . . . .	12		
Article 8 – CONFIDENTIALITY, DATA PROTECTION AND PRIVACY . . . . .	13	Annex 5: Minimum Requirements for Customer Adherence Rules . . . . .	23
Article 9 – AMENDMENTS TO THE RULEBOOK . . . . .	13	Purpose of this Annex . . . . .	23
Article 10 –		1. Governing law . . . . .	23
TERMINATION OF ACCESS TO THE WE.TRADE PLATFORM . . . . .	14	2. The we.trade Platform . . . . .	23
Article 11 – DISPUTE RESOLUTION . . . . .	15	3. Compliance with the Rulebook . . . . .	23
Article 12 – MISCELLANEOUS . . . . .	16	4. Smart Contract Data Sets and underlying agreements . . . . .	23
		5. Payments and PSD 2 . . . . .	23
Annex 1: Terms and Conditions relating to Auto-Settlement . . . . .	17	6. Warranties . . . . .	23
1. Supplemental Definitions . . . . .	17	7. Specific AML and Sanctions-related protections . . . . .	24
2. Scope and application of this Rulebook . . . . .	17	8. Ongoing obligations and covenants . . . . .	24
3. Application of Auto-Settlement . . . . .	17	9. Liability . . . . .	24
4. The Buyer's Bank role in relation to Auto-Settlement . . . . .	17	10. Remedies . . . . .	24
		11. Credentials . . . . .	68
Annex 2: Terms and Conditions relating to Bank Payment Undertakings 18		12. Data protection . . . . .	24
1. Supplemental Definitions . . . . .	18	13. Records . . . . .	24
2. Scope and application of this Rulebook . . . . .	18	14. Termination . . . . .	24
3. Relationship to Underlying Agreement and Customer Agreements . . . . .	18		
4. Request and Issuance of Bank Payment Undertakings . . . . .	18	Annex 6: Form of BPU Standard Form Assignment . . . . .	25
5. Undertaking of a BPU Issuing Bank . . . . .	19		
6. Data v documents, goods, services or performance . . . . .	19		
7. Validity and Expiry Date of a BPU . . . . .	19		
8. Amendment of BPUs . . . . .	19		
9. Force Majeure . . . . .	19		
10. Disclaimer on effectiveness of data . . . . .	20		
11. Governing law of the BPU . . . . .	20		
Annex 3: BPU Financing . . . . .	20		
1. Supplemental Definitions . . . . .	20		
2. BPU Financing . . . . .	20		
3. Assignment of Rights under BPUs . . . . .	20		
4. Recourse . . . . .	21		
5. Customer Agreements and BPUs . . . . .	21		

## ARTICLE 1 – DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Rulebook:

**Acceptance** has the meaning given in Article 4.3.3.

**Adherence Agreement** means:

- (a) in the case of any Trader, the Customer Agreement; and/or
- (b) in the case of any Bank, the Licence and Services Agreement entered into with we.trade,  
pursuant to which any Trader or Bank has agreed to be bound by the terms of this Rulebook.

**After Ship Site** means a Transport API, which extracts data in respect of shipments and feeds that data directly into the we.trade Platform (through the we.trade instance, and not through any Bank's instance of the we.trade Platform).

**Authorisations** means all authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required or desirable to enable a User to lawfully enter into, exercise its rights and comply with its obligations under this Rulebook and each Transaction, and to ensure lawful compliance with all laws and regulations that apply to such User.

**Authorised Personnel** means any director, officer, employee, agent, contractor, consultant or representative of a User (including, for the avoidance of doubt, any auditors of a User).

**Auto-Settlement** means an arrangement pursuant to which the Buyer's Bank agrees to make payment to a Seller in relation to a Transaction on receipt of an Auto-Settlement Notification on the Payment Date.

**Auto-Settlement Notification** means a Notification based on the terms of a Smart Contract Data Set and generated automatically by the we.trade Platform on satisfaction of all Settlement Conditions of a Smart Contract.

**Bank** means a bank that has completed Enrolment and has not subsequently had its access to the we.trade Platform withdrawn or terminated in accordance with this Rulebook or that Bank's Licence and Services Agreement.

**Bank Payment Undertaking** or **BPU** means an irrevocable undertaking given by a Buyer's Bank, at the request of a Buyer, to make a payment to, or at the direction of, a Seller in relation to a Transaction in the event that all Settlement Conditions are satisfied on or before the Expiry Date.

**Bank Products** means the products that may be provided by Banks in connection with the we.trade Platform as set out in Article 5 -.

**Banking Business Day** means, in relation to any Transaction, a day (other than a Saturday or Sunday) when banks are generally open for business in the jurisdiction of each Trader that is a party to that Transaction, each such Trader's Bank and:

- (a) (in relation to any date for payment or purchase of a currency other than euro) the principal jurisdiction of the currency of that Transaction; and
- (b) (in relation to any date for payment or purchase of euro) any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system, which utilises a single shared platform and which was launched on 19 November 2007, is open for the settlement of payments in euro.

**Buyer** means:

- (a) in respect of an Underlying Agreement, the Trader that has entered into that Underlying Agreement to purchase goods or services; and
- (b) in respect of a Smart Contract Data Set, the Trader that has submitted a Smart Contract Data Set on the we.trade Platform reflecting the purchase of goods or services under an Underlying Agreement.

**Buyer's Bank** means, in respect of a Buyer, that Buyer's Enrolling Bank and, in relation to a BPU, the BPU Issuing Bank.

**Buyer's Bank Account** means, in respect of a Transaction, an account of the Buyer held with the Buyer's Bank to be debited with the Indicated Amount upon or following satisfaction of the Settlement Conditions in respect of the Transaction.

**Cancellation** Acceptance has the meaning set out in Article 4.4.2(c);

**Cancellation Initiator** has the meaning set out in Article 4.4.2(a);

**Cancellation Respondent** has the meaning set out in Article 4.4.2(b);

**Client Directory** means the directory contained within the we.trade Platform that sets out the Publicly Available Trader Information in respect of each Enrolled Trader.

**Communication** means a communication between Users by way of submitting a Smart Contract Data Set through the we.trade Platform or a Notification, including any communication between Users in respect of the existence and terms of any Bank Products.

**Compliance Action** shall have the meaning set out in Article 4.11.4.

**Confidential Information** means any confidential information of any User which the User provides or discloses in connection with its use of the we.trade Platform, but does not include such information that:

- (a) is or becomes publicly available (other than by breach of this Rulebook, the Adherence Agreement, or any other agreement between Users in connection with the we.trade Platform);
- (b) is received by another User from a third party who is lawfully entitled to disclose such information; or
- (c) is independently developed by another User without reference to the confidential information of the providing User.

**Confirmed Smart Contract Data Set** means a Smart Contract Data Set that is subject to an Acceptance by both a Respondent and an Initiating Party in accordance with Article 4 – of this Rulebook.

**Credentials** means:

- (a) in respect of each Trader, the unique security credentials issued to each Trader (including its Authorised Personnel) by its Enrolling Bank on completion of Enrolment that the Trader (acting solely through its Authorised Personnel) must use in order to access the we.trade Platform;
- (b) in respect of each Bank, the unique security credentials generated by each Bank which must be used by the Authorised Personnel of such Banks to access the we.trade Platform; and
- (c) in respect of we.trade, the unique security credentials generated by we.trade which must be used by the Authorised Personnel of we.trade to access the we.trade Platform.

**Customer** means an Enrolled Trader under a Customer Agreement.

**Customer Adherence Rules** mean the terms and conditions incorporated by the relevant Enrolling Bank in the Customer Agreement in accordance with Annex 5 of this Rulebook, under which a Trader agrees to be bound by the terms of this Rulebook and which a Trader has to accept before access to the we.trade Platform is granted.

**Customer Agreement** means an agreement between a Bank and a Trader in relation to services offered by that Bank to the Trader, which includes the Customer Adherence Rules in respect of the we.trade Platform.

**Data Protection Laws** means the following legislation to the extent applicable from time to time:

- (a) national laws implementing the Data Protection Directive (95/46/EC) and the Directive on Privacy and Electronic Communications (2002/58/EC);
- (b) the General Data Protection Regulation (2016/679); and
- (c) any other similar national privacy law.

**Delivery Term** means the relevant Incoterm that applies in respect of the Transaction (and which may help to determine the Settlement Conditions for a Transaction within a Smart Contract Data Set), which shall be one of the following:

- (a) EXW – Ex Works;
- (b) FCA – Free Carrier;
- (c) DDP – Delivery Duty Paid; and
- (d) DAP – Delivery At Place.

**Dispute** has the meaning given to it in Article 11.1.

**Enrolled Trader** means a Trader that has been Enrolled by an Enrolling Bank and has not had its access to the we.trade Platform withdrawn or terminated in accordance with this Rulebook or its Customer Agreement.

**Enrolling Bank** means, in respect of a Trader or a potential Trader, the Bank that is responsible for the Enrolment of that Trader or potential Trader.

**Enrolment** means the process through which a person may become a User of the we.trade Platform as described in more detail in Article 3 – and **Enrol** and **Enrolled** shall have the corresponding meaning.

**EU Common Military List** means the equipment covered by Council Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment, as amended from time to time.

**Expiry Date** means the date, as calculated in accordance with Article 4.7.2, on which a Smart Contract Data Set will be determined to be incomplete and will automatically expire if all of the Settlement Conditions are not satisfied in full at 23:59 (by reference to the time zone for the Smart Contract) and following such date, no party will have any further liability in respect of the Smart Contract Data Set submitted to the we.trade Platform.

**Force Majeure Event** means any circumstance not within the reasonable control of we.trade or any User that leads to the we.trade Platform becoming unavailable to Users and/or we.trade, provided that such event could not have been avoided through any User and/or we.trade exercising, in relation to any particular circumstances, the degree of skill, diligence and operating practice which would be expected from a skilled and experienced person operating business of a similar nature to that carried on by that party.

**Incoterms** means the pre-defined commercial terms including, but not limited to EXW, FCA, DDP and DAP published by the International Chamber of Commerce and amended from time to time.

**Indicated Amount** means the amount indicated in a Smart Contract Data Set as being the purchase price for the relevant goods or services in the relevant Transaction.

**Initiating Party** has the meaning given in Article 4.3.1.

**Initiating Party's Bank** has the meaning given in Article 4.3.1.

**Insolvent** means, in respect of any person, that corporate action, other steps or legal proceedings have been commenced for its liquidation, judicial management, receivership, or similar or analogous proceedings have been taken for the appointment of a receiver, manager, judicial manager, liquidator or similar officer of it or of all or any material part of its assets or revenues, or that person is unable or admits inability to pay its debts as they fall due, or the value of the assets of its assets is less than its liabilities (taking into account contingent and prospective liabilities), or a moratorium is declared in respect of its indebtedness.

**Invoice Date** means the date of the invoice in respect of a Transaction.

**Licence and Services Agreement** means an agreement entered into between we.trade and a Bank pursuant to which the Bank has been granted access to the we.trade Platform by we.trade and has agreed with we.trade to implement the Customer Adherence Rules in its Customer Agreements with Traders and has committed to procure, through execution of such Customer Agreements, that Enrolled Traders shall comply with the terms of this Rulebook.

**Loss** means any damages, payments, demands, claims, expenses, costs or any other liability.

**Mandatory Smart Contract Data Set** means the items listed in paragraphs (a) to (d) and (f) to (l) and, in the event of a selected Bank Product (excluding Auto-Settlement), paragraphs (m)(i), (m)(ii) and (n) of the definition of »Smart Contract Data Set«, which are those elements of the Smart Contract Data Set that must be specified by Traders in order to create a valid Smart Contract pursuant to this Rulebook.

**Maturity Date** means, in respect of a Smart Contract Data Set, the latest date on which the payment of an Indicated Amount may fall due as set out in the Underlying Agreement, which shall be either:

- (a) the Payment Date, if such Payment Date is a fixed date; or

- (b) the date which is a specific number of calendar days following the Expiry Date, such number of calendar days to be determined based on the method of calculation set out in the Payment Terms,

provided that, in each case, as soon as the Settlement Conditions are met in respect of a Smart Contract, the Maturity Date for the relevant Smart Contract Data Set shall be the Payment Date calculated in accordance with Article 4.6.

**Minimum Financing Period** means the minimum number of calendar days during which BPU Financing or Invoice Financing (as applicable) shall be made available to the relevant Trader, which shall be 30 days.

**Modified Smart Contract Data Set** has the meaning given to it in Article 4.8.4.

**Notification** means a Communication that is automatically generated and sent by the we.trade Platform to a User on the occurrence of a Triggering Event.

**Original Smart Contract Data Set** has the meaning given to it in Article 4.8.4.

**Payment Date** means the date, which shall be a Banking Business Day, on which the Indicated Amount must be received by the Seller or the Seller's Bank, upon or following the satisfaction of the Settlement Conditions in accordance with the terms of a Smart Contract, which date shall be calculated based on either payment after Settlement Conditions are met, payment on a fixed date or payment after a specific period following the Invoice Date, in each case, in accordance with Article 4.6.

**Payment Execution Date** means the date on which a Buyer's Bank is required to start the execution of the payment of an Indicated Amount, which shall be a Banking Business Day on or before the Payment Date.

**Payment Terms** mean the terms for payment set out in the Underlying Agreement, including the anticipated Payment Date (subject to its final calculation in accordance with Articles 4.6.4 to 4.6.6 once the Settlement Conditions have been met) and the account to which payment is to be made.

**Personal Data** means any personal data, as such term is defined in Data Protection Laws processed as part of the we.trade Platform Services or in connection with any Transaction.

**PSD 2** means the revised EU Payment Services Directive 2015/2366/EU.

**Publicly Available Trader Information** means the information in respect of each Trader which has been made publicly available on the Client Directory, including, but not limited to:

- (a) name or trading name;
- (b) country; and
- (c) contact details (including address, telephone number, website and email address).

**Rectified Smart Contract Data Set** has the meaning given in Article 4.8.5.

**Rejection Notification** has the meaning given in paragraph 4.8 Annex 2.

**Respondent** has the meaning given in Article 4.3.1.

**Respondent's Bank** has the meaning given in Article 4.3.2.

**Sanctioned Country** means a country or territory which is itself, or whose government is, generally the subject of Sanctions prohibiting dealings with such government, country or territory.

**Sanctioned Person** means any person (natural, corporate or governmental) that:

- (a) is or is owned or controlled (directly or indirectly) by persons who are designated targets of Sanctions; or
- (b) is organised under the laws of, or a citizen or resident of, any country that is subject to Sanctions.

**Sanctions** means, in relation to any User, any international trade or economic sanctions imposed by any rules, regulations or statutes of the European Union, Norway, Ireland, the United Kingdom, the United Nations Security Council or the United States of America or any other sanction issuing or enforcement body that may be applicable to that User, we.trade, the we.trade Platform Services, the Transaction, or any other User that may be involved in the relevant Transaction.

**Seller** means:

- (a) in respect of an Underlying Agreement, the Trader that has entered into that Underlying Agreement to sell goods or services; and
- (b) in respect of a Smart Contract Data Set, the Trader that has submitted a Smart Contract Data Set on the we.trade Platform reflecting the sale of goods or services.

**Seller's Bank** means, in respect of a Seller, that Seller's Enrolling Bank.

**Seller's Bank Account** means, in respect of a Transaction, an account of the Seller with the Seller's Bank to which payment will be credited upon or following satisfaction of the Settlement Conditions in respect of the Transaction.

**Service Provider** means any third party that provides services, including, but not limited to, information technology services, to we.trade in connection with the we.trade Platform.

**Settlement Conditions** means, in respect of a Transaction, the Triggering Events that need to have occurred for the Seller and the Buyer to fulfil their respective obligations under that Transaction, which shall be determined by reference to the criteria set out in the template for the Smart Contract on the we.trade Platform, as further specified in Annex 1 (for Auto-Settlement) and Annex 2 (for BPUs).

**Smart Contract** means a set of validation rules embedded within and performed on the we.trade Platform that is submitted by Traders, through their Enrolling Banks, to the we.trade Platform using the template authored by we.trade, and which reflects the Smart Contract Data Set.

**Smart Contract Data Set** means, in relation to a Transaction, the following mandatory information in paragraphs (a) to (d) and (f) to (l) and, in the event of a selected Bank Product (excluding Auto-Settlement), paragraphs (m)(i), (m)(ii) and (n) and optional information in paragraphs (e) and (m)(iii), as set out in the Underlying Agreement or otherwise determined and submitted by a User to the we.trade Platform in accordance with this Rulebook:

- (a) Counterparty details, including the name, address and company number of the Buyer and the Seller;
- (b) Purchase order reference;
- (c) Currency;
- (d) Indicated Amount;
- (e) Total Price Tolerance (if a Buyer requests the issuance of a BPU);
- (f) details of the Buyer's Bank and the Buyer's Bank Account;
- (g) details of the Seller's Bank and the Seller's Bank Account;
- (h) details of the Seller's IBAN (international bank account number) and details of the Seller's BIC (Bank Identifier Code) for each IBAN for any transaction in a currency other than euro;
- (i) Delivery Terms;
- (j) Payment Terms;
- (k) Settlement Condition(s);
- (l) Expiry Date;
- (m) the required Bank Product (excluding Auto-Settlement) and, where a Bank Product (excluding Auto-Settlement) is selected:
  - (i) the goods or description of the services the subject of the Underlying Agreement;
  - (ii) the country of origin of the goods the subject of the Underlying Agreement; and

- (iii) price information (unit price, tax rate and quantity) in respect of the goods or services the subject of the Underlying Agreement, provided that, if price information is provided, any such information must be specified for all of the goods or services relevant to the Underlying Agreement; and

- (n) Maturity Date,

together with any additional information that is required in respect of the use of any particular we.trade Platform Services or Bank Products and that has been specified for inclusion in the Smart Contract Data Set in this Rulebook.

**Suspension Period** has the meaning given to it in Article 12.3.4.

**Total Price** means the aggregate price to be paid for the goods or services the subject of an Underlying Agreement, as specified in the Smart Contract.

**Total Price Tolerance** means, in the event that the Buyer has requested the issuance of a BPU, the range agreed by Traders above the Total Price agreed at the time of establishing the Smart Contract Data Set, such that, if the final aggregate price to be paid for the goods or services the subject of an Underlying Agreement is not aligned to the Total Price specified within the Smart Contract Data Set, but falls within that range, the Traders will be permitted to agree a change to the Total Price for the relevant Smart Contract Data Set and the BPU will remain valid and need not be amended or reissued by the BPU Issuing Bank.

**Trader** means a Buyer or a Seller, as the context requires.

**Transaction** means a sale and purchase of goods or services between a Buyer and a Seller pursuant to an Underlying Agreement, which shall be the subject of a Smart Contract on the we.trade Platform.

**Transport API** means a tool which provides for the status of the shipment of goods in respect of an Underlying Agreement (for example, the status may be »shipped«, »in transit« or »delivered«). For the avoidance of doubt, this tool does not reflect the mode of shipment but instead will return information on deliveries to the we.trade Platform, based on outputs known by the logistics provider (through engagement with the party that arranged the shipment, outside the we.trade Platform) and using a tracking code. The Transport API will provide »track and trace services« for shipments.

**Triggering Event** means an entry of information by a User or the entry of information which is confirmed by the Transport API in the we.trade Platform in relation to a Transaction that meets pre-determined criteria specified in the corresponding Smart Contract Data Set or that otherwise triggers an event on the we.trade Platform.

**Underlying Agreement** means an agreement between a Buyer and a Seller for the sale and purchase of goods or services that is concluded outside of the we.trade Platform and not by way of Smart Contract.

**User** means:

- (a) each Bank;
- (b) each Enrolled Trader; and
- (c) a third party which has acceded to the terms of this Rulebook and has been granted access to the we.trade Platform by we.trade with specific rights and obligations as determined by the User Manual from time to time.

**User Manual** means the manual prepared by a Service Provider, as updated from time to time, which provides operational assistance to Users in connection with the we.trade Platform and which is made available to the Banks by we.trade.

**we.trade** means WE.TRADE INNOVATION DAC, a designated activity company incorporated in Ireland under registration number 621543 having its registered office at 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland.

**we.trade Inbox** means, for each User, a depository for Communications received by that User over the we.trade Platform that is accessible by that User by logging on to the we.trade Platform using its Credentials.

**we.trade Platform** means the IT platform that may be accessed by Users in order to enter into Transactions with other Users and through which Banks may provide Bank Products and services to Traders, such Transactions entered into on the basis of Underlying Agreements which are executed outside the we.trade Platform.

**we.trade Platform Services** has the meaning given in Article 4.1.1.

## 1.2 Interpretation

In this Rulebook unless otherwise indicated:

- (a) words in this Rulebook importing the singular include the plural and vice versa;
- (b) a reference to an **Article** or an **Annex**, without further reference, is a reference to the relevant Article or Annex to this Rulebook;
- (c) a date or a time of day mentioned in this Rulebook or in any written document in connection to or related to this Rulebook or any communication via any means in connection to or related to this Rulebook is a reference to such date or time of day in the time zone of the relevant Smart Contract Data Set, unless otherwise indicated;
- (d) a reference to any **agreement** or other **contract**, including this Rulebook, includes amendments, supplements, modifications and/or restatements thereof;
- (e) a reference to an **Incoterm, law, rule, directive, regulation, requirement, request or guideline** includes any (i) amendment or modification thereto, and any rules or regulations issued thereunder, (ii) replacement (with or without modification) or extension thereof, (iii) any re-enactment and (iv) restatement or consolidation of or any subordinate legislation or regulation made under such law;
- (f) a reference to a person includes its permitted successors and assigns and shall be construed as including references to an individual, firm, company, corporation or unincorporated body of persons;
- (g) a reference to Co-ordinated Universal Time shall mean the co-ordinated time scale, maintained by the Bureau International des Poids et Mesures (International Bureau of Weights and Measures); and
- (h) the words include, includes, including and in particular shall be construed as being for illustration purposes or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.

## ARTICLE 2 – SCOPE AND APPLICATION OF THE RULEBOOK

### 2.1 Scope

This Rulebook sets out the rules, practices and standards applicable to Users of the we.trade Platform and interactions between Users through the we.trade Platform.

### 2.2 Application

2.2.1 By entering into an Adherence Agreement, each User irrevocably undertakes and agrees to and with we.trade and each other User as at the date of such Adherence Agreement (so as to bind such User and its successors and assigns) to the following effect:

- (a) that the execution of an Adherence Agreement shall constitute:
  - (i) an irrevocable acceptance of the terms and conditions set out in this Rulebook; and
  - (ii) an undertaking to execute any further documents and give any further assurances as may be required to implement this Rulebook;
- (b) that it shall be bound by the terms and conditions set out in this Rulebook and accepts responsibility for the performance of its obligations owed to another User under this Rulebook and, accordingly, liability for any losses (other than any indirect or consequential losses) arising as a result of any breach of this Rulebook by that User (including through its Authorised Personnel);
- (c) that the Rulebook shall apply as between Users in respect of any Smart Contract established through the we.trade Platform and in respect of the creation and operation of Bank Payment Undertakings, Auto-Settlement or other Bank Products issued on the we.trade Platform; and
- (d) that its obligations under this Rulebook constitute or will constitute its legal, valid and binding obligations, directly enforceable by we.trade and any other User in accordance with the terms and conditions set out in this Rulebook.

2.2.2 Notwithstanding the provisions of Article 2.2.1 above, each Trader acknowledges that only its Enrolling Bank shall be entitled to take any action against we.trade to enforce any terms of this Rulebook for and on behalf of that Trader.

2.2.3 In the event of any inconsistency between the provisions of the Rulebook and any other agreement between we.trade and/or Users in connection with the we.trade Platform (which, for the avoidance of doubt, shall include any Customer Agreement but shall not include any Underlying Agreement), the provisions of this Rulebook shall prevail.

2.2.4 The terms of any Smart Contract shall be governed by, and any dispute arising in connection therewith shall be handled in accordance with, this Rulebook.

2.2.5 Without prejudice to the preceding provisions of this Article 2 – insofar as they relate to any Smart Contract, the operation of the we.trade Platform or any Bank Products issued on the we.trade Platform or the Rulebook, and any Smart Contract created by Users pursuant to this Rulebook, shall not be treated as having amended, waived or overridden:

- (a) any terms of any Customer Agreement between a Trader and its Enrolling Bank insofar as any Trader or Enrolling Bank seeks to enforce such terms of its Customer Agreement against its counterparty; or
- (b) any terms of an Underlying Agreement.

## ARTICLE 3 – ENROLMENT

### 3.1 Banks

- 3.1.1 we.trade shall be responsible for the Enrolment of each Bank in accordance with the terms of the Licence and Services Agreement entered into between each Bank and we.trade.
- 3.1.2 Each Bank, prior to Enrolment, shall be required to satisfy we.trade that it meets the enrolment criteria specified in the Licence and Services Agreement, and we.trade shall, at its own discretion, complete any Enrolment of an Enrolling Bank.

### 3.2 Traders

- 3.2.1 A Trader may become a User by completing Enrolment with an Enrolling Bank.
- 3.2.2 In order to complete Enrolment for a Trader, each Enrolling Bank shall ensure that any Trader to whom it provides access to the we.trade Platform meets the following criteria:
- (a) it has entered into a Customer Agreement with the Enrolling Bank and such Customer Agreement has not been terminated;
  - (b) pursuant to such Customer Agreement, it has accepted the Customer Adherence Rules;
  - (c) it has provided a valid email address to the Enrolling Bank, which may be shared with the we.trade Platform, for the purposes of receiving Notifications issued via the we.trade Platform;

- (d) it has opened and maintains a bank account with the Enrolling Bank; and
- (e) it is not a »consumer« for the purposes of the PSD 2, as implemented from time to time in the relevant jurisdiction of that Trader and/or its Enrolling Bank.

- 3.2.3 Save to the extent described in Annex 5 in respect of the Customer Adherence Rules and the criteria for Traders to become Users of the we.trade Platform as set out in this Article 3 -, nothing in this Rulebook or any Licence and Services Agreement shall operate to prevent such Enrolling Bank from determining the terms of its Customer Agreements in its sole discretion.
- 3.2.4 Each Enrolling Bank shall be solely responsible for the issuance of Credentials to each of the Traders to whom it provides access to the we.trade Platform. Under no circumstances shall we.trade be responsible for providing such Credentials, nor shall we.trade be entitled under any circumstances to come into possession of such Credentials, and no Trader or Enrolling Bank shall share any such Credentials with we.trade or any of its directors, officers, employees, agents, contractors, consultants, representatives or affiliates or otherwise via the we.trade Platform.
- 3.2.5 The terms of use and safeguarding of the Credentials by Traders shall be set out in the Customer Agreements entered into between the Traders and their respective Enrolling Banks.

## ARTICLE 4 – WE.TRADE PLATFORM SERVICES

### 4.1 List of we.trade Platform Services

- 4.1.1 The we.trade Platform may be used for the following actions:
- (a) receiving Notifications;
  - (b) reflecting (through the distributed ledger technology of the we.trade Platform) the terms of Smart Contracts agreed between Users, as generated by Users to reflect the terms of Underlying Agreements and using the technology provided to them by each of their Enrolling Banks and subsequently transmitted by each Enrolling Bank to, and received by, the we.trade Platform; and
  - (c) allowing Traders to access (through the technology provided to them by their Enrolling Banks) Publicly Available Trader Information in the Client Directory in relation to other Traders of the we.trade Platform, using their Credentials to access the Client Directory,
- in each case as further described in the User Manual and as set out in further detail in the remaining provisions of this Article 4 – (together, the **we.trade Platform Services**).

- 4.1.2 For the avoidance of doubt, each User acknowledges that the we.trade Platform shall not be used to arrange any transactions in relation to investments.

### 4.2 Notifications

- 4.2.1 Users will receive Notifications generated by the we.trade Platform in relation to Transactions when Triggering Events occur.
- 4.2.2 Notifications will be available for a User to view in its we.trade Inbox by logging on to the we.trade Platform via the internet using its Credentials.
- 4.2.3 When a Notification is sent on the we.trade Platform, each User to whom that Notification is directed or addressed will receive upon request, or automatically (if such option was selected), an email notification to make that User aware of such Notification. On receipt of such an email, a User should promptly log on to the we.trade Platform and check its we.trade Inbox in order to access the corresponding details of a Transaction.
- 4.2.4 Notifications may also be made available to Users in connection with other matters relating to the we.trade Platform, such as service updates, and which may not relate to specific Transactions relating to those Users.

### 4.3 Generation of Smart Contracts

- 4.3.1 An Enrolled Trader (the **Initiating Party**) may initiate the generation of a Smart Contract by submitting a Smart Contract Data Set in relation to a

Transaction to its Enrolling Bank (the **Initiating Party's Bank**) via the Initiating Party's Bank's systems, in accordance with the terms of its Customer Agreement. The Smart Contract Data Set submitted by the Initiating Party must include each item set out in the Mandatory Smart Contract Data Set, including the counterparty to the Underlying Agreement to which the Smart Contract Data Set relates, which counterparty must also be a User (the **Respondent**). The time zone for a Smart Contract shall be the time zone in which the address of the Initiating Party is located, notwithstanding that the Initiating Party may have logged on to the we.trade Platform from a different time zone.

- 4.3.2 The interface of the Initiating Party's Bank will then transmit that Smart Contract Data Set through the we.trade Platform to the interface of the Enrolling Bank of the Respondent (the **Respondent's Bank**), and a Notification will be automatically sent via the we.trade Platform to the Respondent, confirming the generation of the Smart Contract Data Set for the Transaction.
- 4.3.3 If the Respondent agrees that the Smart Contract Data Set submitted by the Initiating Party in relation to a Transaction pursuant to Article 4.3.2 is correct and reflects the terms of the Underlying Agreement, then it may accept the Smart Contract Data Set by submitting its acceptance to the Respondent's Bank via the systems of the Respondent's Bank and in accordance with the terms of its Customer Agreement (an **Acceptance**), and a Notification of such Acceptance will be automatically sent via the we.trade Platform to the Initiating Party.
- 4.3.4 If the Respondent does not agree that the Smart Contract Data Set submitted by the Initiating Party in relation to a Transaction pursuant to Article 4.3.2 is correct and reflects the terms of the Underlying Agreement, then it may reject the Smart Contract Data Set and a Notification of the rejection will be automatically sent through the we.trade Platform to the Initiating Party. The process in Articles 4.3.1 to 4.3.2 will then be repeated until such time as there is an Acceptance in accordance with Article 4.3.3. For the avoidance of doubt, either the Initiating Party or Respondent may, but shall not be obliged to, initiate the generation of a new Smart Contract Data Set.
- 4.3.5 Each Acceptance issued on the we.trade Platform shall be irrevocable.
- 4.3.6 Where an Acceptance in respect of a Smart Contract Data Set has been submitted, that Smart Contract Data Set shall become a **Confirmed Smart Contract Data Set** and shall constitute, for the purposes of the we.trade Platform, a binding contract between the Initiating Party and the Respondent that payment shall be made to the Seller of the Indicated Amount in accordance with the Payment Terms set out in the Confirmed Smart Contract Data Set upon or following satisfaction of the Settlement

Conditions specified in that Confirmed Smart Contract Data Set. All Confirmed Smart Contract Data Sets shall be stored on the distributed ledger technology of the we.trade Platform. No further amendments may be made to a Confirmed Smart Contract Data Set save in accordance with the provisions of Article 4.8 or Article 10 -.

4.3.7 For the avoidance of doubt, any payment transactions in respect of a Smart Contract shall be made or initiated solely via the systems of the relevant Banks and processed between Banks via their existing payment systems, and neither we.trade nor the we.trade Platform shall be responsible for making or initiating any such payment transactions. Each User acknowledges that each of we.trade and the we.trade Platform is not a payment service provider, that neither we.trade nor the we.trade Platform shall be subject to any obligation (whether pursuant to the terms of this Rulebook or otherwise) to provide any User with any payment services, and accordingly that each User shall request payment services only directly from its Enrolling Bank.

#### 4.4 Withdrawal or Cancellation of Smart Contract Data Sets

4.4.1 [Before an Acceptance has been submitted in accordance with the provisions of this Article 4 -, each of the Initiating Party and the Respondent may, through their respective Enrolling Banks, withdraw a Smart Contract Data Set and no Smart Contract shall be formed in relation to that Smart Contract Data Set. For the avoidance of doubt, the Smart Contract Data Set cannot be withdrawn by an Initiating Party or a Respondent once it has become a Confirmed Smart Contract Data Set, other than through amendment of that Smart Contract Data Set in accordance with the provisions of Article 4.8.]<sup>1</sup>

4.4.2 At any time after an Acceptance has been submitted in accordance with the provisions of this Article 4 – but prior to all the Settlement Conditions to that Smart Contract having been met, each of the Initiating Party and the Respondent may, through their respective Enrolling Banks, cancel a Confirmed Smart Contract Data Set. Any cancellation of a Confirmed Smart Contract Data Set shall require the following process:

- (a) a Trader that is a party to a Confirmed Smart Contract Data Set (the **Cancellation Initiator**) generates a cancellation request and transmits it to the we.trade Platform via its Enrolling Bank;
- (b) the interface of that Enrolling Bank will then transmit the cancellation request through the we.trade Platform to the interface of the Enrolling Bank of the other Trader that is a party to the Confirmed Smart Contract Data Set (the **Cancellation Respondent**), and a Notification of the cancellation request will be automatically sent via the we.trade Platform to the Cancellation Respondent.
- (c) If the Cancellation Respondent agrees to the cancellation request, then it may accept the cancellation request by submitting its acceptance to its Enrolling Bank via the systems of the Enrolling Bank and in accordance with the terms of its Customer Agreement (a **Cancellation Acceptance**), and a Notification of such Cancellation Acceptance will be automatically sent via the we.trade Platform to each of the Traders who are parties to the Smart Contract as well as any Banks which has agreed to provide a Bank Product, and following such cancellation all parties to the cancelled Confirmed Smart Contract Data Set (including the relevant Banks) shall no longer have any rights and obligations against each other in relation to the cancelled Confirmed Smart Contract Data Set.
- (d) If the Cancellation Respondent does not agree to the cancellation request, then it may reject the cancellation request and a Notification of the rejection will be automatically sent through the we.trade Platform to the Cancellation Initiator. The process in Articles 4.4.2(a) and 4.4.2(b) will then be repeated until such time as there is an Acceptance in accordance with Article 4.4.2(c). For the avoidance of doubt, either Trader may, but shall not be obliged to, request the cancellation of a Smart Contract Data Set.

#### 4.5 Relationship between Smart Contracts and Underlying Agreements

4.5.1 Each Trader shall be responsible for ensuring that the Smart Contract Data Set is an accurate reflection of the terms of the Underlying Agreement, and shall amend a Smart Contract in accordance with the process set out in Article 4.8 in the event of any inconsistency between the Smart Contract and the Underlying Agreement, but provided, however, that a Smart Contract shall be valid notwithstanding any errors in that Smart Contract or any

discrepancy between a Smart Contract and an Underlying Agreement, and the Original Smart Contract Data Set (as defined in Article 4.8.4) shall remain valid until such time as, and to the extent that, the relevant Traders agree amendments to that Original Smart Contract Data Set in accordance with the process described in Article 4.8.

4.5.2 Any dispute between Traders in relation to an Underlying Agreement entered into between those Traders (where both Traders are Users for the purposes of the we.trade Platform) shall not affect either Trader's obligations in relation to any Smart Contract agreed in respect of the Underlying Agreement, this Rulebook or any Customer Agreement. Any such disputes must be settled between the relevant Traders outside of the we.trade Platform without prejudice to any rights of the Traders to amend the Smart Contract Data Set in accordance with the provisions of Article 4.8.

4.5.3 In the event that an Underlying Agreement is terminated, the Smart Contract entered into by Users in respect of that Underlying Agreement shall not automatically terminate, but shall remain in place and expire in accordance with the Smart Contract Data Set on its Expiry Date.

#### 4.6 Payment Dates

4.6.1 When generating the Smart Contract Data Set in accordance with Article 4.3, the relevant Traders must agree the method of calculation of the Payment Date within such Smart Contract Data Set as part of the Payment Terms.

4.6.2 As soon as the Settlement Conditions are met in respect of a Smart Contract, the Payment Dates for the relevant Smart Contract Data Set shall be calculated in accordance with this Article 4.6 and shall apply both in respect of any Smart Contract Data Set and any related Bank Products.

4.6.3 As soon as reasonably practicable after completion of the relevant calculations, a Notification shall be generated and transmitted via the we.trade Platform to the relevant Users that are party to the Smart Contract Data Set and to any related Bank providing any Bank Products, setting out the Payment Date (as calculated in accordance with this Article 4.6).

##### Payment after Settlement Conditions are met

4.6.4 The Traders can provide in the Smart Contract Data Set that the Payment Date shall be:

- (a) two Banking Business Days after the date on which the Settlement Conditions are met;
- (b) a specific number of Banking Business Days following the date on which the Settlement Conditions are met, provided, however, that in any event, this shall not be less than two Banking Business Days; or
- (c) on a fixed date. However, in the case the fixed date falls on a date that is less than two Banking Business Days after the date on which the Settlement Conditions are met, the Payment Date shall be two Banking Business Days after the date on which the Settlement Conditions are met.

##### Payment after specific period following the Invoice Date

4.6.5 The Traders can provide in the Smart Contract Data Set that the Payment Date shall be a specific number of calendar days following the Invoice Date, provided that:

- (a) if the anticipated Payment Date falls on a date which is not a Banking Business Day, the Payment Date shall be the next immediate Banking Business Day following such anticipated Payment Date; and
- (b) if the anticipated Payment Date (including any anticipated Payment Date determined in accordance with Article 4.6.5(a)) falls on a date before the Settlement Conditions are met or on a date that is less than two Banking Business Days after the date on which the Settlement Conditions are met, the Payment Date shall be two Banking Business Days after the date on which the Settlement Conditions are met.

##### Payment Execution Date

4.6.6 The Payment Execution Date shall fall on a Banking Business Day on or before the Payment Date (as such Payment Date is calculated in accordance with Articles 4.6.4 and 4.6.5).

<sup>1</sup> Note: this function will only become available in version [2.0] (or later) of the we.trade Platform and accordingly this Article 4.1 is not currently in force and shall be deemed not to form part of the Rulebook.

#### 4.7 Expiry Date for the Smart Contract Data Set

4.7.1 Each Smart Contract Data Set must include an Expiry Date. The Expiry Date shall be determined by the Traders in accordance with this Article 4 -, provided that the Expiry Date must be consistent with the terms of the Underlying Agreement and, subject to that, shall meet the following criteria:

- (a) the Expiry Date must be expressed as a definite date; and
- (b) the Expiry Date shall be specified as a date falling after the later of:
  - (i) the latest date of shipment (if any) of the relevant goods or services pursuant to the Underlying Agreement, as specified in the Smart Contract Data Set; and
  - (ii) the latest date for delivery (if any), as set out in the Delivery Terms specified in the Smart Contract Data Set.

4.7.2 If the Settlement Conditions are not satisfied in full by 23:59 (by reference to the time zone for the Smart Contract) on the Expiry Date (as such Expiry Date may be amended from time to time in accordance with this Rulebook before the Settlement Conditions have been met), the Smart Contract will automatically expire, and no party to that Smart Contract will have any further liability in respect of that Smart Contract and no Bank shall have any further liability in respect of any Bank Product connected to such Smart Contract (but, for the avoidance of doubt, such expiry of the Smart Contract, and this Article 4.7.2, shall not be construed as an amendment to, or affect any Trader's rights or obligations pursuant to, any Underlying Agreement or any Customer Agreement).

4.7.3 Following the expiry of a Smart Contract in accordance with Article 4.7.2:

- (a) before the Settlement Conditions for the relevant Transaction are satisfied, any Trader to the original expired Smart Contract may, but shall not be obliged to, initiate the generation of a new Smart Contract in accordance with Article 4.3; and
- (b) if the Settlement Conditions for the relevant Transaction have been satisfied before any new Confirmed Smart Contract Data Set is created, the Buyer shall make any relevant payment outside the we.trade Platform, provided that, for the avoidance of doubt, nothing in this Article 4.7.3 shall be construed as an amendment to, or affect any Trader's rights or obligations pursuant to, any Underlying Agreement or any Customer Agreement.

#### 4.8 Amendment of Smart Contract Data Sets

##### Amendment to the Confirmed Smart Contract Data Set

4.8.1 A Confirmed Smart Contract Data Set may be amended by a Trader only in accordance with the provisions of this Article 4.8.

##### Amendments to be made only until Settlement Conditions have been satisfied

4.8.2 An amendment to a Confirmed Smart Contract Data Set may only be made during the period prior to the Settlement Conditions having been met.

##### Amendment process

4.8.3 Any amendment to a Confirmed Smart Contract Data Set shall require the following process:

- (a) a Trader that is a party to the Smart Contract represented by the Original Smart Contract Data Set generates a revised Smart Contract Data Set for which the Expiry Date is amended (the **Revised Smart Contract Data Set**), and transmits it to the we.trade Platform via its Enrolling Bank, in which case the provisions set out in Articles 4.3.1 to 4.3.6 shall apply mutatis mutandis to agreeing the amendments as if references therein to »Smart Contract Data Sets« were references to »Revised Smart Contract Data Sets«, until such time as an Acceptance is issued by a Trader;
- (b) upon issuance of an Acceptance by a Trader in respect of a Revised Smart Contract Data Set, the Revised Smart Contract Data Set shall thereafter be the Confirmed Smart Contract Data Set, in place of any previous forms thereof, and shall form the amended Smart Contract and replace the Original Smart Contract Data Set for all purposes; and
- (c) if no such Acceptance is issued by a Trader, then the Smart Contract represented by the Original Smart Contract Data Set shall remain in place, notwithstanding that:
  - (i) there is an amendment of the Underlying Agreement; or

- (ii) there is an error in respect of the Original Smart Contract Data Set.

##### Amendments to the Underlying Agreement

4.8.4 A Smart Contract represented by Confirmed Smart Contract Data Set agreed (the Original Smart Contract Data Set) may be amended by the Traders that are party to that Original Smart Contract Data Set, if:

- (a) binding amendments are agreed between the parties to the Underlying Agreement represented by the Original Smart Contract Data Set;
- (b) a User that is a party to the Smart Contract represented by the Original Smart Contract Data Set generates a modified Smart Contract Data Set (the **Modified Smart Contract Data Set**) reflecting the amendments to the Underlying Agreement, and transmits it to the we.trade Platform via its Enrolling Bank, in which case the provisions set out in Articles 4.3.1 to 4.3.6 shall apply mutatis mutandis to agreeing the amendments as if references therein to »Smart Contract Data Sets« were references to »Modified Smart Contract Data Sets«, until such time as an Acceptance is issued by a User;
- (c) upon issuance of an Acceptance by a User in respect of a Modified Smart Contract Data Set, the Modified Smart Contract Data Set shall thereafter be the Confirmed Smart Contract Data Set, in place of any previous forms thereof, and shall form the amended Smart Contract and replace the Original Smart Contract Data Set for all purposes; and
- (d) if no such Acceptance is issued by a User, then the Smart Contract represented by the Original Smart Contract Data Set shall remain in place, notwithstanding the amendment to the Underlying Agreement.

##### Error in the Original Smart Contract Data Set

4.8.5 In the event that there is an error in the Original Smart Contract Data Set, that Original Smart Contract Data Set may be amended by the Users that are party to the Smart Contract represented by that Original Smart Contract Data Set, if:

- (a) a User that is a party to the Smart Contract represented by that Original Smart Contract Data Set generates a revised Smart Contract Data Set (a **Rectified Smart Contract Data Set**) that corrects the error, and transmits it to the we.trade Platform via its Enrolling Bank, in which case the provisions set out in Articles 4.3.1 to 4.3.6 shall apply mutatis mutandis to agreeing the amendments as if references therein to »Smart Contract Data Sets« were references to »Rectified Smart Contract Data Sets«, until such time as an Acceptance is issued by a Trader;
- (b) upon issuance of an Acceptance by a Trader in respect of a Rectified Smart Contract Data Set, the Rectified Smart Contract Data Set shall thereafter be the Confirmed Smart Contract Data Set, in place of any previous forms thereof, and shall form the amended Smart Contract and replace the Original Smart Contract Data Set for all purposes; and
- (c) if no such Acceptance is issued by a Trader, then the Original Smart Contract Data Set shall remain in place, notwithstanding the error in respect of the Original Smart Contract Data Set.

##### Amendments to price

4.8.6 If the Total Price specified in a Smart Contract upon its creation in accordance with Article 4.3 ceases to be correct prior to the Settlement Conditions to that Smart Contract having been met, the relevant Traders shall be required to amend the Total Price specified in that Smart Contract Data Set in accordance with this Article 4.8. If a BPU has been issued by the BPU Issuing Bank pursuant to Annex 2, then approval of the Buyer's Bank (as BPU Issuing Bank (as defined in Annex 2)) shall be required in accordance with Annex 2 only if the revised aggregate price for that Smart Contract does not fall within the Total Price Tolerance for the BPU (in which case, for the avoidance of doubt, any such amendment of the BPU shall require the approval of the BPU Issuing Bank).

##### Effect of amendments

4.8.7 For the avoidance of doubt:

- (a) neither the Enrolling Banks nor we.trade shall be under any obligation to amend, terminate or correct errors in respect of any Smart Contracts, and it shall be solely the right and responsibility of Traders to make such amendments to the Original Smart Contract Data Sets;
- (b) any amendment as stipulated in paragraph 8.2(d)(ii) of Annex 2, which relates to a BPU, shall require the approval of the BPU Issuing Bank; and

(c) this Article 4.8 shall not operate to amend, vary, terminate or otherwise waive any rights under any Underlying Agreement or any Customer Agreement.

#### 4.9 Reminder Notifications

Notifications will be sent automatically on the we.trade Platform to all parties to a Smart Contract on the date that is 14 days prior to: (a) the latest date of shipment (if any) specified in that Smart Contract; and (b) the Expiry Date of that Smart Contract. The function of such Notifications shall be to remind the parties of the upcoming latest date of shipment or Expiry Date of the Smart Contract, as applicable.

#### 4.10 Client Directory

4.10.1 Traders may access Publicly Available Trader Information in relation to other Traders by using their Credentials to access the Client Directory (which is hosted by the Service Provider but displayed for each Trader through its Enrolling Bank's interface to the we.trade Platform).

4.10.2 Traders shall be permitted to access Publicly Available Trader Information for any purposes relating to the conduct of their business, and not only insofar as such information relates to a specific Transaction between Users in respect of which a Smart Contract has been agreed.

4.10.3 A Bank is not entitled to access or view the data of the Client Directory at any time.

#### 4.11 Anti-money laundering, sanctions and compliance

4.11.1 Each User shall not use the we.trade Platform, including any Bank Product or other services provided by the we.trade Platform, to conduct any activity which has or will result in the violation of any applicable anti-bribery, anti-corruption or anti-money laundering laws or regulations in any applicable jurisdiction. Each User shall not lend, contribute or otherwise make available any proceeds from any Bank Product or other services provided by the we.trade Platform to any Sanctioned Person to the extent such activity is prohibited by Sanctions applicable to such User.

4.11.2 Each User shall not use the we.trade Platform, including any Bank Product or other services provided by the we.trade Platform, to deal, transact, settle, finance, insure or facilitate in any way, directly or indirectly, any transaction involving equipment covered by the EU Common Military List or which is prohibited by an applicable embargo or with any Sanctioned Person (including any person which is owned or controlled by any Sanctioned Person) or any person which is located, organised or resident in a Sanctioned Country, in each case, to the extent such activity is prohibited by Sanctions applicable to such User.

4.11.3 Each Bank shall, in accordance with its internal policies and procedures, screen each Transaction for which its products or services are requested by a Trader for potential violation of this Article 4.11. Where the Bank reasonably considers that there is or is likely to be a potential violation of this Article 4.11, such Bank shall refuse to provide such product or services to the relevant Trader.

4.11.4 By using the we.trade Platform, each User acknowledges, to the extent such acknowledgement does not violate any applicable law, that we.trade and any Bank may, to the extent it is legally permitted to do so under the laws of its jurisdiction of incorporation, take any action (a **Compliance Action**) which it considers appropriate to act in accordance with Sanctions or domestic and foreign laws and regulations. Such Compliance Action may include (a) the interception and investigation of any payment, communication or instruction, (b) the request for additional documentation relating to a Transaction or a User, or (c) a refusal to process a we.trade Platform Service or provide any Bank Product (including any BPU or Auto-Settlement).

#### 4.12 Operational assistance

Each Enrolling Bank will make available to its own Traders, through each Enrolling's Bank interface between Traders and the we.trade Platform:

- (a) the User Manual; and
- (b) access to such services as may be offered by the Service Provider from time to time to support Traders in respect of the operation of the we.trade Platform.

## ARTICLE 5 – BANK PRODUCTS AND SERVICES

### 5.1 Bank Products and Services

5.1.1 Enrolling Banks may from time to time offer to provide certain products and services related to the we.trade Platform to Traders that are Customers of that Bank and which have been Enrolled on the we.trade Platform by that Enrolling Bank.

5.1.2 Any products and services referred to in Article 5.1.1 that are offered by Enrolling Banks to Traders shall be offered on the basis of the terms and conditions in place between the relevant Enrolling Bank and the relevant Trader pursuant to the Customer Agreement between those parties.

5.1.3 For the avoidance of doubt, Article 5.1.1 shall not prevent any Bank from also offering similar products and services to any of its customers outside the we.trade Platform, but shall only ensure that the access to the technology operated by the we.trade Platform in relation to any such products remains limited to those Traders that have been Enrolled on the we.trade Platform by that Enrolling Bank.

### 5.2 List of Bank Products and Services

5.2.1 The following products and services may be offered by Banks to Traders, subject to, and in accordance with the terms and conditions set out in the relevant Customer Agreements and otherwise in accordance with the provisions of the relevant Annex to this Rulebook:

- (a) Auto-Settlement, on the basis described in Annex 1;
- (b) Bank Payment Undertakings, on the basis described in Annex 2;
- (c) BPU Financing, on the basis described in Annex 3; and
- (d) Invoice Financing, on the basis described in Annex 4.

5.2.2 Further products and/or services may be made available by Banks to Traders under the terms of each Customer Agreement between the relevant Bank and the relevant Trader, provided that this Rulebook and the we.trade Platform are able to support such products. For the avoidance of doubt, nothing in this Article 5 – shall require we.trade or any User to agree to any amendments to the we.trade Platform or this Rulebook in respect of any further products and/or services that any Bank wishes to offer to Traders.

## ARTICLE 6 – COMMUNICATIONS AND SECURITY OF CREDENTIALS

### 6.1 Communications

- 6.1.1 Each User shall be entitled to rely upon any Communications transmitted to that User by or on behalf of any other User via the we.trade Platform, and such Communications shall be deemed to be effective, delivered and received at the moment that such Communication is available for the relevant User to view on the we.trade Platform.
- 6.1.2 For the purposes of the we.trade Platform only, any Communication sent by a User or on its behalf using its Credentials using the we.trade Platform shall be binding upon that User as if it had been duly executed by that User in hard copy, and any Communications generated and delivered to Users shall be effective to satisfy any requirement for such communications to be evidenced in writing, signed or sealed.
- 6.1.3 Each User shall be responsible for any Communication sent using its Credentials, or derived from information provided using its Credentials, and any such Communication shall be deemed to have been authorised by or on behalf of that User.
- 6.1.4 No Trader shall have any claim against we.trade or any other Trader pursuant to this Rulebook for any incorrect, false or misleading Communications received by that Trader.
- 6.1.5 Each of the digital form of a Communication and any printed hard copy of that Communication shall constitute an original of the relevant Communication, and each User undertakes not to challenge its content or the validity or admissibility of any such Communication on the basis that it was made in electronic form.
- 6.1.6 Any Communication, in whole or in part, will be admissible before any court or tribunal as evidence of that Communication, or part thereof.
- 6.1.7 Users may, but shall not be required to, upload documents relating to Smart Contracts to the we.trade Platform for information purposes only. Such documents shall not be verified by any Bank or we.trade.

### 6.2 Security of Credentials and the we.trade Platform

- 6.2.1 Each Enrolling Bank and we.trade shall be responsible for implementing necessary and any reasonable security procedures and means to ensure that data transmissions made or received by or on behalf of a Trader, an Enrolling Bank or we.trade via the we.trade Platform (whether directly or indirectly through Enrolling Banks) are protected against unauthorised access, alteration, delay, loss or destruction.
- 6.2.2 Each User shall notify we.trade, and, where that User is a Trader, its Enrolling Bank, immediately in the event that it becomes aware, or has reasonable grounds for believing, that its Credentials have been lost, compromised or used or attempted to be used without its authority.
- 6.2.3 Each User shall ensure that neither it nor its directors, officers, employees, agents, contractors, consultants, representatives or affiliates do anything which may reasonably be expected or likely to result in the compromise of the systems or security of the we.trade Platform, or the systems or security of we.trade, or the systems or security of any other User.
- 6.2.4 In the event of loss, theft or misuse, or danger of any such loss, theft or misuse of a Trader's Credentials, the Traders shall notify their respective Enrolling Banks promptly, whereupon the relevant Enrolling Bank shall notify we.trade of the same. The provisions of the Customer Agreement shall apply to determine any liability for Losses arising in connection with the loss, theft or misuse of Credentials as between a Trader and its Enrolling Bank, and the provisions of the Licence and Services Agreement shall apply to determine any liability for Losses arising in connection with the loss, theft or misuse of Credentials as between an Enrolling Bank and we.trade.
- 6.2.5 Each User and we.trade undertakes to take such mitigating actions as may be required to avoid, limit or otherwise mitigate any Losses that may otherwise arise in respect of any User, we.trade or any other person as a result of the loss, theft or misuse of Credentials.

## ARTICLE 7 – RECORDS

- 7.1.1 A Trader may request information relating to transactions performed by it on the we.trade Platform only from its Enrolling Bank. Enrolling Banks shall comply with reasonable requests by the relevant Traders for information relating to transactions performed by such Traders on the we.trade Platform in accordance with the relevant Customer Agreements, applicable laws and regulations and any other internal policies and/or procedures applicable to such requests.
- 7.1.2 Subject to the terms of the Customer Agreements and applicable law and regulations, the Bank shall not be required by this Rulebook to disclose any such information where, in the Bank's opinion (acting reasonably and in good faith), such disclosure is prevented or restricted pursuant to applicable law and regulations or as a result of any of the Bank's internal policies and procedures.
- 7.1.3 we.trade shall maintain appropriate logs and records (date and time stamped, by reference to a time zone expressed as an adjustment of Co-ordinated Universal Time (including summer time adjustments)) of all Smart Contracts entered into by the Users on the we.trade Platform.
- 7.1.4 Each Bank shall, if required to do so by applicable law and regulations, keep appropriate logs and records (date and time stamped, by reference to the time zone in which the relevant Bank operates and specified on the time stamp expressed as an adjustment of Co-ordinated Universal Time (including summer time adjustments)) of all incidences of use of that Bank's interface into the we.trade Platform by Traders in relation to which it is the Enrolling Bank.
- 7.1.5 Subject to the terms of the Customer Agreement, each Trader shall provide to its Enrolling Bank such information concerning the Trader, a Smart Contract and/or a Transaction as we.trade or the relevant Enrolling Bank may reasonably require to meet obligations under the Rulebook or any obligations under any applicable laws and regulations or a request from any regulator, government, tax authority, law enforcement body, authority or court with jurisdiction over we.trade or the relevant Enrolling Bank.
- 7.1.6 Subject to the terms of the Licence and Services Agreement, each Bank shall provide to we.trade such information concerning the Bank, any Trader in respect of which it is an Enrolling Bank, a Smart Contract and/or a Transaction as we.trade may reasonably require to meet its obligations under the Rulebook, its obligations under any applicable laws and regulations or a request from any regulator, government, tax authority, law enforcement body, authority or court with jurisdiction over we.trade.

## ARTICLE 8 – CONFIDENTIALITY, DATA PROTECTION AND PRIVACY

### 8.1 Confidentiality

8.1.1 Each User agrees:

- (a) to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Article 8.1.3;
- (b) to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information;
- (c) to use such information only in the performance of its obligations under this Rulebook or any product, service or transaction contemplated by this Rulebook; and
- (d) to ensure that it has all appropriate permissions prior to uploading any Confidential Information to the we.trade Platform.

8.1.2 Any User that uploads information on the we.trade Platform will be solely responsible for the content or the accuracy of any such information.

8.1.3 Each User may disclose Confidential Information in whole or in part if such disclosure is required:

- (a) to any Authorised Personnel of that User for the purposes of the performance of an obligation owed by that User in connection with its use of the we.trade Platform, provided that the relevant Authorised Personnel has agreed with the User to obligations of confidentiality equivalent to those contained in this Rulebook; or

- (b) by applicable law or regulation or requested by any regulator, government, tax authority, law enforcement body, authority or court with jurisdiction over that User, provided that, prior to such disclosure, the disclosing User shall, to the extent permitted by law or regulation, promptly notify each other User, whose Confidential Information is impacted, of such requirement, with a view to providing that other User with the opportunity to contest such disclosure or otherwise to agree the timing and content of such disclosure.

8.1.4 Each Bank shall only have access to information and the specific data relevant to a Bank Product, if such Bank is providing or required to provide a Bank Product in relation to a Transaction.

8.1.5 Each User shall promptly notify each other User of any actual or suspected breach of its obligations under this Article 8 -, including any actual or suspected unauthorised access or use of Confidential Information after it becomes aware, or reasonably believes, that such event has occurred.

### 8.2 Data Protection and Privacy

Each User shall comply with the applicable Data Protection Laws.

## ARTICLE 9 – AMENDMENTS TO THE RULEBOOK

### 9.1 Amendment process for the Rulebook

9.1.1 Each User acknowledges that amendments to this Rulebook may be required from time to time, and that such amendments shall be agreed between we.trade and the Banks in accordance with the terms of the Licence and Services Agreements.

9.1.2 In the event that we.trade wishes to make any amendment to this Rulebook, we.trade shall inform the Banks in accordance with the terms of the Licence and Services Agreement, of the proposed amendments and the Banks shall exercise their rights pursuant to those Licence and Services Agreements to consult with each other and enter into discussions with we.trade in respect of such amendments. In addition, subject to Articles 9.1.4 and 9.1.7, the Banks shall be entitled to consult with their respective Traders in respect of such amendments but shall not be required to do so.

9.1.3 If and to the extent that any such amendments are agreed between we.trade and the Banks in respect of the Rulebook:

- (a) where we.trade and the Banks consider that where all amendments are minor in nature or have limited or no effect on the rights and obligations of any Trader, on the day prior to such amendments becoming effective; and
- (b) in all other circumstances other than those set out in (a) above, at least 30 days prior to such amendments becoming effective,

each Bank shall make a revised version of the Rulebook, reflecting those amendments, available on its website to each Trader, provided that each Bank shall comply with its obligations under its Customer Agreements.

9.1.4 If, during the process of consultation and discussion described in Article 9.1.2 above, we.trade and the Banks agree that the amendments made to the Rulebook require consent from Traders, and/or amendments to the Customer Adherence Rules, prior to becoming effective, we.trade and the Banks shall agree a date by which each Bank shall notify their Customers of such amendments and each Bank shall be responsible for providing such notification on or before that date and for obtaining such consent to those changes or agreeing to such amendments to the Customer Agreements, including the Customer Adherence Rules, on the next occasion that those Traders access the we.trade Platform through their Bank's systems.

9.1.5 There shall be a period of at least 30 days from the date when Traders are required to be notified by their respective Bank about the revised draft of the Rulebook pursuant to Article 9.1.4 and the date on which the proposed amendments become effective, to allow Traders to consider the proposed amendments to the Rulebook (the Rulebook Amendment Review Period) and, if required pursuant to Article 9.1.4 and if the Trader so agrees, to provide any consents to the changes. If any Trader is dissatisfied with the amendments to the Rulebook, that Trader shall be entitled to terminate its access to the we.trade Platform in accordance with the Customer Agreement, and Article 10 – shall apply in respect of such termination.

9.1.6 At the end of the Rulebook Amendment Review Period, we.trade shall make the amendments to the Rulebook effective.

9.1.7 Save to the extent required by applicable law or regulation insofar as it affects the operation of Smart Contracts, any amendments to the Rulebook shall not affect the obligations of a User in relation to any Smart Contract or any rights or obligations agreed or accepted by that User pursuant to the version of the Rulebook before the date of such amendment.

### 9.2 Amendment of templates for Smart Contracts

The provisions of Article 9.1 shall apply mutatis mutandis in respect of any proposed amendment by we.trade to the template for Smart Contracts available on the we.trade Platform.

### 9.3 Amendment of Customer Adherence Rules

The provisions of Article 9.1 shall apply mutatis mutandis in respect of any proposed amendment to the minimum requirements for Customer Adherence Rules in respect of the we.trade Platform.

## ARTICLE 10 – TERMINATION OF ACCESS TO THE WE.TRADE PLATFORM

### 10.1 Termination of access to the we.trade Platform by a Trader

10.1.1 A Trader may terminate its accession to the Rulebook at any time, by terminating its Adherence Agreement and giving notice of such termination in accordance with the terms thereof.

10.1.2 Upon termination by a Trader of its Adherence Agreement:

- (a) it shall continue to be bound by the terms of any Smart Contract agreed or accepted by it on the we.trade Platform prior to the date of such termination (the **Surviving Trader Smart Contracts**), unless and until all such Surviving Trader Smart Contracts have either been completed or terminated;
- (b) it shall remain bound by the terms of the Rulebook in respect of all such Surviving Trader Smart Contracts (and the Bank shall procure that the Customer Agreement for such User shall provide the same);
- (c) it shall not be permitted to, and the Enrolling Bank for that Trader shall procure that it does not, generate any additional Smart Contract Data Sets or accept any additional Smart Contract Data Sets to create any new Smart Contracts;
- (d) such termination of the Adherence Agreement shall take effect without prejudice to any Underlying Agreement and shall not affect any rights or obligations that exist under such Underlying Agreements.

10.1.3 Without prejudice to the foregoing, if any Enrolling Bank terminates a Customer Agreement with a Trader in accordance with its terms, the Customer Adherence Rules entered into by that Trader in respect of the Rulebook shall also terminate in accordance with its terms; in which case, the provisions of Article 10.1.2 shall apply mutatis mutandis in the event of any such termination.

10.1.4 Without limiting the generality of Article 10.1.3, an Enrolling Bank shall terminate an Adherence Agreement entered into with a Trader if that Trader no longer meets the criteria for Enrolment of a Trader as set out in Article 3.2.2, in which case, the provisions of Article 10.1.2 shall apply mutatis mutandis in the event of any such termination.

### 10.2 Termination of access to the we.trade Platform by a Bank

10.2.1 An Enrolling Bank may terminate its accession to the Rulebook at any time, by terminating its Licence and Services Agreement and giving notice of such termination in accordance with the terms thereof.

10.2.2 Upon termination by an Enrolling Bank of its Adherence Agreement:

- (a) the Adherence Agreements entered into by Traders for which it is the Enrolling Bank shall also be deemed to be terminated with effect from the same date of the termination of the Licence and Services Agreement;
- (b) that Enrolling Bank, and each of the Traders for which that Bank is the Enrolling Bank, shall continue to be bound by the terms of any Smart Contract and/or Bank Product agreed or accepted by that Enrolling Bank, or by any Traders for which it is the Enrolling Bank, on the we.trade Platform prior to the date of such termination (the **Surviving Bank Smart Contracts and Surviving Bank Products**), unless and until all such Surviving Bank Smart Contracts and Surviving Bank Products have either been completed or terminated;
- (c) the Enrolling Bank and the Traders for which it is the Enrolling Bank shall remain bound by the terms of the Rulebook in respect of all such Surviving Bank Smart Contracts and Surviving Bank Products (and the Enrolling Bank shall procure that the Adherence Agreement for such User shall provide the same);

(d) notwithstanding the provisions of any Customer Agreement to the contrary, the Enrolling Bank shall not be permitted to, and shall procure that the Traders for which it is the Enrolling Bank do not, to generate any additional Smart Contract Data Sets or accept any additional Smart Contract Data Sets to create any new Smart Contracts, notwithstanding that the relevant Traders may have entered into any new Underlying Agreement that would otherwise be eligible to form the basis of a Smart Contract on the we.trade Platform;

(e) such termination of the Licence and Services Agreement, and related Adherence Agreements entered into by Traders in respect of which it is the Enrolling Bank, shall take effect without prejudice to any Underlying Agreement or Customer Agreement and shall not affect any rights or obligations that exist under such Underlying Agreements or Customer Agreements.

10.2.3 The rights and obligations of we.trade in connection with the termination of any User's access to the we.trade Platform shall be governed by the terms of the Licence and Services Agreement.

### 10.3 Exit Plan in respect of the we.trade Platform

10.3.1 In the event that we.trade decides to cease operating the we.trade Platform, it shall notify the Banks in accordance with the terms of the Licence and Services Agreement, and each of we.trade and the Banks shall take the steps agreed between those parties pursuant to the Licence and Services Agreement in order to close down the we.trade Platform.

10.3.2 In connection with the closure of the we.trade Platform, each Bank shall procure that the Adherence Agreements entered into by each of those Banks with its customers that are Users are also terminated, but without prejudice to the completion of any existing Smart Contracts in accordance with their terms or to the provisions of any Underlying Agreements.

### 10.4 Survival of terms and conditions

The following provisions of this Rulebook shall continue to apply to each User in respect of any activity undertaken by that User in respect of the we.trade Platform notwithstanding the termination of that User's Adherence Agreement:

- (a) Articles 2.2.1, 2.2.2, 2.2.4, 4.5.2, 4.7.3, 4.8 and Article 6 -, and Annexes 1, 2, 3 and 4, but only insofar as those provisions relate to any Surviving Trader Smart Contracts or Surviving Bank Smart Contracts, until such time as those Smart Contracts complete or terminate;
- (b) Article 7 – (Records);
- (c) Article 8 – (Confidentiality, Data Protection and Privacy);
- (d) Article 11 – (Dispute Resolution).
- (e) Article 12.1 (Partial Invalidity);
- (f) Article 12.5 (Notices);
- (g) Article 12.7 (No Partnership or Agency); and
- (h) Article 12.10 (Governing law).

## ARTICLE 11 – DISPUTE RESOLUTION

11.1 In the event of any dispute between any Users arising from or in relation to any Smart Contract Data Set or any Bank Product, or otherwise in relation to the operation and use of this Rulebook or the we.trade Platform (each, a Dispute), shall be resolved in accordance with the provisions of this Article 11 -. For the avoidance of doubt, a **Dispute** shall not include any enquiries, technical issues or other forms of complaints which are capable of being resolved by any support management process put in place on the we.trade Platform by the Service Provider.

### Disputes between Traders and Banks

11.2 In the event that a Trader identifies a Dispute, or a potential Dispute, with a Bank, that Trader shall raise that Dispute directly with its Enrolling Bank.

11.3 In the event that a Bank identifies a Dispute, or a potential Dispute, with a Trader that was Enrolled by that Bank, the Bank shall raise that Dispute directly with the relevant Enrolled Trader.

11.4 For any Dispute arising in the circumstances described in Articles 11.2 or 11.3, the Dispute or potential Dispute shall be handled in the usual way that the relevant Bank handles other forms of complaints or disputes with its customers and in accordance with the terms of the relevant Customer Agreement (including, where applicable, the Customer Adherence Rules).

### Disputes between Traders and between Traders and Banks

11.5 Subject to Article 11.6, any Dispute between Traders shall be resolved outside the we.trade Platform, including, for the avoidance of doubt, any Dispute relating to the Underlying Agreements.

11.6 In the event of any Dispute between Traders or between a Trader and a Bank other than its Enrolling Bank which, in each case, relates to a breach of any provision of this Rulebook the following process shall apply:

11.6.1 each Trader shall provide notice in writing to their Enrolling Bank (the **Notifying Bank**) of the Dispute, which notification shall set out in reasonable detail the nature of the Dispute (with sufficient detail to allow the Notifying Bank to understand the subject matter of the Dispute, the reasons for the Dispute and any relevant background information);

11.6.2 the Notifying Bank shall then provide notice in writing to the other Bank of the Dispute (the **Respondent Bank**) as soon as reasonably practicable, and in any event within 5 Banking Business Days, which notice shall include the information set out in Article 11.6.1;

11.6.3 upon receipt of the notice described in Article 11.6.2, the Respondent Bank shall be entitled to inform any of its Traders involved in, or relevant to, that Dispute (subject to compliance with all applicable laws, including in respect of data protection and confidentiality);

11.6.4 the Notifying Bank and the Respondent Bank shall engage in discussions in respect of the Dispute with a view to agreeing a resolution to the Dispute as soon as reasonably practicable and in any event within 20 Banking Business Days of the date on which the Respondent Bank received notice of the Dispute in accordance within Article 11.6.2 (the Dispute Resolution Period), and the Banks involved in such discussions shall engage with their respective Traders as required for the purposes of those discussions;

11.6.5 if a solution is identified and agreed in relation to the Dispute in accordance with Article 11.6.4 during the Dispute Resolution Period, the relevant parties involved in the Dispute shall implement that solution in accordance with its agreed terms. However, if, following the Dispute Resolution Period, no solution has been agreed between the Notifying Bank and the Respondent Bank (including on behalf of their respective Traders): any of those parties involved in discussions during the Dispute Resolution Period may, within 5 Banking Business Days of the expiry of the Dispute Resolution Period, escalate the Dispute to an independent third-party expert selected by it (the Independent Expert). The Independent Expert shall be a person who has sufficient expertise in the area under Dispute (such as information technology, computer science, finance, legal and accounting) with at least 10 years of professional experience in such area. The Independent Expert shall consider the Dispute and shall assist the rel-

evant parties in engaging in further discussions for an additional period of 20 Banking Business Days from the date of the appointment of the Independent Expert (the Further Dispute Resolution Period), with a view to identifying and implementing a way in which to resolve the Dispute; and

11.6.6 if a solution is identified and agreed in relation to the Dispute in accordance with Article 11.6.5 during the Further Dispute Resolution Period, the relevant parties involved in the Dispute shall implement that solution in accordance with its agreed terms. However, if, following the Further Dispute Resolution Period, no solution has been agreed between the Notifying Bank and the Respondent Bank (including on behalf of their respective Traders), the Dispute shall be finally resolved by arbitration under the Rules of Arbitration and Conciliation of the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (the **Vienna Rules**), in Vienna, Austria conducted in English by three arbitrators (the **Arbitrators**), appointed pursuant to the Vienna Rules, provided that:

(a) unless the parties to the Dispute agree otherwise, neither shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the Dispute; and

(b) the Arbitrators shall be selected as follows:

(i) the Notifying Bank or the relevant Trader that was Enrolled by the Notifying Bank shall select one Arbitrator at its discretion;

(ii) the Respondent Bank or the relevant Trader that was Enrolled by the Respondent Bank shall select one Arbitrator at its discretion; and

(iii) the final Arbitrator shall be selected in accordance with the Vienna Rules; and

(c) the arbitral tribunal is authorised to carry out certain parts of the proceedings, for example meetings, hearing of witnesses, out-of-court viewings and the like, outside of Vienna, if the Arbitrators so determine. The place of arbitration shall not be changed as a consequence thereof.

11.6.7 Each User irrevocably submits to the non-exclusive jurisdiction of the courts of England to support and assist the arbitration process pursuant to Article 11.6.6, including if necessary the grant of interlocutory relief pending the outcome of that process.

### Disputes between Banks

11.7 The provisions of Article 11.6 shall apply mutatis mutandis in respect of any Dispute or potential Dispute that arises between any Banks which relates to a breach of any provision of this Rulebook, provided that:

11.7.1 no notice shall be required from a Trader in order to commence the dispute resolution process on the basis described in Article 11.6 and instead the Bank that identifies a Dispute or a potential Dispute shall be the Notifying Bank for the purposes of Article 11.6 and shall be required to notify the Respondent Bank of such Dispute or potential Dispute directly; and

11.7.2 there shall be no obligation for any Bank to consult with its Traders in respect of the relevant Dispute.

11.8 For the avoidance of doubt, this Article 11 -shall not apply to resolve any disputes arising in connection with any Customer Agreement (including any Customer Adherence Rules), any Underlying Agreement or any Licence and Services Agreement.

11.9 Notwithstanding any other provisions in this Rulebook, if we.trade becomes involved in a Dispute (whether as a party to the Dispute or otherwise) at the request of a User, such User (or its Enrolling Bank, if applicable) shall reimburse we.trade for any reasonable out-of-pocket expenses incurred by we.trade in connection with its involvement in such Dispute.

## ARTICLE 12 – MISCELLANEOUS

### 12.1 Partial Invalidity

If any provision of this Rulebook is held to be invalid, illegal or unenforceable by any competent court, tribunal or regulatory body, such invalidity, illegality or unenforceability shall attach only to that provision, and:

- (a) the validity, legality or enforceability of the remaining provisions shall not be affected, and this Rulebook shall apply as if such invalid, illegal or unenforceable provisions had not been included;
- (b) the validity, legality or enforceability in any other jurisdiction of the offending or any other provision shall not be affected.

### 12.2 Use of third parties to carry out obligations of a User

The obligations of a User under this Rulebook may be performed on behalf of that User by any director, officer, employee, agent, contractor, consultant, representative or affiliate of, that User. In doing so the User remains responsible for its obligations under this Rulebook.

### 12.3 Force Majeure

- 12.3.1 If a Force Majeure Event arises, we.trade shall (to the extent it is aware of the same) inform the Enrolling Banks, and the Enrolling Banks shall then inform their respective Traders.
- 12.3.2 If an Enrolling Bank becomes aware of a Force Majeure Event prior to receiving notification of the same from we.trade, that Enrolling Bank shall notify we.trade as soon as reasonably practicable so as to allow we.trade to inform each other Enrolling Bank in accordance with Article 12.3.1.
- 12.3.3 If a Trader becomes aware of a Force Majeure Event prior to receiving notification of the same from its Enrolling Bank, that Trader shall notify its Enrolling Bank as soon as reasonably practicable so as to allow its Enrolling Bank to inform we.trade in accordance with Article 12.3.2.
- 12.3.4 Upon a Force Majeure Event, any Smart Contract affected by the availability of the we.trade Platform will be suspended for a period of seven calendar days following the date of the Force Majeure Event (the **Suspension Period**), and each User that is party to or interested in that Smart Contract (each, an **Affected Person**) shall not be in breach of this Rulebook or otherwise liable for any failure or delay in the performance of any Smart Contract as a result of that suspension.
- 12.3.5 If the Force Majeure Event is ongoing for a continuous period that extends beyond the expiry of the Suspension Period, the Affected Persons shall cease to use the Smart Contracts in respect of the relevant Transactions and shall instead continue with the Transactions outside the we.trade Platform in accordance with the terms of the Underlying Agreements. The Smart Contracts shall thereafter expire on the Expiry Date.
- 12.3.6 The provisions of Article 12.3.5 shall operate without prejudice to the rights of the Users or we.trade in respect of any breach of any Smart Contract, this Rulebook, any Customer Agreement (including any Customer Adherence Rules) or any Licence and Services Agreement occurring prior to the Force Majeure Event or the expiry of the Suspension Period.
- 12.3.7 Any expiry of the affected Smart Contracts pursuant to this Article 12.3 shall occur without prejudice to the Underlying Agreements and, for the avoidance of doubt, nothing in this Article 12.3 shall operate to waive, modify or amend any obligations of any User pursuant to an Underlying Agreement.

### 12.4 Banking Business Days

Any payment under any Smart Contract, or any BPU or any Auto-Settlement relating to such a Smart Contract, which is due to be made on a day that is not a Banking Business Day shall be made on the next Banking Business Day.

### 12.5 Notices

12.5.1 Any User that is a Trader shall give notice:

- (a) to its Enrolling Bank in accordance with the terms of its Customer

Agreement, including in circumstances where that Trader wishes to raise a concern in respect of we.trade itself or the operation of the we.trade Platform; or

- (b) to any other Trader by means of a Notification sent via the we.trade Platform.

12.5.2 Any User that is an Enrolling Bank shall give notice:

- (a) to we.trade in accordance with the terms of its Licence and Services Agreement entered into with we.trade; or
- (b) to any of its Traders in accordance with the terms of its Customer Agreement.

12.5.3 we.trade shall give notice to any Enrolling Banks in accordance with the terms of its Licence and Services Agreement entered into with the relevant Enrolling Bank, but provided that we.trade may also give general notices to all Users of the we.trade Platform by publishing such notices on www.we-trade.com.

### 12.6 Assignment and other dealings

12.6.1 Subject to Article 12.6.2, Users shall not assign, transfer, mortgage, charge, declare a trust over or deal in any other manner with any of its rights and obligations under this Rulebook.

12.6.2 Article 12.6.1 shall not prevent the assignment of a BPU in accordance with this Rulebook.

### 12.7 No Partnership or Agency

12.7.1 Nothing in this Rulebook is intended to, or shall be deemed to, establish any partnership or joint venture between any Users, constitute any User the agent of another User, or authorise any User to make or enter into any commitments for or on behalf of any other User.

12.7.2 Each User confirms it is acting on its own behalf and not for the benefit of any other person.

### 12.8 Compliance with laws

No Trader or Enrolling Bank, nor we.trade, shall be required to comply with its obligations under this Rulebook if it would be restricted from doing so under any applicable law or regulatory requirement (including its obligations under competition and antitrust laws), but shall be required to inform the other parties to a Transaction of such non-compliance with its obligations under the Rulebook.

### 12.9 Losses

No User shall be liable pursuant to any claim under or for any breach of this Rulebook for any indirect or consequential losses (save if and to the extent such claim or losses arise or are increased as a result of fraud by or on behalf of that User).

### 12.10 Governing law

This Rulebook, and any non-contractual obligations arising out of or in connection with it, is governed by and shall be construed in accordance with the laws of England.

### 12.11 Electronic formats

Each User agrees that:

- (a) words in an electronic form shall be deemed to be »writing« for the purposes of all applicable legislation where »writing« is required;
- (b) words in an electronic form shall be deemed to be »signed« for the purposes of all applicable legislation where a »signature« is required; and
- (c) electronic evidence shall be admissible in any arbitration, court or other quasi-judicial proceedings between any Users.

### 12.12 Dispute resolution

Any Dispute shall be resolved in accordance with the provisions of Article 11 -.

## ANNEX 1: TERMS AND CONDITIONS RELATING TO AUTO-SETTLEMENT

### 1. SUPPLEMENTAL DEFINITIONS

In addition to the defined terms and rules for interpretation set out in Article 1 -, which apply to this Annex, the following terms shall have the following meanings in this Annex:

**Auto-Settlement** means an arrangement pursuant to which the Buyer's Bank agrees to make payment to a Seller in relation to a Transaction on receipt of an Auto-Settlement Notification on or before the Expiry Date.

**Auto-Settlement Notification** means a Notification based on the terms of a Smart Contract Data Set and generated automatically by the we.trade Platform on satisfaction of the Settlement Conditions of a Smart Contract on the Payment Execution Date.

### 2. SCOPE AND APPLICATION OF THIS RULEBOOK

- 2.1 The terms and conditions set out in this Annex apply to the provision of Auto-Settlement services by Banks in addition to the terms and conditions set out in Article 1 – to Article 12 – of this Rulebook.
- 2.2 Auto-Settlement is a product that may be offered by a Bank to Traders that are its customers in its sole discretion and on any such additional terms that it chooses and agrees with any Traders pursuant to the relevant Customer Agreement (including the fees that a Bank may charge for the Auto-Settlement product), and the terms of any Auto-Settlement shall be governed by the relevant terms and conditions for such Auto-Settlement as set out in those Customer Agreements.
- 2.3 For the avoidance of doubt, any payment transactions would be made or initiated solely via the systems of the relevant Banks and processed between Banks via their existing payment systems.
- 2.4 The Rulebook, any Smart Contract and any Auto-Settlement relating to such a Smart Contract, and reflected on the we.trade Platform in accordance with this Rulebook, shall not be treated as having amended, waived or overridden:
  - (a) any terms of any Customer Agreement between a Trader and its Enrolling Bank insofar as any Trader or Enrolling Bank seeks to enforce such terms of its Customer Agreement against its counterparty; or
  - (b) any terms of an Underlying Agreement.

### 3. APPLICATION OF AUTO-SETTLEMENT

- 3.1 A Buyer may only be provided Auto-Settlement from its Enrolling Bank if that Buyer has a Customer Agreement in place with that Buyer's Bank that allows Auto-Settlement.
- 3.2 Where a Buyer generates or accepts the Smart Contract Data Set for the relevant Smart Contract pursuant to Article 4 – of the Rulebook, and a Confirmed Smart Contract Data Set is created, Auto-Settlement is automatically selected on the we.trade Platform (as the default option) if the Buyer did not request that its Bank issues a Bank Payment Undertaking in relation to the Confirmed Smart Contract Data Set.
- 3.3 By allowing Auto-Settlement to be selected in relation to a Confirmed Smart Contract Data Set, the Buyer irrevocably authorises the Buyer's Bank to deduct the Indicated Amount (as specified in the Confirmed Smart Contract Data Set that forms the Smart Contract) from the Buyer's Bank Account or any other account agreed in writing between the Buyer and the Buyer's Bank pursuant to the Customer Agreement and to make payment to the Seller or to the Seller's Bank on the Payment Date, provided that the Buyer's Bank has received the relevant Auto-Settlement Notification, without further consultation of the Buyer. The Buyer's Bank shall not be required to amend such Indicated Amount, save to the extent that such Indicated Amount has been amended in the Smart Contract Data Set in accordance with the provisions of Article 4 -of the Rulebook.

### 4. THE BUYER'S BANK ROLE IN RELATION TO AUTO-SETTLEMENT

- 4.1 Subject to paragraphs 3 and 4.2 of this Annex, if a Buyer's Bank receives an Auto-Settlement Notification via the we.trade Platform, it shall pay the Indicated Amount to the Seller or the Seller's Bank so that the Seller or the Seller's Bank receives the funds in question on the Payment Date.
- 4.2 The inclusion of Auto-Settlement within a Smart Contract Data Set does not place the Buyer's Bank under any obligation to either the Seller or the Seller's Bank to make any payment in relation to the relevant Smart Contract (or the related Underlying Agreement):
  - (a) if:
    - (i) there are not sufficient funds in the Buyer's Bank Account; or

- (ii) the Buyer's Bank has not received sufficient funds or other arrangements satisfactory to the Buyer's Bank are in place in relation to the reimbursement of the Buyer's Bank by the Buyer,

to make such payment; or

- (b) the Buyer's Bank considers that it is not permitted by applicable law and regulation to execute the payment instruction.
- 4.3 As part of the process to generate an Auto-Settlement Notification and define the terms of the Auto-Settlement by reference to the Smart Contract Data Set, the Settlement Conditions for the Smart Contract must be specified pursuant to Article 4 – of the Rulebook (as satisfaction of those Settlement Conditions will then trigger the Auto-Settlement Notification and Payment Date, and the obligations of the Buyer's Bank under the relevant Auto-Settlement). The Settlement Conditions selected by the Traders forming the Smart Contract may be any one of the following three options (or such other option as set out in the User Manual from time to time):

- (a) **Trade Terms only:** Within the we.trade Platform, this means that the only Settlement Condition will be »Trade Terms Agreed«, i.e. the Settlement Conditions will be met once the terms of the transaction have been agreed through the Underlying Agreement. No additional conditions relating to issuance of the relevant invoice or delivery of the relevant goods or services will apply.
- (b) **Invoice only:** Within the we.trade Platform, this means that the Settlement Condition will be: »Invoice Data Confirmed by Seller« or »Invoice Accepted by Buyer«, i.e. the Settlement Condition will be met once the invoice data has been confirmed by the Seller or the invoice itself has been accepted by the Buyer. No additional conditions relating to delivery of the relevant goods will apply.
- (c) **Invoice and Delivery:** Within the we.trade Platform, this means that the Settlement Conditions will be:
  - (i) »Invoice Data Confirmed by Seller« and/or »Invoice Accepted by Buyer«; and
  - (ii) »Delivery Confirmed by Buyer« or »Delivery Confirmed by Transport API« or »Delivery Confirmed by Seller«, i.e. the Settlement Conditions will be met once the invoice data has been confirmed by the Seller or the invoice itself has been accepted by the Buyer and the relevant specified delivery condition has been met.

4.4 For the purposes of the Rulebook, each Settlement Condition that may be selected by Traders when generating the Smart Contract has the following meaning (or such meaning given to such terms in the User Manual from time to time):

- (a) **Trade Terms Agreed** means that the Buyer and Seller have agreed terms of the trade transaction and confirmed the same on the we.trade Platform.
- (b) **Invoice Data Confirmed by Seller** means that the Seller confirms the invoice data and enters the invoice issuance date and the invoice number on the we.trade Platform.
- (c) **Invoice Accepted by Buyer** means that the Buyer has reviewed the Invoice Data Confirmed by Seller and accepts the data on the we.trade Platform. The acceptance of the invoice by the Buyer on the we.trade Platform shall mean an irrevocable acceptance of the related invoice by the Buyer and the Buyer has waived any and all exceptions and/or any right of set-off that would allow or enable it to refrain from paying at maturity to the Seller.
- (d) **Delivery Confirmed by Buyer** means, in respect of Incoterms DDP / DAP, that the Buyer has confirmed delivery on the we.trade Platform or has optionally entered shipment/transport reference numbers.
- (e) **Delivery Confirmed by Seller** means, in respect of Incoterms EXW / FCA, that the Seller has confirmed delivery on the we.trade Platform or has optionally entered shipment/transport reference numbers.
- (f) **Delivery Confirmed by Transport API** means that a Transport API verifies shipment / transport reference number using the After Ship Site or other third party information supplier sites and confirms the validity of the shipment / transport until destination. For the avoidance of doubt, this verification does not confirm the mode of shipment of goods, the quality of goods or any other details of the relevant shipment. In order to specify this as a Settlement Condition, the relevant User that arranged the transport must provide to the we.trade Platform as part of the Smart Contract Data Set the tracking ID of the relevant Transport API, and the transporter must be supported by the After Ship track and trace system or other third party information supplier's track and trace system.

## ANNEX 2: TERMS AND CONDITIONS RELATING TO BANK PAYMENT UNDERTAKINGS

### 1. SUPPLEMENTAL DEFINITIONS

In addition to the defined terms and rules for interpretation set out in Article 1, which apply to this Annex, the following terms shall have the following meanings in this Annex:

**Automatically Permitted Amendment** means, in relation to a BPU, any amendment to the Total Price within the Total Price Tolerance (including any amendment to freight charges, unit price, tax or other charges provided it remains within the Total Price Tolerance), the IBAN details for the BPU Applicant or BPU Beneficiary, the pick-up location (other than the jurisdiction of such pick-up location), the drop-off location (other than the jurisdiction of such drop-off location), the last shipment date, the product type or the product code.

**Bank Payment Undertaking** or **BPU** means an irrevocable undertaking given by a Buyer's Bank, at the request of a Buyer, to make a payment to, or at the direction of, a BPU Beneficiary in relation to a Transaction in the event that all Settlement Conditions are satisfied on or before the Expiry Date.

**BPU Applicant** means a Buyer that requests the Issuance of BPU by its Enrolling Bank in accordance with the terms of the relevant Customer Agreement between that Buyer and its Buyer's Bank.

**BPU Assignee** means the Seller's Bank to which the rights under a BPU have been assigned.

**BPU Beneficiary** means the User that is the beneficiary of a BPU, which may be the BPU Seller or a BPU Assignee.

**BPU Force Majeure Event** means a force majeure event in respect of a BPU, which for the purposes of this Rulebook means the interruption of the BPU Issuing Bank's business caused by a failure of equipment, software or communications network, acts of God, riots, civil commotions, insurrections, wars, acts of terrorism, or by any strikes or lockouts or any other causes beyond its control.

**BPU Issuing Bank** means a Buyer's Bank that issues a BPU in accordance with the terms of this Annex.

**BPU Party** means a BPU Applicant, a BPU Issuing Bank or a BPU Beneficiary.

**BPU Request Notification** has the meaning set out in paragraph 4.3 of this Annex.

**BPU Seller** means the Seller in a Smart Contract in relation to which a BPU is issued.

**Issuance** means the registration on the we.trade Platform of the issuance of a BPU.

### 2. SCOPE AND APPLICATION OF THIS RULEBOOK

- 2.1 The terms and conditions set out in this Annex apply to the Issuance on the we.trade Platform of Bank Payment Undertakings by Banks, in addition to the terms and conditions set out in Article 1 – to Article 12 – of this Rulebook.
- 2.2 The Bank Payment Undertaking is a product that may be offered by a Bank to its Customers in its sole discretion and therefore may not be offered by all Banks. As between a Bank and any Trader that is its customer, a Bank may choose to make the BPU available to that Trader as a Bank Product on any such terms that it may agree with any Traders pursuant to the relevant Customer Agreement (including the fees that a Bank may charge for the BPU product) provided, however, that the Bank Payment Undertaking issued via the we.trade Platform shall be issued subject to and in accordance with the terms set out in this Annex.
- 2.3 For the avoidance of doubt, any payment transactions would be made or initiated solely via the systems of the relevant Banks and processed between Banks via their existing payment systems.

### 3. RELATIONSHIP TO UNDERLYING AGREEMENT AND CUSTOMER AGREEMENTS

- 3.1 Any Bank Payment Undertaking issued by a BPU Issuing Bank shall be separate and independent from the Underlying Agreement to which the Bank Payment Undertaking may relate and the BPU Issuing Bank shall not be in any way concerned with or bound by such Underlying Agreement in respect of its Bank Payment Undertaking.
- 3.2 The Buyer shall not be entitled to challenge the validity and enforceability of a Bank Payment Undertaking, and any obligations of the Buyer in connection with that Bank Payment Undertaking owed to the BPU Issuing Bank or any

other party, by raising or alleging any claim or defence arising from or in connection with any Underlying Agreement or any other arrangement (contractual or otherwise) between the Buyer and the Seller, including (but not limited to) any rights of set-off.

- 3.3 A BPU Beneficiary is not party to, and shall not be permitted to enforce or claim any rights in respect of, any Customer Agreement existing between the BPU Applicant and the BPU Issuing Bank, other than to the extent that such Customer Agreement expressly provides as such.
- 3.4 The Rulebook, any Smart Contract and any BPU relating to such a Smart Contract and reflected on the we.trade Platform in accordance with this Rulebook shall not be treated as having amended, waived or overridden:
  - (a) any terms of any Customer Agreement between a Trader and its Enrolling Bank insofar as any Trader or Enrolling Bank seeks to enforce such terms of its Customer Agreement against its counterparty; or
  - (b) any terms of an Underlying Agreement.

However, in the event of any inconsistency between any BPU, the terms of any Customer Agreement and the terms of any Underlying Agreement, the BPU shall remain unconditional in accordance with this Annex.

### 4. REQUEST AND ISSUANCE OF BANK PAYMENT UNDERTAKINGS

- 4.1 A BPU Applicant may only request that a Buyer's Bank issues a Bank Payment Undertaking for the benefit of a BPU Beneficiary if that BPU Applicant has a Customer Agreement in place with that Buyer's Bank that provides for the issuance of Bank Payment Undertakings.
- 4.2 Where a BPU Applicant wishes to request that a Buyer's Bank issues a BPU it shall generate a request to that Buyer's Bank for Issuance of a BPU at the same time as the BPU Applicant generates, amends or accepts the Smart Contract Data Set for the relevant Smart Contract pursuant to Article 4 – of the Rulebook (the **BPU Request**). Such BPU Request shall be generated by the BPU Applicant via the Buyer's Bank's systems in accordance with the terms of its Customer Agreement and shall then be transmitted to the we.trade Platform.
- 4.3 Where a BPU Applicant has generated a BPU Request, a Notification will be sent to the Buyer's Bank to make that Buyer's Bank aware of the request for the BPU and the terms of the requested BPU by reference to the Smart Contract Data Set (a **BPU Request Notification**), but provided that the BPU Request shall become final, and capable of acceptance by that Buyer's Bank, only once there is a Confirmed Smart Contract Data Set and a Smart Contract has been agreed.
- 4.4 Following receipt of a BPU Request Notification and agreement of the Confirmed Smart Contract Data Set, a Buyer's Bank may, but shall not be obliged to, issue a BPU at the request of a BPU Applicant by confirming its acceptance of the BPU Request and registering the Issuance of the BPU on the we.trade Platform.
- 4.5 Where a BPU is issued through the we.trade Platform in accordance with the terms of this Rulebook, the following shall apply:
  - (a) this Annex shall be incorporated by reference into the BPU by the Buyer's Bank confirming, when it accepts the BPU Request and registers the Issuance of the BPU on the we.trade Platform, that this Annex shall apply in respect of the BPU;
  - (b) the Confirmed Smart Contract Data Set for the Underlying Agreement to which the BPU relates (in the form of the Confirmed Smart Contract Data Set that exists as at the date of the Issuance of the BPU) shall be incorporated by reference to form the variable terms of the BPU; and
  - (c) each User that is a BPU Party agrees that such incorporation of this Annex and the Confirmed Smart Contract Data Set shall be effective as between the relevant Users such that those terms and conditions of the BPU are binding upon the BPU Parties and each such User shall take any steps as may be required to recognise and enforce the BPU on such terms.
- 4.6 The provisions of Article 9.1 of the Rulebook shall apply mutatis mutandis in respect of any proposed amendment to this Annex.
- 4.7 Immediately on Issuance of a BPU, the BPU Applicant and the BPU Seller will be sent Notifications notifying them of the Issuance and its registration on the we.trade Platform.
- 4.8 If the Buyer's Bank does not wish to issue a BPU in relation to a BPU Request Notification, it shall generate a rejection of the BPU, and a Notification will then be sent via the we.trade Platform to the relevant BPU

Applicant confirming the rejection (a **Rejection Notification**) no later than one Banking Business Day after receipt of the relevant BPU Request Notification and agreement of the Confirmed Smart Contract Data Set.

- 4.9 For the avoidance of doubt, if a Buyer's Bank fails to send a Rejection Notification within the specified time limit set out in paragraph 4.8, that Buyer's Bank shall be deemed to have rejected the BPU Request Notification and shall not be obliged to issue any BPU.
- 4.10 As part of the process to generate a BPU Request and define the terms of the requested BPU by reference to the Smart Contract Data Set in accordance with paragraph 4.5 above, the Settlement Conditions for the Smart Contract must be specified pursuant to Article 4 – of the Rulebook (as satisfaction of those Settlement Conditions will then trigger the calculation of the Payment Date). The Settlement Conditions selected by the Traders forming the Smart Contract may be any one of the following three options (or such other option as set out in the User Manual from time to time):
- (a) **Trade Terms only:** Within the we.trade Platform, this means that the only Settlement Condition will be »Trade Terms Agreed«, i.e. the Settlement Conditions will be met once the terms of the transaction have been agreed through the Underlying Agreement. No additional conditions relating to issuance of the relevant invoice or delivery of the relevant goods will apply.
- (b) **Invoice only:** Within the we.trade Platform, this means that the Settlement Condition will be: »Invoice Data Confirmed by Seller« or »Invoice Accepted by Buyer«, i.e. the Settlement Conditions will be met once the invoice data has been confirmed by the Seller or the invoice itself has been accepted by the Buyer. No additional conditions relating to delivery of the relevant goods or services will apply.
- (c) **Invoice and Delivery:** Within the we.trade Platform, this means that the Settlement Conditions will be:
- (i) »Invoice Data Confirmed by Seller« and/or »Invoice Accepted by Buyer«; and
- (ii) »Delivery Confirmed by Buyer« or »Delivery Confirmed by Transport API« or »Delivery Confirmed by Seller«,
- i.e. the Settlement Conditions will be met once the invoice data has been confirmed by the Seller or the invoice itself has been accepted by the Buyer and the relevant specified delivery condition has been met.
- 4.11 For the purposes of this Annex 2, the meanings set out for each Settlement Condition in paragraph 4.4 of Annex 1 shall apply.

## 5. UNDERTAKING OF A BPU ISSUING BANK

- 5.1 By issuing a BPU in relation to a Smart Contract the BPU Issuing Bank irrevocably and unconditionally undertakes to pay to the BPU Beneficiary the Indicated Amount (as set out in the relevant Confirmed Smart Contract Data Set) such that it is received by the BPU Beneficiary on the Payment Date, subject to the receipt of a Notification via the we.trade Platform that all Settlement Conditions have been satisfied on or before the relevant Expiry Date.
- 5.2 Each BPU Issuing Bank further undertakes to each BPU Applicant and each BPU Beneficiary not to challenge the validity or admissibility of any BPU on the basis that it was made in electronic form or that it was created using the we.trade Platform.
- 5.3 The total amount due by a BPU Issuing Bank to a BPU Beneficiary shall not exceed the maximum amount within the Total Price Tolerance.
- 5.4 Performance of a BPU Issuing Bank's obligations under a BPU does not depend on its right or ability to obtain reimbursement from any other party.
- 5.5 A BPU remains in effect until the earliest to occur of the following:
- (a) the Smart Contract Data Set is terminated; or
- (b) the Total Price is amended to an amount that is outside the Total Price Tolerance; or

(c) the BPU has been fully paid in accordance with its terms.

## 6. DATA V DOCUMENTS, GOODS, SERVICES OR PERFORMANCE

A BPU Issuing Bank deals with data and not with documents or the goods, services or performance to which the data or documents may relate.

## 7. VALIDITY AND EXPIRY DATE OF A BPU

- 7.1 Unless all Settlement Conditions are satisfied in full, a BPU in relation to a Smart Contract will expire at 23:59 (by reference to the time zone for the Smart Contract) on the Expiry Date of the relevant Smart Contract, and a Notification shall be sent by the we.trade Platform to the BPU Issuing Bank and to the BPU Applicant and BPU Beneficiary immediately following such expiry.
- 7.2 If all Settlement Conditions have been satisfied in full before a BPU expires in accordance with paragraph 7.1, that BPU shall remain valid until and including the Payment Date.

## 8. AMENDMENT OF BPUS

- 8.1 The terms of a BPU may not be amended other than in accordance with this paragraph 8.
- 8.2 In order to amend a BPU issued through the we.trade Platform, the following steps must be taken:
- (a) amendments shall be agreed between the relevant Users in respect of a Confirmed Smart Contract Data Set to which the BPU relates;
- (b) the BPU Applicant shall then generate and transmit to the we.trade Platform the amended Confirmed Smart Contract Data Set which (subject to the terms of this paragraph 8) is intended to replace the existing Confirmed Smart Contract Data Set forming part of the terms of the BPU pursuant to paragraph 4.5 (the **Modified BPU Terms**);
- (c) the we.trade Platform will then automatically send a Notification of the Modified BPU Terms to the BPU Issuing Bank and the BPU Beneficiary;
- (d) either:
- (i) where the Modified BPU Terms comprise only Automatically Permitted Amendments, no consent shall be required from the BPU Issuing Bank once Notification of such Modified BPU Terms has been sent in accordance with paragraph 8.2(c), and accordingly the BPU Issuing Bank undertakes to accept the Modified BPU Terms ; or
- (ii) where the Modified BPU Terms comprise any amendment other than an Automatically Permitted Amendment, the BPU Issuing Bank shall consider the Modified BPU Terms, and if it agrees, indicate its acceptance on the we.trade Platform by submitting its acceptance to the we.trade Platform, in which case Notification of the acceptance will be sent to the BPU Applicant and the BPU Beneficiary, and the Modified BPU Terms will then be reflected on the we.trade Platform and, with immediate effect from such acceptance, shall form part of the BPU.
- 8.3 For the avoidance of doubt, this paragraph 8 shall not operate to amend, vary, terminate or otherwise waive any rights under any Customer Agreement pursuant to which the BPU has been issued.

## 9. FORCE MAJEURE

- 9.1 A BPU Issuing Bank assumes no liability or responsibility for the consequences arising out of a BPU Force Majeure Event.
- 9.2 Notwithstanding the provisions of paragraph 9.1, a BPU Issuing Bank will, upon resumption of its business, remain liable to fulfil its payment obligations under the BPU if the Settlement Conditions that apply in respect of that BPU have been or are satisfied, notwithstanding that the Expiry Date for the relevant BPU fell during the period in which the business of that BPU Issuing Bank was interrupted.
- 9.3 For the avoidance of doubt, a BPU issued by a Bank shall not be affected by, and shall remain fully in force in the event of, any

Force Majeure Event (as described in Article 12.3 of the Rulebook), save to the extent that such Force Majeure Event comprises a BPU Force Majeure Event, in which case the provisions of paragraph 9.1 shall apply.

## 10. DISCLAIMER ON EFFECTIVENESS OF DATA

A BPU Issuing Bank does not assume any liability or responsibility for: (a) the source, accuracy, genuineness, falsification or legal effect of any data received from the Buyer or Seller; (b) the documents, or the description, quantity, weight, quality, condition, packing, delivery, value or existence of the goods, services or other performance, to which such data relates; or (c) the good faith or acts or omissions, solvency, performance or standing of the consignor, carrier, forwarder, consignee or insurer of the goods or any other person referred to in any data.

## ANNEX 3: BPU FINANCING

### 1. SUPPLEMENTAL DEFINITIONS

In addition to the defined terms and rules for interpretation set out in Article 1 of this Rulebook, which apply to this Annex, the following terms shall have the following meanings in this Annex:

**BPU Assignee** means an Enrolling Bank to which the rights under a BPU have been assigned by a Trader that is a customer of that Enrolling Bank in accordance with this Annex.

**BPU Financing** means a financing arrangement entered into between a BPU Beneficiary (that is an Enrolled Trader) and its Enrolling Bank in connection with a BPU issued to that BPU Beneficiary in accordance with Annex 2 of this Rulebook.

**BPU Standard Form Assignment** means the standard form of assignment, substantively in the form set out in Annex 6 of this Rulebook, to be agreed between an Enrolling Bank and a Trader that is its customer to apply to any BPU Assignment, which each Enrolling Bank shall procure is effective to assign the rights under the relevant BPU.

### 2. BPU FINANCING

2.1 The terms and conditions set out in this Annex apply to BPU Financings by Banks, in addition to the terms and conditions set out in Article 1 – to Article 12 – of this Rulebook.

2.2 BPU Financing is a product that may be offered by a Bank to Traders that are that Bank's customers in its sole discretion and therefore may not be offered by all Banks. A Bank may choose to offer BPU Financing on any such terms that it may agree with any Traders pursuant to the relevant Customer Agreement (including the fees that a Bank may charge for the BPU Financing), and the terms of any BPU Financing shall be governed by the relevant terms and conditions for such BPU Financing as set out in those Customer Agreements, provided that each offer of BPU Financing to a Trader shall be made available to such Trader for at least the duration of the Minimum Financing Period. Such Customer Agreements relating to BPU Financing shall also determine the extent to which any Trader is required to inform its Bank of any amendments to the BPU that is the subject of the BPU Financing.

2.3 For the avoidance of doubt, any payment transactions in connection with a BPU Financing shall be made or initiated solely via the systems of the relevant Banks and processed between Banks via their existing payment systems.

### 3. ASSIGNMENT OF RIGHTS UNDER BPUS

3.1 The BPU Issuing Bank acknowledges that the BPU Beneficiary may agree a BPU Financing with its Enrolling Bank (the **BPU Assignee**) pursuant to and in accordance with the terms of the Customer Agreement between the BPU Beneficiary and the BPU Assignee, and that such BPU Financing will require the assignment or transfer of the BPU Beneficiary's rights in respect of the BPU to that BPU Assignee.

3.2 The rights of a BPU Beneficiary in relation to a BPU may be assigned or otherwise transferred only in accordance with the terms of the BPU and this Annex 3 for the purposes of BPU Financing. The rights of a BPU Beneficiary in relation to a BPU may not otherwise be assigned or transferred.

## 11. GOVERNING LAW OF THE BPU

The governing law of the BPU shall be English law.

3.3 Subject to compliance at all times with the terms of the BPU, a BPU Beneficiary may assign its rights pursuant to a BPU to a BPU Assignee (a **BPU Assignment**) as follows:

- (a) the BPU Beneficiary shall request through the BPU Assignee's systems a BPU Financing in respect of a particular BPU, with such request to be transmitted via the BPU Assignee's systems to the we.trade Platform and a Notification subsequently sent to the BPU Assignee (a **BPU Financing Request**);
- (b) at any time on or before the Expiry Date, if all the Settlement Conditions in respect of the relevant Confirmed Smart Contract Data Set are satisfied, a Notification of such satisfaction of Settlement Conditions shall be automatically sent by the we.trade Platform to the BPU Assignee;
- (c) if the BPU Assignee wishes to accept such BPU Financing Request, it may either:
  - (i) provide a pre-approval to the BPU Financing Request conditional on the satisfaction of the Settlement Conditions in respect of the relevant Confirmed Smart Contract Data Set; or
  - (ii) submit its acceptance following the generation of the Notification in accordance with paragraph (b) above; and

in each case the BPU Assignee shall submit its acceptance via its own systems to the we.trade Platform (the **BPU Financing Processing**), in which case a Notification of such BPU Financing Processing will be automatically sent by the we.trade Platform to the BPU Beneficiary following the generation of the Notification in accordance with paragraph (b) above;

- (d) in addition to the Notification of BPU Financing Processing, the BPU Assignee shall also generate a Notification which shall constitute notice of the assignment of the BPU (and, for the avoidance of doubt, the parties agree that none of the Notifications generated pursuant to paragraphs 3.3(a), (b) or (c) shall constitute any such notice of assignment) and will contain the following text:

»[BPU Beneficiary] (the **»Assignor«**) hereby gives you notice that by an assignment dated [date of assignment] it has assigned to [BPU Assignee] (the **»Assignee«**) absolutely all of its rights, title and interest in and to the BPU. Accordingly, the Assignor hereby instructs you, with effect from the date of this notice, to pay all sums due under or in connection with the BPU to the Assignee.«

and such Notification shall be automatically sent by the we.trade Platform at the same time as the Notification of the BPU Financing Processing to the BPU Issuing Bank (the **BPU Assignment Notification**), following which the assignment of the BPU shall be reflected on the we.trade Platform insofar as it relates to the BPU Beneficiary and the BPU Assignee; and

- (e) at any time prior to the delivery of the BPU Assignment Notification to the BPU Issuing Bank in accordance with paragraph (d) above, the BPU Beneficiary shall assign the rights under the relevant BPU to the BPU Assignee, such assignment may be in the form of the BPU Standard Form Assignment and shall be executed and delivered outside the we.trade Platform in accordance with the requirements of the applicable governing law required to achieve an effective assignment of rights under that BPU; and

(f) on the Payment Execution Date, the BPU Assignee shall generate a Notification which will contain details of that BPU Assignee's bank account to which payment is to be made pursuant to the BPU by the BPU Issuing Bank and such Notification shall be automatically sent by the we.trade Platform to the BPU Issuing Bank.

3.4 With effect from the time at which the assignment of rights under a BPU takes effect in accordance with paragraph 3.3, the BPU Seller shall no longer have any right to payment in relation to the relevant BPU.

3.5 With effect from the receipt of a BPU Assignment Notification in accordance with this Annex 3, the BPU Issuing Bank shall be obliged to pay the amounts due under the BPU to the BPU Assignee in accordance with the terms of the BPU and paragraph 5 of Annex 2 (as if references within paragraph 5 of Annex 2 to the »BPU Beneficiary« were references to the »BPU Assignee«). The BPU Issuing Bank shall be entitled to rely upon the BPU Assignment Notification received by it pursuant to paragraph 3.3 as irrevocable confirmation of the assignment of the BPU Beneficiary's rights under the relevant BPU, without further enquiry of or confirmation from the BPU Beneficiary or the BPU Assignee, and acknowledges that such BPU Assignment Notification and receipt by the BPU Issuing Bank of such BPU Assignment Notification on the we.trade Platform shall be deemed an acknowledgement of such assignment of the BPU by the BPU Issuing Bank.

3.6 Where a BPU Assignment is agreed through the we.trade Platform, the following shall apply:

- (a) if agreed between the BPU Beneficiary and BPU Assignee, the assignment may be in the form of the BPU Standard Form Assignment, which shall be set out for each of the BPU Beneficiary and the BPU Assignee in the Customer Agreement between those parties, and be executed and delivered outside the we.trade Platform; and
- (b) each User agrees that a BPU Assignment shall be effective as between the relevant Users, and each User shall take any steps as may be required to recognise and enforce the BPU Assignment on such terms (provided that this shall apply in respect of the BPU Issuing Bank only if that BPU Issuing Bank has received a BPU Assignment Notification).

3.7 The BPU Beneficiary and the BPU Assignee shall each ensure that their respective books and records and the we.trade Platform reflect the BPU Assignment on the basis described in this Annex.

3.8 The BPU Assignee may cancel a pre-approved BPU Financing Request if no payment instruction has been effected pursuant to such BPU Financing Request at the time the relevant Settlement Conditions have been met.

#### 4. RECOURSE

The BPU Assignee shall only have recourse against the BPU Issuing Bank following the assignment of the BPU in accordance with this Annex. For the avoidance of doubt, this paragraph shall not prevent the BPU Issuing Bank from enforcing its rights against the BPU Applicant in accordance with any financing or other agreement which may exist from time to time between that BPU Issuing Bank and the BPU Applicant.

#### 5. CUSTOMER AGREEMENTS AND BPUS

5.1 Each Enrolling Bank shall ensure that the terms of each Customer Agreement and BPU between that Enrolling Bank and a Trader are consistent with the provisions of this Annex, insofar as this Annex relates to transfers of any BPUs as reflected on the we.trade Platform (provided that, for the avoidance of doubt, each Enrolling Bank shall otherwise retain full discretion in respect of the terms of its Customer Agreements including any fees or charges in relation thereto).

5.2 In particular, each Enrolling Bank shall procure that the terms of its Customer Agreements with Traders in respect of BPUs include an undertaking from each party that a BPU Assignment reflected on the we.trade Platform and effected in accordance with this Rulebook shall be recognised by each Enrolling Bank and each of its Traders as effective as an assignment of the rights under that BPU.

5.3 The provisions of paragraphs 3, 5, 6, 7 and 8 of Annex 2 shall apply in respect of any BPUs issued through the we.trade Platform, notwithstanding the transfer of any such BPUs pursuant to this Annex 3.

5.4 For the avoidance of doubt, the Settlement Conditions specified in a Confirmed Smart Contract Data Set to which a BPU relates shall continue to form part of, and apply to, any BPU that is the subject of a BPU Assignment pursuant to this Annex 3 unless and to the extent otherwise agreed in accordance with paragraph 8 of Annex 2.

## ANNEX 4: INVOICE FINANCING

### 1. SUPPLEMENTAL DEFINITIONS

In addition to the defined terms and rules for interpretation set out in Article 1 of this Rulebook, which apply to this Annex, the following terms shall have the following meanings in this Annex:

**Invoice Financing** means the purchase, or the commitment to purchase, by a Seller's Bank of an invoice that has been accepted by the Buyer in respect of a Transaction.

**Invoice Financing Acceptance** has the meaning given to it in paragraph 3.2 of this Annex 4.

### 2. INVOICE FINANCING

- 2.1 The terms and conditions set out in this Annex apply to Invoice Financings by Banks, in addition to the terms and conditions set out in Article 1 – to Article 12 – of this Rulebook.
- 2.2 Invoice Financing is a product that may be offered by a Bank to Traders that are that Bank's customers in its sole discretion and therefore may not be offered by all Banks. A Bank may choose to offer Invoice Financing on any such terms that it may agree with any Traders pursuant to the relevant Customer Agreement (including the fees that a Bank may charge for the Invoice Financing), and the terms of any Invoice Financing shall be governed by the relevant terms and conditions for such Invoice Financings as set out in those Customer Agreements, provided that each offer of Invoice Financing to a Trader shall be made available to such Trader for at least the duration of the Minimum Financing Period.
- 2.3 For the avoidance of doubt, any payment transactions in connection with an Invoice Financing shall be made or initiated solely via the systems of the relevant Banks and processed between Banks via their existing payment systems on behalf of the Seller and the Seller's Bank.

### 3. EXECUTION OF INVOICE FINANCING

- 3.1 A Seller may request an Invoice Financing from that Seller's Bank pursuant to and in accordance with the terms of the Customer Agreement between the Seller and the Seller's Bank, but provided that the Settlement Conditions set out in the Smart Contract Data Set agreed between the Traders include »Invoice Accepted by Buyer«.
- 3.2 The Seller may request an Invoice Financing from that Seller's Bank via the we.trade Platform as follows:
  - (a) the Seller shall request through the Seller's Bank's systems an Invoice Financing, with such request to be transmitted via the Seller's Bank's systems to the we.trade Platform and a Notification subsequently sent to the Seller's Bank, but provided that any request for an Invoice Financing must be made in accordance with the terms of relevant Customer Agreement;
  - (b) the Seller's Bank may then accept the request for the Invoice Financing by submitting its acceptance via its own systems to the we.trade Platform (the **Invoice Financing Acceptance**);
  - (c) upon receipt of the Invoice Financing Acceptance by the Seller, the existence of the Invoice Financing shall be reflected on the we.trade Platform; and
  - (d) following satisfaction of the Settlement Conditions specified in the relevant Smart Contract Data Set and the satisfaction of the terms of the relevant Customer Agreement between the Seller and the Seller's Bank, the Seller's Bank shall credit the bank account of the Seller with an amount

corresponding to (i) the discounted face value, or (ii) a percentage of the face value, in both cases of the invoice that is the subject of the Invoice Financing. Such amounts of the relevant invoice, including any charges relating to such discounting or the interests and charges relating to such financing, shall be calculated in accordance with and subject to the terms of the Customer Agreement in place between the Seller and the Seller's Bank.

- 3.3 An Invoice Financing shall not confer on the Seller's Bank any rights for the Seller's Bank to receive payment directly from the Buyer in connection with the relevant Smart Contract Data Set the subject of such Invoice Financing, but shall confer on the Seller's Bank the right to recover the agreed amount directly from the Seller's Bank Account held by that Seller's Bank in accordance with the terms of the Customer Agreement and the Invoice Financing.
- 3.4 There shall be no requirement for a Buyer to be informed of any Invoice Financing, and the Buyer shall remain obliged to pay any amounts due in respect of an invoice that is subject to Invoice Financing to the Seller's Bank Account held with the Seller's Bank.
- 3.5 Without prejudice to Articles 3.3 and 3.4 above, the Seller's Bank may at its full discretion enforce any rights it may have, and commence any actions or proceedings, against the Buyer outside the we.trade Platform as may be available to it pursuant to applicable law in relation to any Transactions in respect of which the Buyer has not fully complied with its obligations in accordance with the terms and conditions of this Annex 4 upon fulfilment of the Settlement Conditions.
- 3.6 The Seller and the Seller's Bank shall each ensure that their respective books and records and the we.trade Platform reflect the Invoice Financing on the basis described in this Annex.

### 4. RECOURSE

- 4.1 The Seller shall only have recourse against the Buyer for any non-payment in respect of an invoice that has been accepted by the Buyer in respect of a Transaction.
- 4.2 The Seller's Bank shall only have recourse against the Seller in respect of any Invoice Financing. For the avoidance of doubt, if and to the extent that the Seller has pledged, assigned or otherwise transferred its rights under the invoice that is the subject of the Invoice Financing to the Seller's Bank outside the we.trade Platform, this paragraph 4 shall not prevent the Seller's Bank from enforcing its rights against the Buyer, subject to the terms of such assignment or transfer.

### 5. CUSTOMER AGREEMENTS AND INVOICE FINANCING

- 5.1 Each Enrolling Bank shall ensure that the terms of each Customer Agreement between that Enrolling Bank and a Trader are consistent with the provisions of this Annex 4 (provided that, for the avoidance of doubt, each Enrolling Bank shall otherwise retain full discretion in respect of the terms of its Customer Agreements including any fees or charges in relation thereto).
- 5.2 In particular, each Enrolling Bank shall procure that the terms of its Customer Agreements with Traders in respect of Invoice Financing provide that the issuance of Invoice Financing reflected on the we.trade Platform and effected in accordance with this Rulebook shall be effective pursuant to that Customer Agreement.

## ANNEX 5: MINIMUM REQUIREMENTS FOR CUSTOMER ADHERENCE RULES

### PURPOSE OF THIS ANNEX

- (i) This Annex of the Rulebook sets out the minimum required components for the Customer Adherence Rules between Traders and their Enrolling Banks in respect of the we.trade Platform, which shall form part of the Customer Agreements between those Traders and their Enrolling Banks.
- (ii) Each Enrolling Bank has undertaken in the Licence and Services Agreement between that Enrolling Bank and we.trade to ensure that the Customer Adherence Rules between that Enrolling Bank and its customers complies with the minimum requirements of this Annex.
- (iii) To the extent identified below, each Enrolling Bank retains discretion to modify certain elements of the required terms of the Customer Adherence Rules. For the avoidance of doubt, nothing in this Annex shall prevent the Enrolling Bank from making further provisions to specify or enhance the minimum required components provided that none of these specifications or enhancements contradict or limit the minimum required components.
- (iv) For the avoidance of doubt, no Enrolling Bank is or shall be required to share any form of its Customer Agreement with any other Enrolling Bank or with we.trade.
- (v) Each Enrolling Bank is responsible for its Customer Adherence Rules and each Enrolling Bank has accepted responsibility to we.trade, through the terms of the Licence and Services Agreement between that Enrolling Bank and we.trade, for any Losses arising for we.trade or any other Enrolling Bank as a result of any failure by that Enrolling Bank to implement in full any element of the Customer Adherence Rules as specified in this Annex 5, whether as a result of the exercise of that Enrolling Bank's discretion or otherwise.
- (vi) If the Enrolling Banks and we.trade agree any amendments to this Annex in accordance with the terms of the Rulebook, each Enrolling Bank shall notify those Traders that are its customers of the changes to this Annex in accordance with applicable law and regulations and shall, to the extent necessary, obtain any consents required for the changes to this Annex to the Rulebook to be reflected in Customer Adherence Rules such that the revised terms are binding between the Enrolling Bank and each of its Traders.
- (vii) The Customer Adherence Rules shall not vary or replace any terms of any such Licence and Services Agreement.

### 1. GOVERNING LAW

The governing law of the Customer Adherence Rules, and any contractual or non-contractual matters arising in connection with the Customer Adherence Rules or the we.trade Platform, shall be the law chosen by the Enrolling Bank and the Enrolled Trader in the Customer Agreement.

### 2. THE WE.TRADE PLATFORM

An overview of the we.trade Platform and its functions set out in the User Manual.

### 3. COMPLIANCE WITH THE RULEBOOK

- 3.1 An undertaking by each of the Enrolling Bank and the relevant Trader to be bound in respect of all other Users by, and to comply with, the provisions of, and its obligations pursuant to, this Rulebook in respect of its usage of the we.trade Platform and its interaction with Traders and other Users through the we.trade Platform, including where any provisions of or obligations under the Rulebook (other than this Annex) are amended from time to time in accordance with (and subject to) the provisions of this Rulebook.
- 3.2 An acknowledgement from each Trader that the provisions of the Rulebook may be amended from time to time in accordance with (and subject to) the provisions of this Rulebook and an undertaking that each Trader shall not object to any such amendments to the Rulebook, provided that those amendments are effected in accordance with the terms of the Rulebook in force from time to time.
- 3.3 An acknowledgement from each Trader that the we.trade Platform shall not be used to arrange any transactions in relation to investments or otherwise to deal in any form of regulated products.

### 4. SMART CONTRACT DATA SETS AND UNDERLYING AGREEMENTS

- 4.1 An obligation for each Trader to ensure that the Smart Contract Data Set submitted or agreed (as the case may be) by the relevant Trader is an accurate reflection of the Underlying Agreement (but without prejudice to Article 2 of the Rulebook).
- 4.2 An acknowledgement from each Trader that any acceptance submitted in relation to a Smart Contract Data Set shall be irrevocable, and that each Confirmed Smart Contract Data Set can only be amended in accordance with the procedure set out in the Rulebook.
- 4.3 An undertaking from each Trader to propose or consider and, if thought fit, agree amendments to the Confirmed Smart Contract Data Set if and to the extent that an error is identified in the Confirmed Smart Contract Data Set, or if the shipping date of goods is delayed such that the Expiry Date within the Confirmed Smart Contract Data Sets falls prior to the relevant Payment Date.
- 4.4 To the extent that the Enrolling Bank wishes to make provision for the same in its Customer Adherence Rules, taking into account any applicable laws and regulations (including regulatory requirements) for that Enrolling Bank in respect of its Customer Agreement and its conduct of business with the relevant Trader, an express acknowledgement from each Trader that, after a specified period following the Expiry Date of a Confirmed Smart Contract Data Set, that Trader shall not be entitled to submit to its Enrolling Bank or any other person any complaint in respect of the content of any information transmitted via the we.trade Platform, and, if the Enrolling Bank so requires, an undertaking from each Trader not to submit any such complaint.

### 5. PAYMENTS AND PSD 2

- 5.1 A waiver from each Trader of any rights to revoke payments in connection with the Smart Contracts.
- 5.2 An acknowledgement from each Trader that all payments will be initiated (in accordance with the PSD 2) and executed outside the we.trade Platform.
- 5.3 A warranty that the relevant Trader is not a »consumer« for the purposes of the PSD 2, as implemented from time to time in the relevant jurisdiction of that Trader and/or its Enrolling Bank.
- 5.4 An undertaking from each Trader to make the Enrolling Bank aware promptly in the event that any fact or circumstances arises such that the relevant Trader becomes, or may be considered, a consumer (on the basis described in paragraph 5.3 above).

### 6. WARRANTIES

To the extent that the Enrolling Bank wishes to make provision for the same in its Customer Adherence Rules, taking into account any applicable laws and regulations (including regulatory requirements) for that Enrolling Bank in respect of its Customer Agreement and its conduct of business with the relevant Trader, the following warranties from the Trader:

- (a) that the person executing the Customer Adherence Rules on behalf of the Trader has the proper authority to bind the Trader;
- (b) that the Customer Adherence Rules and the Rulebook will constitute its legal, valid and binding obligations of the Trader, enforceable in accordance with its terms, and the Trader shall not contest, disaffirm or otherwise repudiate the legality, validity or enforceability of the Customer Adherence Rules or the Rulebook;
- (c) that the Trader is duly incorporated under the laws of its jurisdiction of incorporation;
- (d) that the Trader has the power to sue and be sued in its own name;
- (e) that the execution, delivery and performance of the Customer Adherence Rules by the Trader and its compliance with this Rulebook does not contravene its constitutive documents or any contract binding on it or affecting it or any of its assets, violate any law or regulation applicable to it or require any approval, consent or authority from, or filing or registration with or notice to, any governmental authority or any other person;
- (f) that all necessary Authorisations for that Trader have been obtained and are in full force and effect;
- (g) that the Trader is not Insolvent at the time of accepting the Customer Adherence Rules.

## 7. SPECIFIC AML AND SANCTIONS-RELATED PROTECTIONS

Warranties from each Trader:

- (a) that neither the Trader nor any of its subsidiaries, directors, officers, employees, agents, contractors, consultants, representatives or affiliates is an individual or entity that is, or is owned or controlled by any individual or entity that is, the subject of any applicable Sanctions, or is located, organised or resident in a country or territory that is, or whose government is, the subject of applicable Sanctions;
- (b) that the Trader is compliant in all material respects with applicable laws and regulations pertaining to each jurisdiction in which it operates and to each Transaction and /or the subject matter of such Transaction; and
- (c) that the Trader has not violated, and has policies and procedures in place to avoid violation of, any applicable anti-bribery laws and regulations, including any applicable laws and regulations in force in the jurisdiction where each User is domiciled and operates;
- (d) An indemnity from each Trader in favour of the Enrolling Bank for any Losses arising as a result of or in connection with the breach by the Trader of any of the warranties in the Customer Adherence Rules or otherwise arising in connection with a failure by the Trader to comply with applicable Sanctions, anti-money laundering rules or anti-bribery laws and regulations.

## 8. ONGOING OBLIGATIONS AND COVENANTS

Undertakings from the Trader that:

- (a) any information uploaded to the we.trade Platform by a Trader from time to time, including any information relating to a Smart Contract Data Set:
  - (i) will be complete and accurate;
  - (ii) will reflect the terms of the relevant Underlying Agreement (as it may be amended from time to time); and
  - (iii) will not give rise to any claim against we.trade or any other User (including any claim in defamation, in relation to privacy, banking secrecy or data protection or for infringement of any other third party rights);
- (b) the Trader has obtained the requisite consent and/or waiver (where required) for we.trade or its third party suppliers to host any information uploaded by the Trader to the we.trade Platform; and
- (c) the Trader will notify the Enrolling Bank promptly upon becoming aware that any of the necessary Authorisations for that Trader are no longer, or may cease to be, in full force and effect;

## 9. LIABILITY

9.1 To the extent that the Enrolling Bank wishes to make provision for the same in its Customer Adherence Rules, taking into account any applicable laws and regulations (including regulatory requirements) for that Enrolling Bank in respect of its Customer Agreement and its conduct of business with the relevant Trader, provisions governing the circumstances in which the Enrolling Bank shall be liable to a Trader for Losses arising in connection with the we.trade Platform, including:

- (a) any maximum aggregate thresholds of liability of the relevant Enrolling Bank towards the Trader;
- (b) any exclusions of liability; and
- (c) any limitations on such liability (provided, however, that liability for fraud on the part of the relevant Bank shall not be excluded under the Customer Adherence Rules).

**9.2 In particular, exclusions of liability may extend to liability for any Losses incurred by a Trader or the Enrolling Bank (as applicable) as a result of, or in connection with:**

- (a) any person's use of, or access to, the we.trade Platform;
- (b) the suspension of the we.trade Platform or any services or Bank Products that may otherwise be available through the we.trade Platform;
- (c) the failure of any Trader to comply with its obligations in respect of any Confirmed Smart Contract Data Set (regardless of whether that Trader has been Enrolled by the relevant Bank);

- (d) the source, form, sufficiency, accuracy, genuineness, falsification or legal effect of any Communications transmitted through the we.trade Platform (unless such Communication originated from the relevant Bank or from we.trade, in which case the Customer Adherence Rules may provide that the relevant Trader is entitled to require that the relevant Bank enforces its rights against we.trade pursuant to the Licence and Services Agreement, to the extent that such rights exist, in respect of that Communication);
- (e) any Losses arising from or in connection with lost or stolen Credentials during the period from the date on which such loss or theft occurred and the date on which the Trader notifies the Enrolling Bank of the same;
- (f) any act, omission, loss or delay relating to transmission of Communications or the making of any payments to a Trader or another Bank (save to the extent that such act, omission, loss or delay was attributable to the relevant Bank and provided that the Customer Adherence Rules may provide that the relevant Trader is entitled to require that the relevant Bank enforces its rights against we.trade pursuant to the Licence and Services Agreement, to the extent that such rights exist, in respect of that act, omission, loss or delay);
- (g) the performance by any Trader (or any of their sub-contractors or affiliates) of any Underlying Agreement, including the quality, condition, packing, delivery, quantity, weight, values or existence of goods or services connected to such agreements or obligations;
- (h) the performance by any third party (or any of its sub-contractors or affiliates) of any we.trade Platform Services in connection with any Smart Contract;
- (i) any Losses arising out of or relating to any Compliance Action taken by the Enrolling Bank or by we.trade; or
- (j) any Losses arising from a failure or inability to process a we.trade Platform Service as a result of an applicable law, regulation or any governmental agency.

## 10. REMEDIES

An undertaking from the Enrolling Bank for the benefit of the Trader to take such actions as the Enrolling Bank has available to it, as may be reasonably required to procure (to the extent that the Enrolling Bank is able to do so) that we.trade or the Service Provider remedies any breach of the Rulebook or any failure in the operation of the we.trade Platform as soon as reasonably practicable.

## 11. CREDENTIALS

- 11.1 Provisions that set out the obligations of each party to the Customer Adherence Rules to maintain the security of its Credentials to access the we.trade Platform and ensure that such Credentials are available to, and used by, only Authorised Personnel within each Enrolled Trader (including further information of the requirements to be applied in respect of Authorised Personnel within each Enrolled Trader, such as the authority of those persons to bind the relevant User).
- 11.2 An obligation for the Traders to notify their Enrolling Banks as soon as reasonably practicable in the event of any loss of, or danger to the security of, those Credentials or any actual or potential misuse of those Credentials.

## 12. DATA PROTECTION

Provisions regarding Personal Data provided by Customers in connection with the we.trade Platform as required by applicable Data Protection Laws.

## 13. RECORDS

- 13.1 A provision entitling Traders to access records held by their Enrolling Banks in respect of each such Trader's use of the we.trade Platform, whether enabling Traders to download or otherwise store such record.
- 13.2 Provisions specifying that the Bank does not take any responsibility for documents uploaded to the we.trade Platform by any Users and no such documents will be verified against the Confirmed Smart Contract Data Set by the Banks or any other person (including we.trade).

## 14. TERMINATION

- 14.1 Provisions specifying the circumstances in which a Bank can terminate a Trader's access to the we.trade Platform, including due to a breach of applicable Sanctions.
- 14.2 The consequences of termination as between the Bank and the Trader.

**ANNEX 6: FORM OF BPU STANDARD FORM ASSIGNMENT**

By »Assignor«	To »Assignee«	Date

We refer to the bank payment undertaking issued by the [insert bank name] (»BPU Issuing Bank«) dated [date of BPU] for the amount of [indicated amount] (»BPU«).

1. The Assignor hereby assigns to the Assignee absolutely all the Assignor's benefits, interests, rights and claims in and to the BPU and the assignee hereby agrees to accept such assignment from the Assignor (the »BPU Rights«).
2. This assignment will take effect from the \_\_\_\_\_.
3. The Assignor represents and warrants that the Assignor was the sole legal and beneficial owner of the BPU Rights before the assignment and that the consent of no other party is required to give effect to this the assignment.
4. The Assignor must, if so requested by the Assignee:
  - 4.1. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  - 4.2. attend to any registration, notification or other procedural formalities (including payment of any applicable stamp duty or similar tax) necessary to perfect the assignment and provide evidence satisfactory to the Assignee that it has done so.
5. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. This letter and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of \_\_\_\_\_ and each of the parties to this letter hereby submits to the non-exclusive jurisdiction of the courts of \_\_\_\_\_.

In witness whereof this \_\_\_\_\_ has been delivered on the date first stated above.

SIGNED as a \_\_\_\_\_ by  
\_\_\_\_\_ acting by  
\_\_\_\_\_ a  
\_\_\_\_\_ in the presence of:

Witness's signature	

Name
Address
Occupation

SIGNED as a \_\_\_\_\_ by  
\_\_\_\_\_ acting by  
\_\_\_\_\_ a  
\_\_\_\_\_ in the presence of:

Witness's signature	

Name
Address
Occupation