

TERMS AND CONDITIONS FOR MERCHANTS

Terms and conditions for participation in the girocard scheme of the German Banking Industry Committee

1 PARTICIPATION IN THE GIROCARD SCHEME OF THE GERMAN BANKING INDUSTRY COMMITTEE

The Merchant is entitled to participate in the girocard scheme of the German Banking Industry Committee subject to these Terms and Conditions. The girocard scheme enables cashless payments to be made at automated cash registers - girocard terminals. The Merchant's contracting partner with regard to authorisation of any single payment transaction is a relevant card-issuing payment service provider (see section 5 below). The entirety of payment service providers participating in the girocard scheme is hereinafter referred to as the Banking Industry.

2 CARD ACCEPTANCE

The debit cards issued by payment service providers and bearing a girocard logo, as detailed in chapter 2.3 of the Technical Appendix, must be accepted at the Merchant's girocard terminals. Payment service providers may issue this debit card as a physical card or as a digital card for storage on a telecommunications, digital or IT device (mobile device). The activation of the contactless function and the associated acceptance of digital cards is optional. The Merchant remains free to grant discounts. Prior to payment, the Merchant must bring to the cardholder's attention the non-acceptance of any debit cards from payment service providers for lack of a fee agreement and do so by means of an adhesive label, electronically or in some other appropriate manner.

As far as the Banking Industry has entered into relevant co-operation agreements with operators of or participants in guaranteed and PIN-based debit card systems (Co-operation Partners) where those operators or participants are based in other countries, the Merchant is also required to accept the debit cards issued by a payment service provider within the system of a co-operation partner for cashless payments at girocard terminals under the Terms and Conditions that apply to the girocard scheme. The network provider will notify the Merchant of co-operation partners' debit cards that are to be accepted within the scope of the girocard scheme and include these in the technical clearing and settlement process within the parameters of the girocard scheme. This does not affect the acceptance of cards from other systems at girocard terminals, provided that this does not impair the proper processing of the cards to be accepted under the girocard scheme.

The Merchant has the opportunity to install automatic mechanisms in its girocard terminals for the cards accepted by the Merchant to default to a particular payment brand or payment application. However, this must not prevent the cardholder from overriding this default setting.

3 CONNECTION OF THE MERCHANT TO THE NETWORK OF A NETWORK PROVIDER

Unless the Merchant itself fulfils the function of a network provider, the Merchant's participation in the girocard scheme requires a connection to an operator network based on a separate agreement between the Merchant and a network provider. It is the function of the operator network to connect the girocard terminals with the authorisation systems of the Banking Industry that is in charge of the approval of the girocard transactions. The network provider is responsible for the installation of the girocard terminals, their connection to the operator's computer and for providing technical support, including the insertion of cryptographic keys. In so far as the process for online personalisation of terminal hardware security modules (OPT process) is used, the network provider is responsible for the transmission of cryptographic keys within the scope of that process. The network provider must ensure that the operator network meets the security requirements stipulated by the Banking Industry.

4 EXCHANGING THE CRYPTOGRAPHIC KEYS REQUIRED FOR OPERATION OF THE TERMINAL

To safeguard the security of the girocard scheme the cryptographic keys must be exchanged at regular intervals or as necessary. The Banking Industry will generate the cryptographic keys required for operating the terminal.

The Merchant is required to accept these cryptographic keys exactly as they are provided by the Banking Industry. This process is carried out via the network provider. If the OPT process is used for inserting the keys, the Merchant will be required, for this purpose, to enter into an appropriate agreement with a payment service provider of its choice (terminal payment service provider) or a network provider instructed by the terminal payment service provider.

5 TRANSACTION AUTHORISATION BY THE CARD-ISSUING PAYMENT SERVICE PROVIDER

By positively authorising a transaction, the card-issuing payment service provider connected to the girocard scheme commits to settle the amount approved at the girocard terminal (girocard transaction). If the Merchant, at its girocard terminal, accepts the debit card issued by a credit institution within the system of a co-operation partner, the card-issuing payment service provider within the co-operation partner's system commits to settle the amount approved at the girocard terminal (girocard transaction). Settlement of the girocard transaction is subject to the girocard terminal being approved in relation to the network provider, being operated in accordance with the process agreed with the network provider and the stipulations detailed in sections 2 and 7 being complied with by the Merchant. If the card-issuing payment service provider is

connected to the girocard scheme, a further requirement is that the girocard transaction is submitted to a service provider of the Merchant (collection payment service provider) within 8 days. Submission of the girocard transaction by the Merchant to its payment service provider does not form part of the authorisation of the transaction by the card-issuing payment service provider in relation to the Merchant. If the girocard transaction is cancelled, the payment obligation of the card-issuing payment service provider is void.

The connected Merchant is required, on request, which is communicated via the network provider, to provide the Banking Industry with more detailed documentation relating to the cancelled girocard transaction (e.g. copy of the card slip, merchant journal) without delay, but at the latest within 10 days of receiving the request.

6 FEES

The Merchant or its agent is required to pay the card-issuing payment service provider the mutually agreed fee for operation of the girocard scheme and authorisation of girocard transactions within the Banking Industry's authorisation systems or a Co-operation Partner's authorisation system. When agreeing individual fees, both parties must comply with the technical requirements of the girocard scheme. No fee is charged for cancelled transactions.

The Merchant is required to provide the network provider with evidence of the existence of its agreements on fees with all card-issuing payment service providers and also to notify the network provider of the key facts which are essential for the network provider's technical clearing and settlement of the transaction (e.g. information about individually agreed basic calculation values). If the Merchant does not have fee agreements in place with one or more card-issuing payment service providers, it must endeavour, without delay, to conclude fee agreements with the omitted card-issuing payment service providers. Until such proof has been fully provided, the network provider may, in consultation with the Merchant, make suitable and reasonable arrangements, such as having the Merchant inform the cardholder that the debit cards of particular card-issuing payment service providers cannot be accepted due to the absence of a fee agreement or the (temporary) decommissioning of the terminal until proof that the outstanding fee agreement(s) has been concluded.

At the merchant's request and subject to the agreement of a service contract, the network provider may carry out the technical implementation of fee agreements negotiated directly between a Merchant and the card-issuing payment service provider(s). Where the Merchant uses an agent for the purpose of accounting for girocard fees, the Merchant shall obligate said agent to post the girocard fees received to a separate account, i.e. separate from its other assets. Unless otherwise agreed, said fees constitute trust assets of the card-issuing payment service providers.

The network provider will regularly forward the fees owed to the relevant card-issuing payment service provider, so long as this has been agreed between the Merchant or its agent and the respective card-issuing payment service provider or its agent and in due consideration of the network provider's technical requirements.

7 OPERATION OF TERMINALS IN COMPLIANCE WITH THE GUIDELINES SET OUT IN THE TECHNICAL APPENDIX

The Merchant is required to operate the girocard terminals for the debit cards approved under these Terms and Conditions (see section 2 above) solely in accordance with the „Operating instructions“ set out in the attached Technical Appendix. The requirements contained therein constitute an integral part of these Terms and Conditions. Particularly to prevent anyone other than the cardholder seeing the PIN being entered on the terminal, the security requirements set out in the attached Technical Appendix must be complied with when installing the terminal.

The Merchant must refrain from doing anything that might compromise the security or proper functioning of the girocard scheme. The Merchant is required to notify its network provider of any incidents that might adversely affect the security or proper functioning of the girocard scheme.

Only terminals approved by the Banking Industry may be used for participation in the girocard scheme. Any necessary modifications to the terminal required by the Banking Industry must be implemented within the allotted time to ensure compliance with the applicable requirements for approval. Terminals that have not been modified accordingly must not be used within the girocard network once the stipulated deadline has expired.

8 CARDHOLDER AUTHENTICATION DURING THE PAYMENT PROCESS

For payments at girocard terminals, a strong authentication of the cardholder is regularly required. In addition to using the debit card, this can be done either by entering the personal identification number (PIN) or by using another authentication element agreed between the cardholder and the card-issuing payment service provider. The entry of the personal identification number (PIN) or the use of the other agreed authentication elements may only be made by the cardholder. In order to process contactless payments (if supported by the girocard terminal), the card-issuing payment service provider may dispense with the PIN being entered for individual transactions of up

to 50 € or with using the other authentication element agreed between the cardholder and the card-issuing payment service provider.

9 GRANTING ACCESS

The Merchant ensures that the Banking Industry's representatives have access to the girocard terminals on request and for the purpose of inspection.

10 COLLECTION OF GIROCARD PAYMENTS

The collection of girocard payments is subject to separate agreements between the Merchant and the selected payment service provider and is not covered by these Terms and Conditions. The network provider has agreed to support the Merchant in its processing of payment transactions by generating direct debit files from the Merchant's girocard transactions or sales and, among other things

- by making these available to the Merchant for submission to its account-managing payment service provider or a central agency nominated by the latter,
- by submitting these directly to the Merchant's account-managing payment service provider on the Merchant's behalf
- or, following the Merchant's assignment of the claim, by forwarding the files to the Merchant's account-managing payment service provider for collection.

11 RETENTION PERIODS

Irrespective of any statutory retention periods, the Merchant is required to keep the merchant journals of girocard terminals for at least 15 months and make these available, on request, to the collection payment service provider instrumental in collecting the girocard payment. Any objections or other complaints raised by cardholders in accordance with section 2 sentence 1 with regard to the contractual relationship with the Merchant are to be asserted directly against the Merchant.

12 ACCEPTANCE SYMBOL

The Merchant must clearly indicate the girocard scheme by using a symbol provided in accordance with section 2.3 of the Technical Appendix. In doing so, the Merchant must not advertise one payment service provider or a group of service providers more prominently than others.

13 SPECIAL PROVISIONS REGARDING CASH-OUTS GRANTED BY THE MERCHANT

Where a Merchant offers the option of cash-outs as part of the girocard process, the following additional provisions shall apply:

- Cash-outs are only permissible in connection with a girocard transaction to pay for the Merchant's goods and/or services. The amount of the girocard transaction should be no less than 20 €.
- Cash-outs can only be made on the basis of a mandatory authorisation of the amount requested by the card-issuing payment service provider.
- Provided that there are sufficient cash funds in the cash register, the Merchant shall be bound by the authorisation result from the payment service provider.
- Cash-outs must not exceed an amount of 200 €.
- With regard to the cash-out offer, the Merchant shall not differentiate between the cardholders of different card-issuing payment service providers. In doing so, the merchant may also take into consideration the cash funds available in the cash register.

14 AMENDMENT OF TERMS AND CONDITIONS

The Merchant will be informed in writing of any changes to these Terms and Conditions. If an electronic method of communication has been agreed with the Merchant, the changes may also be communicated using this method if the nature of transmission permits the Merchant to store or print the changes in a readable format. The changes are deemed to have been accepted unless the Merchant raises an objection with its account-managing payment service provider in writing or using the agreed electronic method of communication. The Merchant must be provided with specific information about this process on notification of the changes. The Merchant must submit its objection to its account-managing payment service provider within six weeks of being notified of the changes.

15 GOVERNING LAW, LEGAL VENUE AND CONTRACTUAL LANGUAGE

These Terms and Conditions and the appendices thereto are governed by the laws of the Federal Republic of Germany. The exclusive legal venue for any disputes relating to these Terms and Conditions is Berlin. A payment service provider to be sued and the Merchant may also be taken to court where their registered head office is situated. If this document has been translated, the German language version will prevail.

Schedule:

Technical Appendix to the Terms and Conditions for Merchants

Technical Appendix to the **TERMS AND CONDITIONS** for Participation in the German Banking Industry's girocard scheme (Terms and Conditions for Merchants)

1 APPROVED CARDS

Cards issued by German banks and savings banks and displaying a girocard logo as set out in section 2.3 may be used on terminals for the girocard scheme of the German Banking Industry.

2 OPERATING INSTRUCTIONS

(1) Security requirements (privacy screen)

System security is generally ensured by the network provider.

The merchant for his part must take suitable steps to provide a privacy screen so that customers can enter their PIN without the action being observed. This includes in particular the following:

- The place where the customer terminal is located should be selected and designed so that the privacy screen, in conjunction with the customer's body, provides the best possible screen to prevent others from observing the PIN being entered.
- Hand-held units should be handed over to the customer.
- Desktop devices should be adjustable to allow the customer to adapt to changing conditions.
- Video cameras and mirrors should be positioned in such a way that they cannot be used to observe entry of the PIN.
- Privacy zones should be set up in front of the terminal.

(2) General requirements relating to terminals

The network provider is required only to connect terminals to the network that comply with the Banking Industry's requirements (cf. section 3 of the Terms and Conditions for Merchants). These are limited to

- the smooth processing of transactions in compliance with a few basic functions,
- the design of what is termed the customer interface (display/customer receipts/PIN pad) to ensure the scheme's uniform appearance and in particular
- system security that guarantees the secure transmission of transaction data and the personal identity number (PIN) by the use of suitable software and hardware.

3 GIROCARD-LOGOS

A "girocard" logo must be displayed at the point of sale to indicate card acceptance.



Additional information on the girocard authorization fee

Clause 6 of the merchant terms and conditions provides that the authorization prices for girocard transactions are negotiated between the banks and the companies. As a company / merchant, you should therefore actually negotiate new authorization prices with all banks. Since this is impossible to implement due to the large number of banks and companies on both sides, both banks and companies can be represented by so-called concentrators, who then negotiate with one another.

In this way, PAYONE GmbH, as a merchant concentrator, has already negotiated new authorization prices for you for card payments using girocard with all banks. We can therefore offer you the authorization price listed in the contract for participation in the girocard-acceptance-contract (hereinafter "contract"). However, we can only maintain the new price as long as the so-called "right to determine performance" has been transferred to us by the banks. If this is no longer the case, we must hereby grant ourselves an extraordinary right of termination.

In order to simplify the billing of the authorization prices for you and us and to achieve comparable conditions for you, we offer you a uniform authorization price for cards from all banks. To this end, the banks have granted us the right to combine the fees negotiated with them by means of a mixed calculation and to uniformly determine the authorization price you have to pay for the banks. We initially weighted the prices offered to us by the banks according to the expected turnover. Then we unilaterally set the price offered to you as a kind of mean value, taking into account the economic and legal risks. If we achieve a surplus as a result of our calculation, the banks allow us to withhold this as part of our efforts. However, we have to compensate the banks for any underfunding.