

## Velocity Network Foundation Credential Agent Operator Agreement

PLEASE READ CAREFULLY THIS CREDENTIAL AGENT OPERATOR AGREEMENT (THE “**AGREEMENT**”) BEFORE OBTAINING A COPY, INSTALLING, ACCESSING, OR USING THE SOFTWARE (AS DEFINED IN SECTION 2(B) BELOW).

By installing, having installed, controlling, accessing or otherwise using the Software in any manner, you are accepting and agreeing to be bound by this agreement and representing that you are a legal entity in good standing in the jurisdiction where you are registered and that you have full right, power, and authority to enter into and perform the terms hereunder. If you are entering into this Agreement on behalf of an entity, such as the company for which you work, you represent that you have legal authority to bind that entity. References to “**CAO**” or “**You**” in this Agreement pertain to the Credential Agent Operator entering into this Agreement with the Foundation (as defined below).

This agreement is made between CAO and Velocity Network Foundation, a Delaware nonprofit nonstock corporation (“**Foundation**”, and collectively with you, the “**Parties**,” or each individually, a “**Party**”), and notwithstanding anything to the contrary in any other document, agreement or arrangement between You and the Foundation or any third party or anyone on either’s behalf, the terms of this Agreement shall govern the subject matter hereof. CAO assumes all responsibility for the selection of the Software, for CAO’s reliance on the results of its use of the Software and for any use of the Software not in accordance with the terms hereof.

The Foundation has sole discretion to amend or publish revised and/or new versions of this Agreement from time to time and will either provide generally available notice, or otherwise notify you directly of such changes or modifications. Changes to this Agreement shall become effective as of seven (7) days after such notification. The continued use of any part of the Software by CAO will constitute binding acceptance of this Agreement as revised.

FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

### 1) **Definitions**

- a. **Change in Control Event** - any of the following events: (i) an acquisition of CAO by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation), (ii) the acquisition of ownership or power to vote more than 50% of the voting stock of CAO by any one or more affiliated entities in one or more related transactions, (iii) the acquisition of ability to elect more than 50% of the directors, (iv) a sale of all or substantially all of the assets of the CAO.
- b. **Credential** - describes a person’s qualification, achievement, personal quality, or aspect of their background.
- c. **Credential Agent** - a software program or process approved or provided by the Foundation to

communicate with the Velocity Network's distributed ledger and Credential Wallets.

- d. **Credential Metadata** – with respect to a Verifiable Credential, such Verifiable Credential's Issuer, its Credential Type, its Credential ID and its Cryptographic Key. A "Credential ID" is a randomly generated identifier assigned to a Verifiable Credential. A "Cryptographic Key" is a generated value that through the use of cryptographic algorithms allows third parties to confirm the authenticity of a credential. A "Credential Type" is the type of the digital container, such education degree, current employment, certificate, or past employment.
- e. **Credential Wallet** - an application used by Holders to receive, store, share and manage their Verifiable Credentials.
- f. **Data Protection Laws** - means the GDPR and/or any other data protection and privacy laws, regulations, and regulatory requirements applicable to a Party under this Agreement. In this Agreement, any reference to applicable laws or regulations, includes, but is not limited to, Data Protection Laws, even where not specifically mentioned.
- g. **Disclosure Request** – request made by Inspector to the Holder to disclose one or more Verifiable Credentials. A Disclosure Request must be presented prior to each Inspection and include the purpose of such Inspection ("**Inspection Purpose**") and the duration for which the Verifiable Credentials will be stored
- h. **GDPR**- means the General Data Protection Regulation (EU) 2016/679 on the protection of natural persons with regard to the Processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and any amendment or replacement to it.
- i. **Holder** - an individual who is the subject of a Verifiable Credential.
- j. **Impermissible Personal Data** – 1) when communicating with a Steward: Personal Information and/or any data relating to Verifiable Credentials other than Credential Metadata, and 2) when communicating with an Organizational User, data that includes, to the best of Your knowledge, the following: Personal Information that a) relates to individuals under the age of 13; and/or b) in accordance with applicable laws and regulations, with respect to a Holder and/or a Transaction, the Organizational User and/or CAO are not permitted to request, store and/or process.
- k. **Inspector/Inspect** – an organization that, or the process by which it, receives a Verifiable Credential from a Holder through a direct, peer to peer, connection.
- l. **Issuer/Issue** –an organization that, or the process by which an organization, asserts the Credential information about a Holder to whom a Verifiable Credential is Issued and such Verifiable Credential is shared with such Holder through a direct, peer to peer, connection and the Verifiable Credential's metadata is written to the Velocity Network distributed ledger.
- m. **Personal Information** - means information that relates, directly or indirectly, to an individual, including without limitation, names, email addresses, postal addresses, identification numbers, location data, online identifiers or one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of the data subject.
- n. **Steward** – an organization that runs a single node of the distributed ledger of the Velocity Network.
- o. **Transaction** – Inspecting and/or Issuing and/or Verifying.
- p. **Organizational User**– Inspector and/or Issuer.
- q. **Verifiable Credential** – with respect to a particular Credential, a digital container of such

Credential making it verifiable through the use of the Velocity Network.

- r. **Velocity Credits** – the utility credit used on the Velocity Network.
- s. **Verifying**- a process in which by reading from the Velocity Network distributed ledger, an Inspector who received a Verifiable Credential through Inspection, confirms that such Verifiable Credential was Issued to the Holder by a trusted authority, has not been tampered with or counterfeited, and hasn't been revoked.
- t. **Velocity Network** – the distributed ledger that is being run by the Stewards, the Credential Agents, Credential Wallets and all other components, applications and communications protocols used by them to allow issuing, inspecting and managing Verifiable Credentials.

## 2) **Operating a Credential Agent on the Velocity Network**

- a. The Foundation hereby grants to the CAO, for the term of this Agreement, a limited, non-exclusive, non-transferable, non-assignable, non-sublicensable, royalty free, revocable license to run the Credential Agent on the Velocity Network; provided that the CAO remains in compliance with all of its obligations under this Agreement.
- b. The Foundation will make available to the CAO the software code, packages and supporting documentation required to run the Credential Agent, and any relevant patches and updates, as those become available (collectively, the “**Software**”). In connection with the Velocity Network and its operation of the Credential Agent, CAO may only use Software that has been provided or approved by the Foundation.
- c. The Foundation shall compensate CAO for processing Transactions by awarding it Velocity Credits in an amount, at times and in the manner as set in then current and posted relevant Policies.

## 3) **CAO Obligations**

- a. As the operator of a Credential Agent, CAO shall:
  - i. Process Transactions submitted to it by an Organizational User, 1) at its sole expense, and 2) in compliance with (i) all policies, guidelines and/or requirements (collectively, the “**Policies**”) set by the Board of Directors of the Foundation (the “**Board**”) or any committees thereof, and (ii) all applicable laws and regulations, including, but not limited to, Data Protection Laws.
  - ii. Only process Transactions from Organizational Users that have executed an Organizational User Agreement that is effective at the time of processing.
  - iii. Use Your best efforts to ensure You only process Transactions from Organizational Users that: 1) CAO has adequately vetted, 2) are not attempting to commit fraud using the Velocity Network, and 3) have executed an Organizational User Agreement that is effective at the time of processing.
  - iv. Use your best efforts to ensure You only process Transactions that comply with applicable laws and regulations.
  - v. Develop and maintain such policies that are adequately needed to ensure the protection of any Personal Information held or processed by CAO. Appendix B includes a minimal, not exhaustive list of the policies that CAO must develop and maintain. Appendix A may be updated from time to time.

- vi. Obtain all necessary consents, rights and permissions, and provide all necessary notices, as required by any and all applicable laws or regulations, prior to executing a Transaction (the “**Required Notices and Consents**”). Appendix A includes a minimal, not exhaustive list of such Required Notices and Consents that a CAO must enforce, and it might be updated from time to time.
- vii. Promptly, and within no longer than 48 hours (or if a Policy requires a different notice period, as stated in such Policy), notify the Foundation in writing of any: 1) security breach, “hacking” or other unauthorized access jeopardizing the integrity of Transactions, 2) destruction, loss, alteration, unauthorized disclosure of, or access to, data transmitted, stored or otherwise processed by CAO in connection with the operation of the Credential Agent, and 3) communications from a third party, including a data subject, regarding the Foundation or the Credential Agent.
- viii. NOT, and shall not permit others to, Repurpose any Verifiable Credential. In this Agreement, “Repurpose” means using any Verifiable Credential obtained by Inspection, not in connection with such Inspection’s Inspection Purpose. It is clarified that it is considered Repurposing to use the same Verifiable Credential with the same Organizational User, but at a different time or for a different Inspection Purpose than the original Transaction.
- ix. Only use Software that has been made available or approved by the Foundation, and not use any other code or software to run the Credential Agent.
- x. Implement appropriate security, technical and organizational measures as required by the Policies.
- xi. Promptly, and within no longer than 48 hours (or if a Policy requires a different notice period, as stated in such Policy), install and implement patches and updates to the Software, as provided by the Foundation.
- xii. NOT, and shall not permit others to: (i) use a derivative work of the Software, on a temporary or permanent basis in connection with the Velocity Network and/or to run the Credential Agent; (ii) exceed the license scope as specified in this Agreement; (iii) sublicense, transfer, rent, lease or lend the Software in connection with the Velocity Network; or (iv) directly or indirectly, take any action to contest Foundation’s intellectual property rights.
- xiii. Maintain and process Verifiable Credentials with at least the same degree of care, confidentiality and security as CAO uses in maintaining other Personal Information stored or processed on CAO’s systems, and at least at the industry standard.
- xiv. Promptly provide notice to the Foundation (A) upon a Change in Control Event, and (B) in the event that CAO: (a) becomes insolvent or unable to pay its debts as they mature; (b) makes an assignment for the benefit of its creditors; or (c) seeks relief, or if proceedings are commenced against CAO or on its behalf, under any bankruptcy, insolvency or debtors relief law and such proceedings have not been vacated or set aside within seven (7) days from the date of commencement thereof (a “**Bankruptcy Event**”).
- xv. CAO expressly agrees that it is responsible for all acts and omissions of its officers,

directors, employees, agents, subcontractors and third-party service providers in the course of their duties on behalf of CAO and shall ensure their compliance with this Agreement. To the extent that CAO uses subcontractors or third-party service providers to perform any of its obligations under this Agreement, CAO shall enter into a written agreement with each such subcontractor or third-party service provider containing terms that are no less stringent than those set forth in this Agreement with respect to the CAO's obligations.

#### 4) **Term and Termination**

- a. This Agreement commences on the date accepted by or on behalf of CAO, and shall remain in force until terminated by either Party pursuant to this Section 4.
- b. Either Party may terminate this Agreement: (a) if the other Party has materially defaulted in the performance of any of its obligations under this Agreement and has not cured such default within ten (10) business days of receipt of written notice from the non-defaulting Party of such default; (b) by giving the other Party thirty (30) calendar days' written notice (which may be by email); or (c) immediately in the event of A) CAO's Bankruptcy Event, and/or B) any government sanctions or other legal measures that make it unlawful for CAO to process the Transactions or participate in the Velocity Network.
- c. In the event of a termination of this Agreement for any reason: (A) the rights granted to CAO under this Agreement automatically terminate; (B) CAO shall immediately cease processing Transactions; and (C) if it is not participating in the Velocity Network in any other capacity, CAO must sell all of the Velocity Credits held by it within 90 days.
- d. Notwithstanding anything to contrary, and in addition to all other rights and remedies available to the Foundation, in the event of any occurrence, in the Foundation's reasonable judgment, that CAO 1) is not satisfying its obligations under this Agreement, 2) is breaching any Policies or any applicable laws, or 3) is causing imminent threat to the security, integrity, availability or reputation of the Velocity Network, the Foundation has the right to immediately: (A) suspend CAO's right to process Transactions or interact with the Velocity Network; (B) permanently or temporarily, confiscate, without compensation, any and all Velocity Credits held by CAO, including by making them unusable, preventing their exchange for fiat currency and/or by any other then available technical means on the Velocity Network to accomplish de-facto confiscation; (C) cease the participation of CAO in the Velocity Network in any other capacity; (D) terminate this Agreement, and/or (E) pursue any and all legal remedies available to it under applicable law (options A, B, C, D and E, collectively the "**Sanctions**"), all at the sole discretion of the Foundation. CAO may make a detailed plea to cancel or reduce the Sanctions in accordance with applicable Policies that are set from time to time.

#### 5) **Publications**

- a. CAO consents to making available to the public its name and trademark to identify it as a Credential Agent Operator. The Foundation will not obtain any right, title or interest in CAO's trademarks by virtue of its use of the trademarks under this Agreement and any additional goodwill associated with the trademarks that is created through The Foundation's use of the

trademarks shall inure solely to the benefit of CAO.

- b. CAO grants the Foundation permission to gather, use internally for creating statistics and analytics data and/or publish aggregated and/or anonymous data on the performance and reliability of the Velocity Network.
- c. Provided CAO complies with applicable Policies, CAO may use such marks permitted in the Policies to indicate its participation in the Velocity Network. CAO must stop using all such marks upon the termination of this Agreement. Any and all marks used by CAO are owned by the Foundation. The right of use granted in this provision is a nonexclusive right and license to use the marks, as necessary in its activities relating to the Velocity Network. CAO may use the marks only in connection with the exercise of its rights or the performance of its obligations relating to the Velocity Network. CAO shall comply with any reasonable policies that the Foundation may establish with respect to the use of the marks, including but not limited to those specified in the Policies. CAO's use of the Foundation's marks pursuant to this Agreement will inure to the benefit of the Foundation.

## 6) **Intellectual Property**

- a. No rights in and to the Software other than the limited license rights expressly set forth herein are granted to CAO in this Agreement. CAO acknowledges and confirms that as between the parties to this Agreement, all right, title and interest in and to the Software (including, without limitation, any of their respective components and all contributions, derivatives, enhancements, improvements and modifications thereto) and other intellectual rights or assets (including, without limitation, copyrights, trade secrets, trademarks, etc.), evidenced by or embodied in and/or related to the Software and associated documentation and services, are and shall remain the sole property of the Foundation protected under copyright laws, patent law, and/or other laws protecting intellectual property rights and international treaties. Nothing in this Agreement constitutes a waiver of Foundation's intellectual property rights under any law.
- b. Notwithstanding anything to the contrary, in the event CAO provides Foundation with any suggestions, comments or other feedback relating to the Software, or if Foundation generates any knowledge in connection with the operation of the Credential Agent including any related services (collectively "**Feedback**"), whether such Feedback is provided or generated (as applicable) prior to, on or after the term of this Agreement, such Feedback shall become the sole and exclusive property of Foundation, and CAO hereby irrevocably assigns to Foundation and/or its affiliates all of its right, title and interest in and to such Feedback.
- c. Except for usage rights explicitly set forth in this Agreement, CAO does not have any rights to the Foundation's trademarks or service marks. CAO will not remove or modify any Software markings or any notice of the Foundation's proprietary rights.

## 7) **Disclaimer of Warranties**

TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, THE SOFTWARE IS PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, AND THE FOUNDATION EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, REGARDING OR RELATING TO THE SOFTWARE, OR THE ACCURACY, RELIABILITY, OR COMPLETENESS OF ANY INFORMATION OR DATA OBTAINED OR

DERIVED THROUGH THE USE OF THE SOFTWARE OR THE VELOCITY NETWORK.

**8) Indemnification**

- a. To the fullest extent permitted by applicable law, CAO will indemnify and hold harmless the Foundation, its affiliates, and each of their respective officers, directors, agents, partners and employees (individually and collectively, the “**Foundation Parties**”) from and against any losses, liabilities, claims, demands, damages, expenses or costs (“**Claims**”) arising out of or related to (i) CAO’s access to or use of the Credential Agent and/or the Velocity Network in violation of this Agreement; (ii) CAO’s violation, misappropriation or infringement of any rights of another (including intellectual property rights or privacy rights); (iii) notice or consent forms used by the CAO; or (iv) CAO’s violation of applicable law.
- b. CAO agrees to promptly notify the Foundation in writing of any Claims, cooperate with the Foundation in defending such Claims and pay all fees, costs and expenses associated with defending such Claims (including attorneys’ fees). CAO also agrees that the Foundation will have sole control of the defense or settlement, at the Foundation’s sole option, of any Claims. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between CAO and the Foundation or the other Foundation Parties.

**9) Limitation of Liability**

- a. CAO recognizes that every business decision represents an assumption of risk and that CAO assumes full responsibility for determining and complying with the applicability of international, federal, state, and or local laws, ordinances, statutes, and regulations that may apply at the time, based upon CAO’s handling, treatment, storage, filing and other processing of the Personal Information, including cross-border transfers of data, and the scope and nature of the Personal Information itself. Currently, privacy and related protection laws are in a changing state and it is the responsibility of the CAO to conform to those newly advancing pieces of legislation as they become effective.
- b. The Foundation is solely the architect and administrator of the Velocity Network. In no event will the Foundation be held liable for the actions or omissions of Stewards, CAO, other CAOs, Issuers, Inspectors, Credential Wallets and any other participants in the Velocity Network.
- c. IN NO EVENT SHALL THE FOUNDATION BE LIABLE FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL, OR OTHER CONSEQUENTIAL DAMAGES UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY LOST PROFITS, BUSINESS INTERRUPTION, LOSS OF PROGRAMS OR DATA, OR OTHERWISE, EVEN IF CAO IS EXPRESSLY ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE FOUNDATION ASSUMES NO LIABILITY OR RESPONSIBILITY FOR ANY (I) ERRORS, MISTAKES, OR INACCURACIES OF CONTENT; (II) PERSONAL INJURY OR PROPERTY DAMAGE, OF ANY NATURE WHATSOEVER, RESULTING FROM ACCESS TO OR USE OF THE VELOCITY NETWORK; (III) UNAUTHORIZED ACCESS TO OR USE OF THE

VELOCITY NETWORK AND/OR ANY PERSONAL INFORMATION STORED WITH ANY PARTICIPANTS OF THE VELOCITY NETWORK; (IV) INTERRUPTION OR CESSATION OF TRANSMISSION TO OR FROM THE VELOCITY NETWORK; (V) BUGS, VIRUSES, TROJAN HORSES, OR THE LIKE THAT MAY BE TRANSMITTED TO OR THROUGH THE VELOCITY NETWORK OR BY ANY THIRD PARTY; (VI) ERRORS OR OMISSIONS IN ANY CONTENT OR FOR ANY LOSS OR DAMAGE INCURRED AS A RESULT OF THE USE OF ANY CONTENT MADE AVAILABLE THROUGH THE VELOCITY NETWORK; (VII) INFORMATION PROVIDED BY ORGANIZATIONAL USERS AND/OR HOLDERS OR (VIII) THE DEFAMATORY, OFFENSIVE, OR ILLEGAL CONDUCT OF ANY PARTICIPANT OF THE VELOCITY NETWORK.

IN NO EVENT SHALL FOUNDATION'S LIABILITY UNDER THIS AGREEMENT EXCEED \$25,000 USD IN THE AGGREGATE.

#### 10) **Governing Law and Forum**

The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of New York and without giving effect to the principles of conflicts of laws. The Parties hereby consent to the exclusive jurisdiction of the courts located in New York County, New York to settle any dispute or claim that arises out of or in connection with these Terms or its subject matter. The Parties specifically exclude application of the United Nations Convention on Contracts for the International Sale of Goods to these Terms.

#### 11) **Miscellaneous**

- a. **Notice.** Any notice or communication required or permitted by the provisions of this Agreement shall be in writing and delivered, within the specified timeframe of this Agreement, via mail, or email where allowed, to the respective Party to whom it is directed.
- b. **Severability.** If any provision of this Agreement is held invalid, illegal, or unenforceable, the validity, legality, and enforceability of any of the remaining provisions of this Agreement shall not in any way be affected or impaired.
- c. **Assignment.** CAO may not assign this Agreement without the prior written approval of the Foundation. The Foundation, at its sole discretion, may request additional information about the assignment, approve or deny such request to assign the Agreement and/or set conditions for approval.
- d. **Relationship of the Parties.** This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the Parties. Neither Party will represent that it has any authority to assume or create any obligation, express or implied, on behalf of the other Party, nor to represent the other Party as agent, employee, franchisee, or in any other capacity. There are no third-party beneficiaries to this Agreement. Neither Party shall make any proposals, promises, warranties, guarantees, or representations on behalf of the other Party or in the other Party's name with respect to the subject matter hereof without such Party's explicit written consent. If CAO is a member of the Foundation, this paragraph shall not apply to the relationship between CAO and the Foundation in such capacity.
- e. **Waiver.** No waiver of any breach of this Agreement will be a waiver of any other breach, and no waiver will be effective unless made in writing and signed by an authorized representative of the



Foundation. The failure of the Foundation to enforce any rights granted hereunder or to take action against CAO in the event of any breach hereunder shall not be deemed a waiver by Foundation as to subsequent enforcement of rights or subsequent actions in the event of future breaches.

- f. **Survival.** Any terms that by their nature survive termination or expiration of this Agreement shall survive.

## Appendix A

### CAO Policies

CAO must develop, maintain and enforce the following policies in a manner that is appropriate for its size and activity and that is no less than what is customary in its industry:

- Privacy policy
- Security policy
- Incident management policy
- Code of conduct

### Required Notices and Consents

CAO must ensure that at least the following notices are provided to Holder and consents are received from Holder and tracked in Credential Agent:

Event	Notice	Consent
Sharing Verifiable Credential with any Organizational User	Require Organizational User to make a Disclosure Request, present its T&C and privacy statement.	Consent to policy and T&C must be received and tracked in Credential Agent
		Consent to share a Verifiable Credential must be received and tracked in Credential Agent
Sharing Verifiable Credential with Inspector	Require Inspector to provide a Disclosure Request.	Consent to Disclosure Request must be received and tracked in Credential Agent
	Require Inspector to present its T&C and privacy statement.	Consent to policy and T&C must be received and tracked in Credential Agent
Verifiable Credentials are offered to Holder	Issuer must to include in offer contact information for Issuer and a clarification that Holder should approach Issuer with any questions relating to the Verifiable Credentials offered	Consent to offer and which Verifiable Credentials are accepted should be tracked in Credential Agent
Establish ongoing connection with Organizational User	Require Organizational User to include its T&C in any suggestion to establish an ongoing connection .	Consent must be received and tracked in Credential Agent
Stop ongoing connection with Organizational User	Require Organizational User to include its T&C in any	Holder request must be tracked in Credential Agent

	suggestion to stop an ongoing connection	
Revocation of Verifiable Credential	Inspector must present to Holder a notice of revocation, which must include a reason for the revocation	

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