

Payment Initiation Services – description of the business model

I. Schematic description of the payment process (C2B):

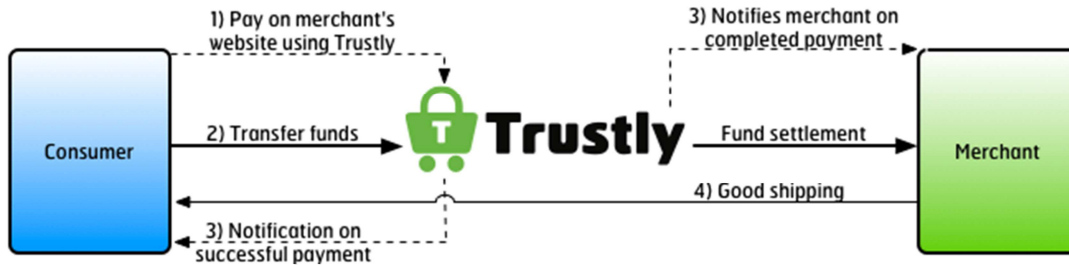


Figure 1: Payment process

1. The consumer pays using Trustly by providing the regular online bank credentials to verify and sign the payment with Trustly's online bank overlay application in the check-out section of the e-merchant.
2. Funds are transferred from the consumer's account to Trustly's recipient account for merchant funds in the same bank.
3. Trustly immediately notifies both the consumer and the merchant of the completed payment.
4. The merchant can immediately ship the goods.
5. The merchant settles the payment proceeds at will, either manually through Trustly's back-office application or according to scheduled batches.

II. Detailed process and money flow

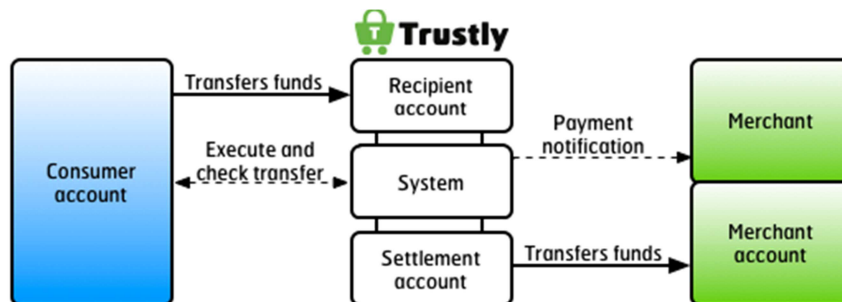


Figure 2: Money flow

EPIF MEMBERS BUSINESS MODELS

Third Party Providers

Trustly handles the transfer of funds from the consumer's ordinary bank account to Trustly's recipient account for merchant funds in the same bank; after the transfer is executed Trustly verifies that the transfer has been correctly executed. Once this is done Trustly adjusts the merchant's balance in Trustly's system and notifies the merchant of the payment. Payments received by a merchant are aggregated in Trustly's system. Funds are settled to the merchant's chosen account, and the merchant's balance adjusted accordingly. Settlement intervals are set according to the individual merchants' preferences.