

Terms of Service for Capsa Technology Limited

Please read these Terms of Service (“Terms”), which set forth the legally binding terms and conditions between you (“You”) and Capsa Technology Limited (“Capsa” or the “Company” or “we”, “our” or “us”). It governs your access to and the use of Capsa’s website, mobile application and the services offered by Capsa.

Our collection and use of personal information in connection with your use of our Services are described in our Privacy Policy.

Your access to use our Services is conditioned on your acceptance of and compliance with these Terms. These Terms, all applicable laws, conditions and policies referenced here apply to all visitors, users and others who access or use our Service.

Our website is not directed at you if we are prohibited by any law of any jurisdiction from making the information on our website available to you and is not intended for any use that would be contrary to your local law or regulation.

By accessing or using our Services, you agree to be bound by these Terms. If you disagree with any part of the Terms, then you may not access our Services.

1. Definitions

In these Terms,

“Capsa Account or Account”

means a unique personified account registered in the name of a User and which contains details of such User on the Platform (as defined below).

“Account Receivable”

means a debt or a series of consolidated debts (which are yet to be approved as an Invoice on the Platform) owed to an Obligor for products or services provided by the Obligor to third parties, which is uploaded on the

	Platform by the Obligor for approval as an Invoice by Capsa.
“Anchor”	means a person or entity who is responsible for the settlement of an Invoice traded on the Platform at its maturity date.
“Bill of Sale”	means a written agreement that attests to the fact that the Buyer is the owner of the Invoice purchased from the Vendor.
“Buyer”	means any person or entity who has been verified and approved as a buying member that can purchase Invoices through the Platform.
“Capsa Content”	means any information, resources or data (including text, images, photos, videos, audio, and documents) or any other content in any media and format that Capsa may provide or make available to you in connection with your use of the Platform.
“CPA”	means Users digital wallet on the Platform.
“Intermediary Institution”	means an institution through which the payment for Invoices is made by a Buyer or through which a Vendor may withdraw funds and includes a bank, acquiring and clearing center, payment service provider, and card associations such as MasterCard, Verve and Visa.

“Invoice”	means the approved commercial document issued by an Anchor to a Vendor evidencing the provision of a service by the Vendor in exchange for compensation by the Anchor and/or the commercial document evidencing debts owed to the Vendor by third parties forming an Account Receivable for the Vendor.
“Obligor”	means a User who presents an Account Receivable for purchase on the Platform and is responsible for the settlement of an Account Receivable traded on the Platform at the Long Stop Date.
“Platform”	means, collectively, the Company’s website, mobile application and other related applications provided by Capsa.
“Receivables”	means the value of the Vendor’s traded Invoice excluding any liabilities for poor performance, guaranties, warranties, and other liabilities inferred in the Invoice
“Service(s)”	means all products and services provided to you by Capsa and as described in clause 3 of these Terms.
“Service Fee”	means the amount charged by Capsa for the completion of an Invoice sale transaction as consideration for Capsa’s Services.
“Site”	means https://getcapsa.com/ provided by Capsa Technology Limited.

“Terms”	means these standard terms of service.
“Users”	means a person who completes the registration process for the purpose of making use of our services which includes anchors, vendors, buyers and visitors collectively.
“User-submitted Content”	means all information and data (including text, images, photos, videos, audio, and documents) or any other content in any media and format that you, directly or indirectly, provide or make available to us in connection with your use of the Platform.
“Vendor”	means a person or entity who is registered on the Platform as a vendor and can present an Invoice for purchase on the Platform.
“Website SOP”	means the Platform’s standard operating procedure which aims to achieve efficiency, quality output and uniformity of performance, while reducing miscommunication and failure to comply with industry regulations.

2. Acceptance of Terms

The Service is offered subject to acceptance of all the terms and conditions contained in these Terms and all other operating rules, policies and procedures that may be published on the Platform by Capsa, which are incorporated by reference, including operating rules, policies and procedures of third-party service providers to the Platform that are referenced herein. These Terms apply to every user of the Service.

In addition, some services offered through the Platform may be subject to additional terms and conditions adopted by Capsa. Your use of those services is subject to those additional terms and conditions, which are incorporated into these Terms by this reference.

Capsa reserves the right, at its sole discretion, to modify or replace these Terms from time to time by posting the updated terms on the Platform. It is your responsibility to check the terms periodically for changes. If you object to such changes, your sole recourse will be to cease using the Platform and the Service. Your continued use of the Service following the posting of changes to the Terms will indicate your acknowledgement of such changes and agreement to be bound by the terms and conditions of such changes.

Capsa reserves the right to change, suspend, or discontinue the Service (including but not limited to, the availability of any feature, database, or content) at any time for any reason. Capsa may also impose limits on certain features and Services or restrict your access to parts of or the entire Platform without notice or liability.

3. Scope of Service

- 3.1. Capsa is a technology company that helps businesses get direct access to capital through its platform which facilitates the trading of digital Invoice (through Vendor initiated “Invoice Factoring” or Anchor initiated “Reverse Factoring”) and Account Receivables (“Debt Factoring”) for immediate access to capital. Please note that we are not a government agency, government organization, financial institution, fund provider or other form of financial intermediary. We are a technology company providing a marketplace where businesses can trade Account Receivables and/or Invoices for funds provided by other participants on the Platform.
- 3.2. Users of Capsa’s Services can access the Service as either an Anchor, a Buyer, a Vendor or an Obligor.
- 3.3. Subject to the approval of the know-your-customer documents and pre-qualification assessment by Capsa, a Vendor, Anchor or Obligor can upload their invoices/account receivables for factoring.
- 3.4. **For Invoice Factoring:** A Vendor will be required to upload an Invoice while an Anchor will be required to either sign in on the Platform to verify and approve the invoices uploaded by the Vendor or complete the verification via email.
- 3.5. **For Reverse Factoring:** An Anchor will be required to upload an Invoice while a Buyer will be required to sign in on the Platform to bid/purchase Invoices at a discount.

- 3.6. **For Debt Factoring:** An Obligor will be required to sign in on the Platform to upload, verify and certify that its Account Receivables meet the minimum acceptance requirements enlisted by Capsa for Account Receivables at the time.
- 3.7. Following the verification and approval of the Invoice or Account Receivables, the Vendor, Anchor or Obligor will be notified of the approved Invoices or Account Receivable. The Invoices/Account Receivable will be put up for a bid and Buyers can then bid on these verified Invoices.
- 3.8. A Vendor, Anchor or Obligor will be notified of a bid from Buyers and be allowed to accept the best bid from a Buyer, after which the Vendor, Anchor or Obligor and the Buyer will be required to sign a Bill of Sale.
- 3.9. After the execution of the Bill of Sale, a Buyer will be notified of their accepted bid and will be required to make payment for the Invoice. The Vendor/Obligor will then be allowed to make a withdrawal of the payment for the purchased Invoice.
- 3.10. When an Account Receivable is uploaded to the Platform by an Obligor, a representative of Capsa will ascertain if the Account Receivable uploaded complies fully with the minimum acceptance requirements for such Account Receivable and may approve or disapprove such Account Receivable. Following an approval, the Account Receivable/invoice(s) will be uploaded on the Platform for Buyers to purchase as an approved Invoice. Subsequently, a Bill of Sale will be executed between the Obligor and the Buyer. After the execution of the Bill of Sale, the Buyer will be required to make payment for the Invoice to the Obligor.
- 3.11. The Obligor will then be allowed to make a withdrawal of the payment for the purchased Account Receivable. The Obligor will be required to be a User on the Platform before they are able to make a withdrawal of the payment for the purchased Account Receivable.
- 3.12. Capsa may make access to and use of the Service, or certain areas or features of the Platform, subject to certain conditions or requirements, such as signing up for an account, completing a verification process, meeting specific quality or eligibility criteria.
- 3.13. Despite the verification process, Capsa does not assume any responsibility for the risks inherent to any Invoice or Account Receivable or confirmation of any User's identity or a User's creditworthiness. Notwithstanding the above, for transparency and fraud prevention purposes, and as permitted by applicable laws, we will require Users to provide a form of government identification or other information or undertake additional checks designed to help verify the identities or backgrounds of Users.

- 3.14. We are not responsible for and disclaim liability for the conduct of Users on the Platform. We do not guarantee that Account Receivables or Invoices listed on the Platform will receive an offer, or that the bids/offers will be the best possible rates or be benchmarked to the prevailing market rates. All trades on the Platform are transacted on full arm's length basis between a willing Buyer and a willing Vendor, Anchor or Obligor. Capsa does not guarantee the payment obligations of the Anchor or Obligor at any material time or give any assurances that the Vendor or Obligor will effect the payment of any invoice value at the maturity date.
- 3.15. Capsa shall provide the Services with diligence, and in accordance with generally accepted industry standard practices for the Services, subject to the terms and conditions of this Terms.
- 3.16. Capsa shall provide user support services to the Participants to address any complaints or service requests.

4. Accounts

- 4.1. To access our Services as a User, you are required to sign up on the Platform, create an account ("Capsa Account") by providing your full name, email address, phone number, password, Bank Verification Number and any other information we require from you to process or create your Capsa Account. If you are registering a Capsa Account for a company or other legal entity, you represent and warrant that you have the authority to legally bind that entity and grant us all permissions and licenses provided in these Terms.
- 4.2. Upon successfully creating a Capsa Account, you will be granted access to the Platform.
- 4.3. Subject to passing Capsa's KYC checks, a registered corporate User may use its Capsa Account to access both invoice factoring and debt factoring Services offered by Capsa. Registered individual Users are restricted from accessing Capsa's debt factoring Service or purchasing Account Receivables approved as Invoices on the Platform. Invoices and Bill of Sale representing approved Account Receivables (now Invoices) on the Platform shall be clearly marked as such.
- 4.4. You must provide us with information that is accurate, complete, and current at all times. Failure to do so constitutes a breach of these Terms, which may result in immediate termination of your account on our Platform and access to our Service, among other legal remedies that may be available to us or other Users against you for your misrepresentation

- 4.5. You are responsible for safeguarding the password that you use to access the Service and for any activities or actions under your password, whether your password is with our Service or a third-party service.
- 4.6. You agree not to disclose your password to any third party. You must notify us immediately upon becoming aware of any breach of security or unauthorized use of your Capsa Account.
- 4.7. You shall not use as a username, the name of another person, or entity that is not lawfully available for use, a name or trademark that is subject to any rights of another person or entity other than you without appropriate authorization, or a name that is otherwise offensive, vulgar or obscene.
- 4.8. You, as the account holder, are solely responsible for any and all activities conducted through your Capsa Account. Capsa expressly disclaims any liabilities or losses arising from the use of your User account and will not assume any liability or loss owing to your notification of Capsa for any unauthorised use of your account. This includes but is not limited to actions taken by you (negligently or otherwise) or any third party authorised to use your account. Negligence in this context encompasses the failure to promptly report any unauthorized use or loss of your credentials, regardless of whether you were aware of such activities. You must promptly report any unauthorized use or loss of your credentials to Capsa within an hour, failing which, you remain liable for any ensuing activities conducted through your account. This timeframe commences upon discovery of any unauthorised activity or loss. It is imperative to emphasize that you bear full responsibility for any unauthorized activities conducted through your Capsa Account, irrespective of when such activities occurred or when you became aware of them. This extends to any activities that transpired prior to reporting a compromise of your account.
- 4.9. You agree to strictly observe the security and authentication procedures of the Service and you will log out from the website by taking proper steps at the end of every visit.

5. User's Representations and Warranties

Representations and warranties are statements and promises made by you to Capsa, which we rely on as being accurate in our dealings with you. You make the following representations and warranties to us at the time of agreeing to these Terms and every time you use the Service:

- 5.1. you are over the age of 18 (eighteen) years and are of sound mind and have the capacity to enter into a legally binding contract;

- 5.2. all personal information that you provide about yourself or your business is accurate and true to the best of your knowledge;
- 5.3. you have carefully considered the risks involved with using the Platform, and its Service;
- 5.4. The information you provide us is true and accurate.
- 5.5. the Invoice or Account Receivable you enlist for approval meet Capsa's minimum acceptance requirements, and you have not withheld relevant information or provided false information to ensure the approval of an Invoice or Account Receivable.
- 5.6. if you are registering or accepting these Terms on behalf of a legal entity such as a company, trust or partnership, you are legally authorised to do so and we may request evidence of such legal entitlement (by way of a copy of any document which shows the valid and subsisting authorisation);
- 5.7. you will obtain such professional advice as is appropriate to protect your interests, including legal, tax and other advice; and
- 5.8. you are not breaching any laws or regulations that are applicable to you or any company, trust or partnership upon whose instructions you are acting.

6. Intellectual Property

- 6.1. The Service and its original content, features and functionality are and will remain the exclusive property of Capsa. Our trademarks and trade name may not be used in connection with any product or service without the prior written consent of Capsa.
- 6.2. You will not use, copy, adapt, modify, prepare derivative works of, distribute, license, sell, transfer, publicly display, publicly perform, transmit, broadcast or otherwise exploit Capsa's Site or Capsa Content, except to the extent that you are the legal owner of certain User-Submitted Content or as expressly permitted in these Terms. No licenses or rights are granted to you by implication or otherwise under any intellectual property rights owned or controlled by Capsa or its licensors, except for the licenses and rights expressly granted in these Terms.
- 6.3. Subject to your compliance with these Terms, Capsa grants you a limited, non-exclusive, non-sublicensable, revocable, non-transferable license to access and view any Collective Content made available on or through the website and accessible to you, solely for your personal and non-commercial use.
- 6.4. Users shall not directly or indirectly: (i) decipher, decompile, disassemble, reverse engineer, or otherwise attempt to derive any source code or underlying ideas or algorithms of any part of the Service, except to the extent that applicable laws specifically

prohibit such restriction; (ii) modify, translate, or otherwise create derivative works of any part of the Service; or (iii) copy, rent, lease, distribute, or otherwise transfer any of the rights that you receive hereunder.

7. Payment and Fees

- 7.1. In consideration of your use of our Platform, we will charge a Service Fee on each completed trade on the Platform. The Service Fee will be set at a value and charged in a manner determined by Capsa from time to time and you hereby agree that the fees are acceptable, and you are satisfied with the fees before you use the Platform. Payment processing services for Users on the Platform are provided by our payment service providers and are subject to the service agreement between Capsa and its payment service providers. By agreeing to these terms or continuing to operate as a User on the Platform, you agree to be bound by the service agreement between Capsa and its service providers, as the same may be modified from time to time.
- 7.2. Capsa shall deduct the requisite Value Added Tax (VAT) applicable to fees at source and shall remit the same in accordance to Nigerian laws.

8. Terms specific to Vendors

- 8.1. To access our Service as a Vendor, you are required to create an account, known as a Vendor Account, by providing us with your email address, phone number, Bank Verification Number, and in the case of corporate entities, your company's registration number, incorporation documents, bank details, account number, and Special Control Unit on Money Laundering Certificate (SCUML) for business ventures and corporations (except where specifically exempted).
- 8.2. After signing up, Capsa will verify the information you provided as part of our Know-Your-Customer (KYC) procedure.
- 8.3. You can initiate a transaction through the Platform by uploading and presenting an invoice for approval and trade.
- 8.4. Prior to permitting the listing of any invoice on the Platform, and in addition to meeting the minimum acceptance requirements of Capsa, the Vendor will be required to provide information relating to the invoice such as the nature of goods or services provided, the due date of the invoice, date of completion/delivery and the Invoice value, number including any credit or debit note applicable on the invoice.

- 8.5. As a Vendor, you understand and agree that you would only offer an invoice that you have permission to sell and that these invoices are not a product of buying or selling unlawful items or services under any applicable laws in the Federal Republic of Nigeria.
- 8.6. Before any invoice can be approved for trading, Capsa will require an Anchor to sign in, verify and approve the Invoice or approve the Invoice via email. If the invoice is approved by the Anchor either via email or by approving on the Platform, the Invoice will be put up for a bid at a discount on the live deals section of the Platform and Buyers will be notified of the availability of this Invoice.
- 8.7. By authorising a trade, you agree to a contractual obligation being established between you and the Buyer, you confirm your satisfaction with the bid price, you agree to assign in full, all legal and beneficial interest in the Invoice to the Buyer, and you also agree to an at-source deduction of Capsa's Service Fee from the bid price payable by the Buyer.
- 8.8. Upon receiving bids from Buyers, you can accept the best bid from any of the Buyers after which you would execute the Bill of Sale between yourself and the Buyer.
- 8.9. Once payment is made by the Buyer, you can initiate a withdrawal of the payment made which will be received into the bank details you provided.
- 8.10. On the due date of the Invoice, you understand and agree your CPA shall be funded up to the value of the Invoice and authorize Capsa to debit you to the sum of the Invoice value. You understand that the funded monies will be applied towards the payment of the Buyer and Capsa's service fee.
- 8.11. You agree to not use the Platform or Service to perform any transaction that is connected to any illegal activity including but not limited to money laundering, fraud and the funding of terrorist organisations. If we reasonably believe that you are using our Service or Platform in connection with any illegal activity or for any fraudulent purpose, or are permitting a third party to do so, we will terminate your Capsa Account and report you to the appropriate legal authorities.

9. Terms specific to Buyers

- 9.1. To access our Service as a Buyer, you will be required to create an account, known as a Buyer Account, by providing us with your email address, phone number, Bank Verification Number, and in the case of corporate entities, your company's registration number, incorporation documents, bank details and Special Control Unit on Money Laundering Certificate (SCUML) for business ventures and corporations (except where specifically exempted).

- 9.2. After signing up, you will be able to find Invoices or Account Receivables which a Vendor, Anchor or Obligor presents for trading which you may make bids for at a discount on the live deals section of the Platform.
- 9.3. Only corporate Buyers licensed to offer credit or lending services are approved to access Account Receivables approved as Invoices on the Platform.
- 9.4. A Buyer is required always have a minimum amount of ₦50,000 (fifty thousand Naira) in their Account to be eligible to participate in a trade.
- 9.5. If the Vendor/Anchor or Obligor accepts your bid, you will be notified of this acceptance and you may make payment for the Invoice or Account Receivable through the payment gateway on the Platform.
- 9.6. As a Buyer, you are required to fund your Account with the accepted bid price once your bid is accepted. Failure to fund your Account within 24 (twenty-four) hours will result in a charge of 2.5% of the accepted bid price (the “SLA Charge”). The SLA Charge shall be deductible from the invoice/account receivable proceeds and disbursed in the ratio of 50:50 to Capsa and the Vendor/Anchor or Obligor. Failure to fund your account within 48 (forty-eight) hours of bid acceptance, in addition to the SLA charge will invalidate the trade and within 24 hours, the referenced invoice will be re-listed. Where an invoice/account receivable is re-listed, the Buyer will be suspended from bidding on further invoices/account receivables for a period of 72 (Seventy-two hours). By submitting a bid, you give Capsa the right to debit your Account for the full value of the bid price of the Invoice. There will be no reversal of a trade that has been duly authorised by the parties or refund after payment has been debited from a Buyer’s Account.
- 9.7. The Buyer shall use the Platform and Service in accordance with applicable laws, these Terms, our Privacy Policy and any other agreement with Capsa.

10. General Terms for Anchors

- 10.1. **Invoice Factoring:** To be onboarded as an Anchor on the Platform, you are required to fulfil the underlisted conditions:
 - 10.1.1. to be a private or a public company or a large company having a minimum share capital of ₦100,000,000 (one hundred million Naira);
 - 10.1.2. to be a company generating a minimum of ₦200,000,000 (two hundred million Naira) as its annual trade Invoice;
 - 10.1.3. to have a minimum of investment grade credit rating;
 - 10.1.4. to be compliant with applicable corporate governance codes and practices;

- 10.1.5. must be and continue to operate as a going concern; and
- 10.1.6. must have executed the Master Collaboration Agreement with Capsa.
- 10.2. Upon completion of the Anchor onboarding procedure, you have agreed to be contractually bound to the Buyer of any Invoice in respect of which you are the Anchor and which you have verified for listing and trade in accordance with the Website's SOP.
- 10.3. The Anchor confirms its willingness to permit a novation of Invoice rights to the Buyer and its willingness to substitute Capsa's payment details for that of the Vendor for payment upon maturity of an Invoice.
- 10.4. The Vendor shall be deemed to have a liquidated money claim against you for the face value of the Invoice as its legal and beneficial owner.
- 10.5. Prior to permitting the listing of any Invoice on the Platform, the Vendor will be required to provide information relating to the Invoice, such as the name of Anchor, the nature of good or service provided, the due date of the Invoice, date of completion/delivery, the Invoice number and value. Upon the receipt of such Invoice pre-qualification information, Capsa will conduct a pre-qualification assessment in line with the Terms which includes the Anchor certifying that:
 - 10.5.1. The Vendor is a registered and subsisting vendor in its organization;
 - 10.5.2. The value of goods/services contracted has been predetermined and corresponds with the face value of the Invoice being listed;
 - 10.5.3. the Vendor has performed, in full, its obligation to the Anchor in respect of the Invoice issued;
 - 10.5.4. The Anchor has confirmed the maturity date of the Invoice; and
 - 10.5.5. The Anchor has confirmed its willingness to permit a novation of Invoice rights to the Buyer and its willingness to substitute Capsa's payment details for that of the Vendor for payment upon maturity.
- 10.6. **Reverse Factoring:** An Anchor may also upload an Invoice for trade on the Platform. The Anchor will be required to provide information relating to the Invoice such as the details of the Anchor's vendor, the nature of goods or services provided, the due date of the Invoice, the date of completion/delivery, the Invoice value, and the Invoice number. Upon receipt of the Invoice pre-qualification information outlined, Capsa will conduct a pre-qualification assessment in line with the Website's SOP.
- 10.7. In the event that an Anchor uploads an Invoice for trade on the Platform, the Anchor also understands and agrees that they would only offer an Invoice that they have permission

to sell and that these Invoices are not a product of buying or selling unlawful items or services under any applicable laws in the Federal Republic of Nigeria.

10.8. By authorising a trade, the Anchor agrees to a contractual obligation being established between them and the Buyer, they agree to assign in full, all legal and beneficial interest in the Receivables to the Buyer, and they also agree to an at-source deduction of Capsa's Service Fee from the purchase price payable by the Buyer.

10.9. The Anchor hereby represents and warrants that:

10.9.1. At the maturity date or before, it will effect the payment of the Invoice Value regardless of the Sale Price paid by the Buyer;

10.9.2. the Invoice is free of any liens and encumbrances;

10.9.3. it has the full right and authority to sell the Invoice; and

10.9.4. it will defend and be held fully responsible for all claims and demands, which arises prior to the sale date, with respect to the Invoice if any.

10.10. **Debt Factoring Obligors:** Before any Account Receivable can be approved for trading, Capsa will require the Obligor to register, verify and certify that the Account Receivable meets Capsa's minimum acceptance requirements. Under this Service, the Obligor shall attest and represent that the Account Receivable has not been outstanding for more than 120 (one hundred and twenty) days. You agree that Account Receivables shall exclude any liabilities with regards to poor performance and other liabilities inferred in the Account Receivable.

10.10.1. Once an Account Receivable is verified by Capsa, the Account Receivable will be put up for a bid on the live deals section of the Platform and Buyers will be notified of the availability of this Account Receivable for purchase.

10.10.2. The Obligor hereby authorises Capsa to debit its CPA balance to the tune of the value of due and unpaid Invoices traded on the Platform at the set due date for the Account Receivable (the "Long Stop Date") or any other date after the Long Stop Date.

10.10.3. The Obligor understands and agrees that any unpaid Account Receivable (at the Long Stop Date) shall operate as a debt owed to the Buyer. A guarantee agreement shall be required to be executed between the Buyer and the Obligor to guarantee the Obligor's payment obligations (the "Guaranteed Obligations") to the Buyer.

10.10.4. By authorising a trade, the Obligor agrees to a contractual obligation being established between it and the Buyer. You confirm your satisfaction with the bid

price, and agree to assign in full, all legal and beneficial interest in the Receivables to the Buyer, and you also agree to an at-source deduction of Capsa's Service Fee from the bid price payable by the Buyer.

10.10.5. Upon receiving bids from Buyers, the Obligor may accept the best bid from any of the Buyers after which it would execute the Bill of Sale with the Buyer.

10.10.6. Once payment is made by the Buyer, you can initiate a withdrawal of the payment made which will be received into the bank details you provided.

10.11. Capsa implements an independent ranking system for Anchors/Obligors on the Platform based on established parameters. The ranking system evaluates the reliability, credibility, and financial stability of Anchors. By registering as an Anchor/Obligor on the Platform, you agree to be ranked based on your payment performance, financial standing, and adherence to the Terms. Capsa reserves the right to periodically assess the creditworthiness and performance of Anchors. Anchors who fail Capsa's periodic credit assessments or demonstrate consistent defaults may be subject to downgrading or delisting from the Platform.

11. Trade and Settlement

11.1. **Trade Settlement:** Once an Invoice is verified in accordance with the Terms, it will be listed as eligible for trade on the Platform. Once a Buyer bids for an Invoice, the bid qualifies as an OFFER to be accepted by the Vendor. Upon the Vendor accepting the bid, ACCEPTANCE occurs. In the case of an Invoice traded by an Anchor, an OFFER occurs when the Invoice is traded on the Platform and an ACCEPTANCE when the Buyer accepts the purchase price of the Invoice. CONSIDERATION passes when the Buyer funds its Account with the bid/purchase price. Once the Buyer's Account is funded and payment is confirmed, an electronic certificate evidencing the sale is autogenerated for the Buyer's use. Capsa is duly authorized to debit the Buyer's Account to fund the Vendor's or Anchor vendor's Account (for Invoice Factoring or Reverse Factoring purposes respectively) with the bid or purchase price within the trade date plus 2 (two) days (Settlement Cycle) and deduct the Service Fee.

11.1.1. Where the maturity date of an Invoice falls on a weekend or a public holiday, such Invoice may be paid on the next business day.

11.1.2. Users acknowledge a grace period of 5 (five) days for the receipt of Invoice payments from Anchors, to accommodate operational delays. During this period,

Anchors can settle their Invoices without incurring any additional charges or penalties, even if payment is made after the maturity date.

11.2. Account Receivables Settlement: Upon the maturity of the Invoice, the Obligor is contractually bound to pay the face value of the Account Receivable into the Buyer's Account within 24 (twenty-four) hours. Capsa has an obligation to credit the Buyer's Account within the trade date plus 2 (two) days (Settlement Cycle) from the date the funds are received from the Obligor. Where the Obligor fails to make payment on the due date, the Buyer shall have no recourse against Capsa.

11.3. Trade Settlement for Downgraded Anchors: In the event that an Anchor has been downgraded due to delayed payments or due to risk mitigating factors impacting the ranking of newly onboarded Anchors, the trade settlement process shall be adjusted thus:

11.3.1. Subject to Capsa's risk mitigation mechanism, Capsa may implement a reduction in the percentage value of an Invoice that a Vendor can trade with a Buyer.

11.3.2. Upon arriving at the applicable percentage value of the Invoice which may be traded, Capsa shall communicate this to the Vendor via the Platform.

11.3.3. Where the Vendor agrees to trading the portioned Invoice, a Bill of Sale shall be created accordingly and executed between the Vendor and the Buyer.

11.3.4. Where the downgraded Anchor pays the Invoice in full before the maturity date or on the maturity date, the Vendor shall be credited with the untraded portion of the Invoice and the Buyer shall be settled with the face value of the Bill of Sale.

11.3.5. Where the Invoice is paid in full after the maturity date and/or grace period extended, the value of the Bill of Sale plus a default fee (which shall be calculated as the agreed nominal interest rate applied on the value of the Bill of Sale but prorated for the number of days that the payment remained outstanding) less the service fee, will be paid to the Buyer. The untraded portion of the Invoice, less default fee, will be settled to the Vendor.

11.3.6. Where the Invoice value is not received in full from the Anchor, but the value received exceeds the Bill of Sale value, Capsa will settle the Bill of Sale value (less service fee) to the Buyer. Where the Anchor's payment is received after the maturity date of the Invoice is passed and is therefore subject to default fees, the amount to be settled in favour of the Buyer will include the default fee. The difference between the Invoice value and the Bill of Sale value (less the service fee and the default fee) shall be settled to the Vendor thereafter. Where the value

received from the Anchor is insufficient to cover the Sale value and the default value (less service fee) in full, all the funds received will be applied first to recover the sales value less service fee while the balance will be applied towards settlement of the outstanding default.

11.3.7. Where the payment received from the Anchor is below the Bill of Sale value, the value received (less the service fee) shall be settled to the Buyer.

11.3.8. The Buyer understands and agree that its recourse for an unpaid Invoice by an Anchor shall always be against the Vendor.

12. User Ranking

Capsa runs an independent ranking system for all Users on the Platform based on established parameters. By registering as a User on the Platform, you agree to be ranked and to provide all information which may, from time to time, be required to facilitate your ranking or periodic review as required. Capsa also publishes statutory financial information about verified Anchors on its Platform. This information, when published, will be indicated as either independently sourced from public records or sourced directly from the Anchor. Capsa makes no representation regarding the accuracy of any published financial information and disclaims liability for the accuracy or otherwise of same.

13. Lien, Default and Blacklisting

Users are expected to perform their contractual obligation to trade counterparties as and when due. In the event of default and in order to maintain the integrity of the Platform, Capsa may in its discretion, downgrade the ranking of, or delist entirely any defaulter on the Platform. Capsa may also, on behalf of itself and the trade counterparty, take a lien over all or any funds in the defaulting User's Account. Capsa shall have the right to apply the funds towards payment of Capsa's Service Fee in the first instance and the balance of the Invoice face value to the trade beneficiary. Capsa shall, on demand, render account to the defaulting party and the trade beneficiary.

The following, although not an exhaustive list, shall qualify a User as a defaulter:

- 13.1. the Vendor's/Anchor's Invoice or Obligor's Account Receivable's verification fails due to false/incomplete information given on the Invoice and/or the Obligor's failure to confirm the validity of the Invoice;
- 13.2. the Buyer fails to fund the Account after the bid for Invoice listed is accepted by the Vendor;

- 13.3. in the case of Invoice Factoring, the Buyer is not settled by Capsa due to non-payment of the Invoice upon maturity date, then the Vendor shall become a defaulter;
- 13.4. in the case of Reverse Factoring, the Buyer is not settled by Capsa due to non-payment of the Invoice upon maturity date, then the Anchor shall become a defaulter;
- 13.5. In the case of Debt Factoring, the Buyer is not settled by Capsa due to non-payment of the Account Receivable by the Obligor upon maturity date, then the Obligor shall become a defaulter;
- 13.6. a User declares false information during registration and E-KYC process; and
- 13.7. the Vendor fraudulently receives the face value of the traded Invoice from the Anchor, resulting in payment not being made to the Buyer's account.

Consistent defaulters will be ranked poorly and subsequently delisted from the Platform. An Anchor credit assessment will be undertaken periodically. Line items 13.6 and 13.7 will lead to blacklisting and Anchors/Vendors/Obligors who fail CAPSA's periodic credit assessments, or record defaults on the Platform will also be delisted. Users agree to comply with law enforcement authorities and the courts in the enforcement of any legal actions against a defaulting party/user. Where legally required or at Capsa's discretion, Capsa will cooperate with law enforcement agencies and regulatory bodies in any investigation of an alleged illegal activity on the Service or default by a User on the Platform.

In the event that a User is downgraded or delisted from the Platform due to default or consistent poor performance, Capsa reserves the right to take appropriate actions to maintain the integrity of the Platform.

14. Prohibited Activities

- 14.1. You shall not use the Service for any purpose that is prohibited by these Terms. You are responsible for all your activity in connection with the Service. Violation of our rules may result in the termination and cancellation of your Account. You acknowledge and agree that we may terminate any Capsa Account at any time for any reason (including, but not limited to, our independent assessment or the receipt of claims or allegations from third parties or authorities).
- 14.2. You shall not utilise the Platform or the Service for any illegal purpose, including activities such as money laundering or terrorism financing. Capsa reserves the right to monitor and report any suspicious activities to the relevant authorities, including the Nigerian Financial Intelligence Unit (NFIU).

- 14.3. You are solely responsible for compliance with any and all laws, rules, regulations, and tax obligations that may apply to your use of the Service. In connection with your use of the Platform, you will not and will not assist or enable others to:
- 14.3.1. breach or circumvent any applicable laws or regulations, agreements with third-parties, third-party rights, or our Terms;
 - 14.3.2. use the Site or Capsa Content for any commercial or other purposes that are not expressly permitted by these Terms or in a manner that falsely implies endorsement, partnership or otherwise misleads others as to your affiliation with Capsa;
 - 14.3.3. copy, store or otherwise access or use any information, including personally identifiable information about any other User, contained on the Site in any way that is inconsistent with Capsa's Privacy Policy or these Terms or that otherwise violates the privacy rights of Users or third parties; and
 - 14.3.4. use the Platform in connection with the distribution of unsolicited commercial messages ("spam");
- 14.4. You shall not use the Platform with the intention for any other reason to:
- 14.4.1. discriminate against or harass anyone on the basis of race, tribe, origin, religion, gender, physical or mental disability, medical condition, marital status, or age, or otherwise engage in any abusive or disruptive behaviour;
 - 14.4.2. use, display, mirror or frame the Platform or Capsa Content, or any individual element within Capsa, Capsa's name, any trademark, logo or other proprietary information belonging to Capsa, or the layout and design of any page or form contained on a page on the Site, without Capsa's express written consent;
 - 14.4.3. dilute, tarnish or otherwise harm Capsa's brand in any way, including through unauthorized use of Capsa Content, registering and/or using Capsa's or derivative terms in domain names, trade names, trademarks or other source identifiers, or registering and/or using domains names, trade names, trademarks or other source identifiers that closely imitate or are confusingly similar to Capsa's domains, trademarks, taglines, promotional campaigns or collective content;
 - 14.4.4. use any robots, spider, crawler, scraper or other automated means or processes to access, collect data or other content from or otherwise interact with the Platform for any purpose;

- 14.4.5. avoid, bypass, remove, deactivate, impair, descramble, or otherwise attempt to circumvent any technological measure implemented by Capsa or any of Capsa's providers or any other third party to protect the Platform;
 - 14.4.6. attempt to decipher, decompile, disassemble or reverse engineer any of the software used to provide the Platform;
 - 14.4.7. take any action that damages or adversely affects, or could damage or adversely affect the performance or proper functioning of the Platform; and
 - 14.4.8. violate or infringe anyone else's rights or otherwise cause harm to anyone.
- 14.5. You acknowledge that Capsa has no obligation to monitor the access to or use of the Platform by any User or to review, disable access to, or edit any User-Submitted Content, but has the right to do so to (i) operate, secure and improve the Platform (including without limitation for fraud prevention, risk assessment, investigation and customer support purposes); (ii) ensure User's compliance with these Terms; (iii) comply with applicable law or the order or requirement of a court, law enforcement or other administrative agency or governmental body; (iv) respond to content that it determines is harmful or objectionable; or (v) as otherwise set forth in these Terms. Users agree to cooperate with and assist Capsa in good faith, and to provide Capsa with such information and take such actions as may be reasonably requested by Capsa with respect to any investigation undertaken by Capsa or a representative of Capsa regarding the use or abuse of the Platform.
- 14.6. If you feel that any User you interact with, whether online or in person, is acting or has acted inappropriately, including but not limited to anyone who (i) engages in offensive, violent or sexually inappropriate behaviour, (ii) you suspect of stealing from you, or (iii) engages in any other disturbing conduct, you should immediately report such person to the appropriate authorities and then to Capsa by contacting us with your police station and report number (if available); provided that your report will not obligate us to take any action beyond that required by law (if any) or cause us to incur any liability to you.

15. Links to Other Websites

- 15.1. Our Platform may contain links to third-party websites or services that are not owned or controlled by Capsa.
- 15.2. Capsa has no control over and assumes no responsibility for, the content, privacy policies, or practices of any third-party websites sites or services. You further acknowledge and agree that Capsa shall not be responsible or liable, directly or

indirectly, for any damage or loss caused or alleged to be caused by or in connection with the use of or reliance on any such content, goods or services available on or through any such web sites or services.

- 15.3. We strongly advise you to read the terms and conditions and privacy policies of any third-party websites or services that you visit.

16. Termination

- 16.1. Capsa reserves the right to terminate or suspend the Service to an Anchor immediately, without prior notice or liability, if the Anchor breaches the Terms or if their ranking falls below the acceptable threshold set by Capsa. Upon termination, the Anchor's right to use the Platform and Capsa's Service will immediately cease. If the Anchor wishes to terminate their account, they must provide no less than 15 (fifteen) days written notice in advance.
- 16.2. Without limiting the foregoing, we may terminate or suspend our Service to you immediately, without prior notice or liability, for any reason whatsoever, including without limitation, if you breach the Terms.
- 16.3. Upon termination, your right to use the Platform and our Service will immediately cease. If you wish to terminate your account, you may simply discontinue using the Service.

17. Indemnity

In no event shall Capsa, its directors, employees, partners, agents, suppliers, or affiliates be liable for any indirect, incidental, special, consequential, or punitive damages resulting from a User's use of the Platform or inability to use the Platform, conduct or content of any third party on the Platform, unauthorized access, use or alteration of transmissions or content, or any legal proceedings between a User and any third parties. This limitation of liability applies regardless of whether Capsa has been informed of the possibility of such damages and even if a remedy set forth herein is found to have failed of its essential purpose.

You agree to indemnify and hold harmless Capsa, its affiliates and subsidiaries, its officers, directors, employees and agents, against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profits, loss of reputation and all interest penalties and legal and other reasonable professional costs and expenses) suffered or incurred as a result of:

- 17.1. your fraudulent or illegal use of the Service or the Platform;

- 17.2. your negligence or any default by you of any of these Terms;
- 17.3. any inaccurate or incomplete information that you have knowingly provided to us;
- 17.4. your allowing any other person to access your account either with your permission or as a result of your failure to keep your username and password private;
- 17.5. any claim made against you for actual or alleged infringement of the Company's Intellectual Property Rights or any actual or alleged infringement of a third party's Intellectual Property Rights arising out of or in connection with the Service or your use of the Platform.

18. Limitation of Liability

In no event shall Capsa, its directors, employees, partners, agents, suppliers, or affiliates, be liable for any indirect, incidental, special, consequential or punitive damages, including without limitation, loss of profits, data, use, goodwill, or other intangible losses, resulting from:

- 18.1. your use of the Platform or the Service or your inability to use the Platform or the Service;
- 18.2. any conduct or content of any third party on the Platform;
- 18.3. any unauthorised access, use or alteration of your transmissions or content, whether based on warranty, contract, tort (including negligence) or any other legal theory, whether or not we have been informed of the possibility of such damage, and even if a remedy set forth herein is found to have failed of its essential purpose; and
- 18.4. any legal proceedings between you and any third parties.

19. Disclaimer

- 19.1. Your use of the Service is at your sole risk. The Platform is provided on an "AS IS" and "AS AVAILABLE" basis. The Platform is provided without warranties of any kind, whether express or implied, including, but not limited to, implied warranties of merchantability, fitness for a particular purpose, non-infringement or course of performance.
- 19.2. Capsa, its subsidiaries, affiliates, and its licensors do not warrant that a) the Platform will function uninterrupted, secure or available at any particular time or location; b) any errors or defects will be corrected; c) the Platform is free of viruses or other harmful components; or d) the results of using the Platform will meet your requirements.
- 19.3. In no event will Capsa, its partners, service providers, affiliates or any of their respective directors, officers, employees or agents be liable to the other party for any special, incidental, indirect, punitive, exemplary or consequential damages, whether foreseeable

or unforeseeable, which may arise out of or in connection with this Term, regardless of whether either party has been apprised of the possibility or likelihood of such damages occurring, or whether claims are based or remedies are sought in contract or tort otherwise.

20. Governing Law

- 20.1. These Terms shall be governed and construed in accordance with the laws of The Federal Republic of Nigeria, without regard to its conflict of law provisions.
- 20.2. Our failure to enforce any right or provision of these Terms will not be considered a waiver of those rights. If any provision of these Terms is held to be invalid or unenforceable by a court, the remaining provisions of these Terms will remain in effect. These Terms & Conditions constitute the entire agreement between us regarding our Service, and supersede and replace any prior agreements we might have between us regarding the Service.

21. Dispute Resolution

- 21.1. Any disputes arising under or in connection with the validity, interpretation and performance of these Terms between Capsa and any third parties that cannot be resolved amicably by the parties through negotiation within 30 (thirty) days shall be resolved by Arbitration at the Lagos Court of Arbitration (LCA) before a single arbitrator in accordance with the Arbitration and Mediation Act, 2023.
- 21.2. The Parties shall endeavour in good faith to mutually agree on the selection of an arbitrator. If the Parties cannot mutually agree on the selection of an arbitrator within ten (10) days of the request, they shall apply to the LCA to appoint an arbitrator. Arbitration proceedings shall be conducted in Lagos. The arbitrator will be requested to render an award within ninety (90) days and to provide, in writing the reasoning for the award. The decision of any such arbitrator shall be final and binding on the parties.
- 21.3. Each party shall bear its cost in connection with the Arbitration and the arbitrator's fees shall be split equally between both parties.

22. Force Majeure

Capsa shall not be liable for failure to perform, or for delay in performing its obligations hereunder if such failure or delay shall be due to natural disasters, war, riot, civil commotion,

weather, pandemics, epidemics, labour disputes, failure of sub-contractors or any other cause beyond its reasonable control and whether or not of a similar nature to the foregoing.

23. Feedback

We welcome and encourage you to provide feedback, comments and suggestions for improvements to Capsa's Platform or Service. You may submit your feedback by emailing us at support@getcapsa.com. Any feedback you submit to us will be considered non-confidential and non-proprietary to you. By submitting your feedback to us, you grant us a non-exclusive, worldwide, royalty-free, irrevocable, sub-licensable, perpetual license to use and publish those ideas and materials for any purpose, without compensation to you.

24. Changes to Terms of Service

Capsa reserves the right, in its sole discretion, to change these Terms of Service. In the event of changes, we will provide you with reasonable notice via e-mail (to registered Users) and pop-up messages displayed on the Platforms in advance of the effective date of the update.

25. Contact Us

If you have any questions about these Terms of Use, please contact us at: support@getcapsa.com.