



SPECIAL CONDITIONS STRONG CUSTOMER AUTHENTICATION

1. STRONG CUSTOMER AUTHENTICATION

1.1. Strong Customer Authentication or SCA was defined by Directive (EU) 2015/2366 ("PSD 2") and implemented via Delegated Regulation (EU) 2018/389 ("RTS") and means an authentication based on the use of two or more elements categorized as knowledge (something only the user knows), possession (something only the user possesses) and inherence (something only the user is) that are independent, in that the breach of one does not compromise the reliability of the others, and is designed in such a way as to protect the confidentiality of the authentication data.

1.2. All Card Transactions executed with the Customer, whether they are at Point of Sale or Card not Present, shall only be initiated using SCA unless such Card Transaction falls outside the scope of PSD2 (Exclusions - clause 2) or falls within one exemptions offered by PSD2 (Exemptions - clause 3).

1.3. The Merchant accepts that the application of an exemption or exclusion from SCA requires prior written approval of Worldline NV/SA (hereinafter "Worldline") and that such approval is granted at Worldline's sole discretion.

2. EXCLUSIONS FROM STRONG CUSTOMER AUTHENTICATION

2.1. PSD2 has defined cases where Strong Customer Authentication of the Cardholder does not apply

2.1.1. Mail/Phone Order (MPO): Transactions with card details submitted via phone or mail (by post).

2.1.2. Merchant Initiated Transactions (MIT): When a Card based payment transaction is initiated by or through the Merchant no SCA should be applied to the transaction on the condition that: (i) the Cardholder has initially given a mandate, using SCA, authorizing the Merchant to initiate a transaction or a series of transactions through a Card, and (ii) the mandate is based on an agreement between the Merchant and the Cardholder for the provision of products or services and (iii) the transactions initiated by the Merchant do not require to be preceded by a specific action of the Cardholder to trigger their initiation by the Merchant.

3. EXEMPTIONS FROM STRONG CUSTOMER AUTHENTICATION

3.1. PSD2 allows for some exemptions in which the Cardholder does not need to perform SCA.

3.1.1. Point of Sales Exemptions

3.1.1.1 Contactless payments: exempted from SCA are contactless Card Transactions of which (i) the amount of the individual Card Transaction does not exceed € 50,00, (ii) the cumulative amount of the Card Transactions since the previous application of SCA (by the Cardholder) does not exceed € 150,00 and (iii) the number of consecutive contactless Card Transaction since the previous application of SCA (by the Cardholder) does not exceed five.

3.1.1.2 Transport fares or parking fees: exempted from SCA are Transactions made at Point of Sales on an unattended Payment Terminal specifically for the purpose of paying a transport fare (e.g. toll for the use of a toll road) or a parking fee.

3.1.2. Card not Present Exemptions

3.1.2.1 Low value transactions: the SCA obligation can be waived by Worldline in case (i) the amount of such a Card Transaction does not exceed € 30,00, (ii) the cumulative amount of the Card Transactions since the previous application of SCA (by the Cardholder) does not exceed € 100,00 and (iii) the number of Card not Present Card Transaction since the previous application of SCA (by the Cardholder) does not exceed five.

3.1.2.2 Recurring transactions: When SCA is applied to the first of a series of recurring Card Transactions of a same amount, the subsequent transactions during a maximum period of 12 months following the application of SCA are exempt from SCA insofar all other authentications requirements are complied with and the identifier of the original transaction is attached to subsequent Card Transactions.

3.1.2.3 Transaction risk analysis: At Worldline's sole discretion, it can allow the Merchant not to apply SCA for Card not Present transactions. The evaluation to allow this exemption shall be based on multiple parameters such as Worldline overall fraud rate and the exemption threshold value (as determined in the RTS and Card Scheme rules), the transaction history of the Merchant, the transaction patterns of the Merchant, the Merchants business activities, the Merchant geographical location, the Mer-

chant's average customer, the security level of the Merchant's systems, the Merchants financial liquidity solvability and overall financial situation. Even if the Transaction Risk Analysis was granted, Worldline can refuse a transaction based on a real time analysis and risk scoring of this transaction. The Merchant understands that the Transaction Risk Analysis exemption and the maximum transaction amount for such exemption is dependent on Worldline's overall fraud rate and the exemption threshold value. The Merchant accepts that in case Worldline's overall fraud rate exceeds the thresholds as determined in the RTS or the Card Scheme rules, Worldline will no longer be allowed to offer this exemption or will only be allowed to offer this exemption in a limited way. Worldline will use commercially reasonable efforts to warn the Merchant in advance of this occurrence.

3.1.2.4 Trusted beneficiary: When the Merchant is identified as a Trusted Beneficiary by the Cardholder SPS can process the transaction without applying SCA and shall pass this message on as such to the issuer of the Card in question who will determine if the Merchant is included in a list of Trusted Beneficiaries and if it wants to authorize the transaction as such.

4. ELECTRONIC PAYMENT ECOSYSTEM

4.1. The Merchant accepts that even though a transaction falls within parameters of described in clauses 2 or 3, a transaction may still be denied by another actor in the payment chain (such as the issuer of the Card). Worldline shall not be responsible of the refusal of these third parties.

4.2. The Merchant shall be the responsible for the correct application of SCA at its physical and virtual points of sales and shall ensure that the transactions which are sent to Worldline are correctly labelled (e.g. the merchant will not submit a transaction as a MIT or MPO transaction when this is not in line with reality or the Merchant shall not claim a parking fare exemption when its activities cannot be classified as such). Worldline has the right, but not the obligation, to verify the compliance of each transaction with the applied exclusion or exemption. At Worldline's first request, and no later than 2 business days following this request, the

Merchant shall provide to Worldline all necessary evidences to support the application of the exclusion or exemption that was used.

4.3. The Merchant accept that, at Worldline's sole discretion, any of the SCA exemption(s) can be removed for the Merchant at any time.