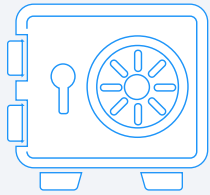
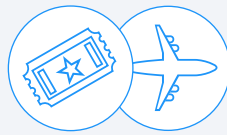


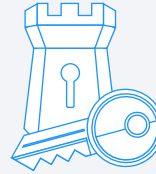
Spredly offers a unique business value proposition distinct from other online payment services. The goal of this short paper is to better explain our business value to compliment your technical assessment and help you determine whether Spredly is the right fit for you.



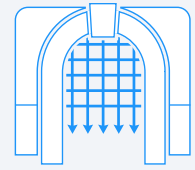
An independent, gateway agnostic credit card vault



Programmatic card delivery to approved third parties



Reduced PCI compliance scope



Transaction routing to more than 70 gateways

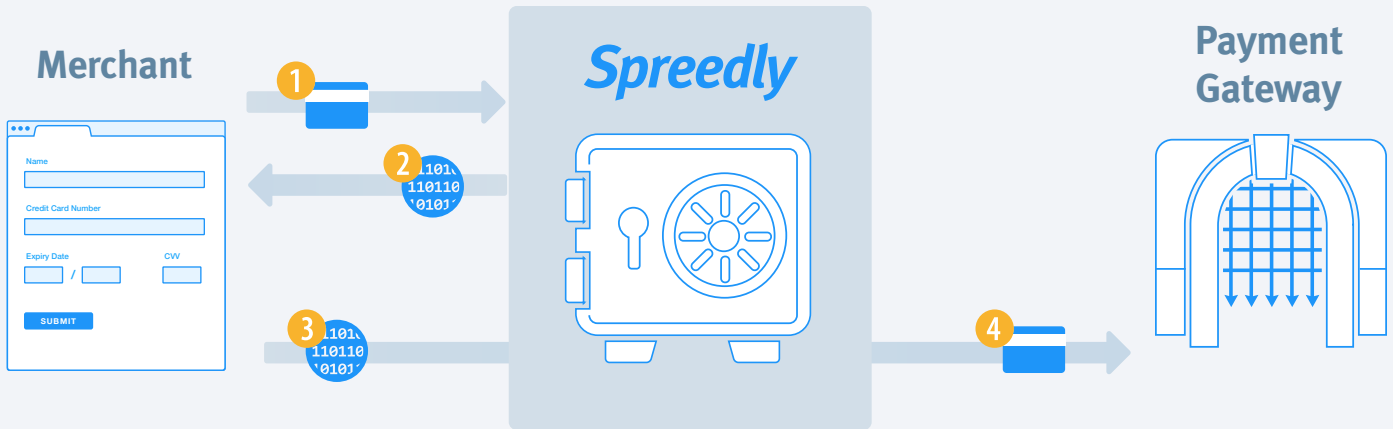
Why Spredly?

Spredly is focused on direct merchants and merchant aggregating platforms that need to work with more than one gateway or API endpoint. We achieve our goal via three main service features:

- By providing credit card tokenization that is truly universal. That is, a credit card stored within Spredly can be charged multiple times against any of the connected gateways or endpoints.
- Existing integrations to over 70+ payment gateways/PSP's via a single API that abstracts away the unique characteristics to provide a seamless and consistent experience for your development team.
- The ability to add PCI-compliant custom endpoints unique to your business. These are typically vertical API endpoints (ticketing, food/ordering, travel, card reward programs) or horizontal (3rd party fraud services).

We're focused on combining the ease of a modern payment gateway, including elegant API's and reduced PCI compliance scope, with the benefits of building your own payments stack; we allow you to work with multiple gateways of third party services via a single integration without worrying about data lock in.

We eliminate the need to manage individual gateway integrations, allowing merchant aggregating platforms to quickly scale by offering immediate support for more than 70 gateways around the world while maintaining their long-term strategic independence to work with preferred partners or even become an ISO in the future.



- 1** CC data is captured and stored in Spredly's vault without touching merchant's servers.
- 2** Spredly returns a token and that token is referenced by merchant for transactions.
- 3** Token is sent to Spredly along with transaction type request.
- 4** Spredly maps token to actual CC data and passes CC data directly to specified payment

We, and many of our customers, believe that Spredly is the last payment gateway API you will have to integrate to. If you don't yet have a payment gateway then your development team will integrate to Spredly and add gateways via our API. If you are already integrated into one or more payment gateway API's then you'll typically add Spredly as a new payment gateway and once up-and-running you will then remove support for those other payment gateway API's and simply run all of your transactions via Spredly. All transactions will then run through Spredly before going on to the specified gateway for completion.

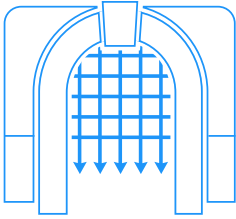


Universal Credit Card Token

At the center of Spredly's value proposition is a universal credit card token. When we tokenize a credit card on your behalf we store the actual card data in our vault for future use. When you send us a credit card token and tell us to perform a transaction we pull the actual card data and pass it to the gateway (or API endpoint) while still retaining the data on our side. This approach ensures that we can pass the card each time to multiple different places over time. This differs from gateway specific credit card tokens that are limited in where and how they can be used.

The creation of a credit card token is a completely independent, closed-loop process. In fact you don't even need to have an active payment gateway to store and tokenize cards with us - just a paid production account.

It is also important to note that you don't have to store a card with Spredly. It's optional. In fact, your developers have to actively tell Spredly to retain a card after it's used if you want to store it. Otherwise it won't be kept once the transaction is complete.



Payment Gateway Token

Spredly is unique and different in that we don't have a default payment gateway. You need to tell us the card you want to charge and you need to tell us the merchant account you want to run the charge against and where the funds will settle. That's where the idea of a payment gateway token comes in (we could have also called it a merchant account token - it was a toss up!)

If you have multiple merchant accounts with one gateway then you will have multiple payment gateway tokens in Spredly with a single payment gateway. If you have multiple merchant accounts across different payment gateways (merchant aggregator platforms) you will have several payment gateway tokens across many different gateways or PSP's. All of these approaches work with Spredly. We just need one so you can tell us where to send a payment.

When it comes time to run a transaction you tell Spredly (via an API call):

"Please charge CC Token 1234 the amount of \$50 against payment gateway token XYZ"

To charge the same card against a different merchant account/gateway simply send us a different gateway token.

It's important to note that we never touch the actual funds. We pass the transaction request onto the stated payment gateway who then initiates the charge. The funds are then deposited into the specified merchant account (the unique payment gateway token). At no point do we hold or control the actual funds.

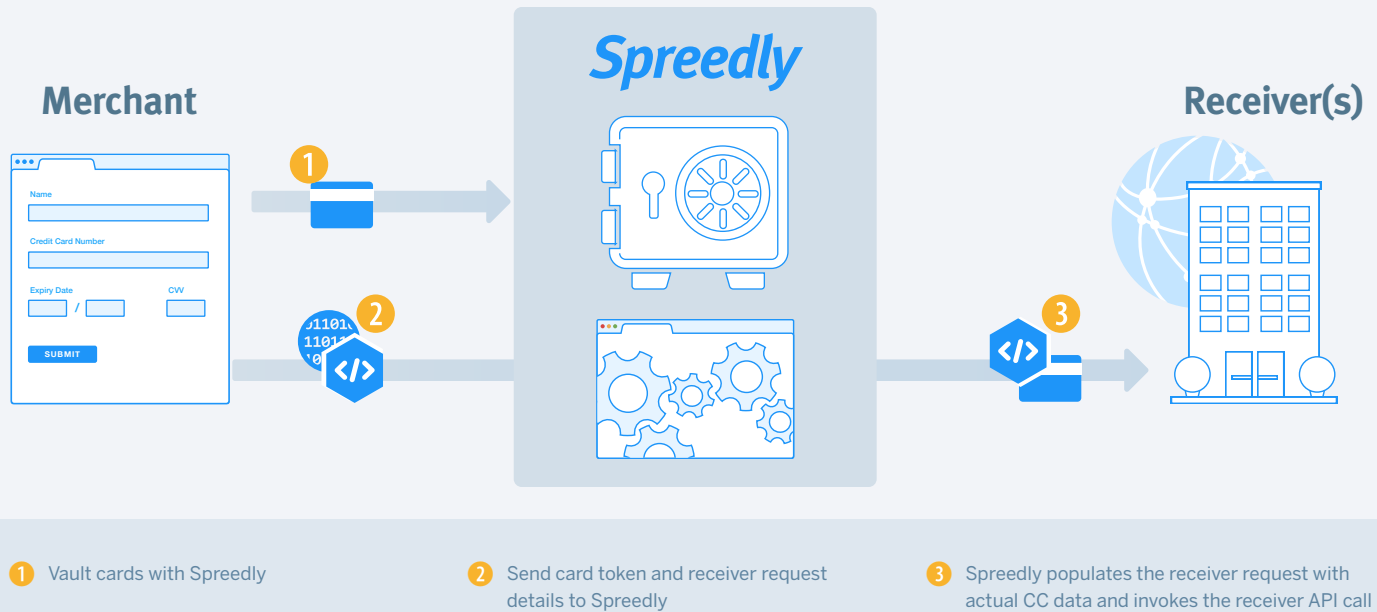
Merchant account aggregators are responsible for creating the end user experience around adding gateway credentials. As part of your new customer onboarding process you're going to want them to set up their payment gateway in your application so they can charge customers on your platform. You control that look and feel and present the forms for them to input their gateway specific information. What information is required will differ from gateway-to-gateway and can be found on the relevant gateway's page on our list of supported gateways¹. Your application then makes a call to Spredly's API with that information and we set up the gateway for the customer.

If you've ever set up a store on a service like Shopify or added banking details to a service like Quickbooks you'll be familiar with how they manage the look and feel on their site and call out to the service with the account details to connect the account to the platform - we've put together a simple merchant onboarding example² to illustrate one potential implementation.

1. <https://spredly.com/gateways>

2. <http://spredly-foodcarts.herokuapp.com>

Payment Method Distribution is the functionality that allows Spredly customers to send card data to non-gateway endpoints for processing.



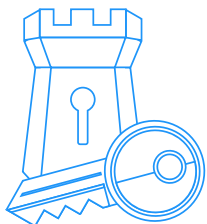
Today Spredly supports more than 70 different payment gateways/PSP's. Yet payment gateways are just one place where you might want to send card data. Ticketing, accommodation, card loyalty networks and fraud services are just a few examples of third party API's we securely send card data to on behalf of customers.

The approach of supporting a PMD is quite different to how we support payment gateways. Card tokenization and vaulting still works the same way; it's always an independent process from running a charge. With payment gateways we've done all the work so you can run a transaction end-to-end. However, with PMD the process is slightly different:

- a) you undertake the necessary development work on your side to understand what the third party API needs to successfully consume card data and run a transaction;
- b) your developers will write all of that information to a template hosted at Spredly;
- c) when you write to that template you'll include the credit card token;
- d) we'll follow your instructions and pass all the information, along with mapping the token to the actual card data, and send it to the third party API to run the transaction; and
- e) we'll pass back the result to you.

Note: Any time we send actual card data to an endpoint we need to know that endpoint is PCI compliant to accept card data. Our own PCI L1 certification is dependent upon it. Keep that in mind if you have an endpoint you'd like us to add support for. You can read more on our PMD page ³.

3. <https://spredly.com/pmd>



Spredly is a PCI L1 compliant service for data at storage and in transit. We're registered on the US and EU Visa and Mastercard lists. You download our compliance documentation from our PCI page⁴.

We believe in data portability and will return your card data to you upon request. Whenever we send actual card data (vs tokens) to an endpoint we need proof of that endpoint's PCI compliance. So moving your card data from Spredly to a payment gateway is typically no issue. We can also send it to you but only if you can prove you're PCI certified for data at rest.

For individual merchants we do one full export to a third party location for no charge and aim to complete the export within 7 business days of receiving the necessary information. For platforms using Spredly (where you have merchants coming and going on your platform) we will do one full export for a client per month free of charge. If you think you'll need to export more frequently then please contact sales@spredly.com (this is usually not an issue if you're on one of our larger plans).

4. <https://spredly.com/pci>