

ANNEX TO THE MERCHANT SERVICES CONTRACT

SPECIAL CONDITIONS FOR SEPA DIRECT DEBIT PAYMENT METHOD (“SDD PAYMENT METHOD”)

V. 2022 03 18

1. By reason of its subscription to the SDD Payment Method, the Merchant agrees that in addition to the other terms of the Merchant Services Contract, these Special Conditions shall govern the use of the SDD Payment Method and shall form an integral part of the Merchant Services Contract.
2. In the framework of the SDD Payment Method, Worldline FS provides a SEPA Direct Debit management service that includes a Mandate (as defined below) creation feature and its Electronic Signature (as defined below), Mandate management capabilities and the Processing and Settlement of SEPA Direct Debit Transactions with interpretation of Reversed Transactions.
3. For the purpose of the present Annex, on top of the definitions set out in the Merchant Services General Terms and Conditions the following terms, when indicated with a capital letter, shall have the meaning as set out hereinafter:
 - **Mandate** means a document that contains the necessary information to identify the Merchant and the Account Holder and by which, the Account Holder authorizes the Merchant to debit its bank account in accordance with the SEPA Direct Debit Rulebook as issued by the European Payments Council.
 - **Electronic Signature** and **Advanced Electronic Signature** or **AdES** shall have the same meaning as in the Regulation (EU) N°910/2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation).
 - **One-Time use Password or OTP Signature** means a user authentication method that consists of an SMS sent to the Account Holder that is then validated on the Mandate signature page as an Electronic Signature. This is an AdES.
 - **Checkbox mandate** means a mandate that is created with the customer checking a text box to give consent for the creation of a Mandate that allows debiting his account number. This is not an AdES.
 - **Reversed Transaction** means any Chargeback, Return and Refund.
 - **Return** means the Issuer’s decision to refuse a Transaction leading to its reversal by Worldline FS.
 - **Refund** means claims by the Account Holder for reimbursement of a SDD Payment Method Transaction. A Refund is available in case of a valid signature of a Mandate as well as in case of an invalid signature. The present definition prevails over the definition of “Refund” under the Merchant Services General Terms and Conditions.
4. Operational rules applicable to SDD Payment Method:
 - The electronic certificate associated with the Electronic Signature meets the requirements of the European Regulation N°910/2014. In order to ensure its legal validity:
 - (i) Merchant shall put in place an Identification Procedure (as defined below) applicable to the Account Holder that uses the electronic certificates to sign the Mandate by which, Merchant shall collect data on Account Holders (e.g. identification documents), and shall verify in particular the link between the Account Holders’ identity and his or her telephone number (hereinafter the “Identification

Procedure”). Worldline FS waives all responsibility as to the exactness of the Account Holder identification data communicated by the Merchant and/or the Account Holder and the content of the electronic certificates.

Worldline FS may audit Merchant regarding the implementation of the Identification Procedure,

(ii) Merchant needs to make sure to have a valid legal basis for the processing of the Account Holder’s Personal Data for the purpose of delivering and keeping an electronic certificate for the Electronic Signature of a Mandate. Worldline FS cannot be held liable in the event that no valid legal basis is applied,

(iii) Merchant shall agree with the Account Holder that the electronic media constitute written evidence and that, in the event of dispute, the electronic documents shall prevail over those produced by the Account Holder.

Worldline FS shall use its reasonable endeavors to assist the Merchant to justify the reliability of the process.

- Worldline FS shall archive electronic certificates for a period of 10 years after its last usage.
- Merchant acknowledges that it is his responsibility to notify the Account Holders of any upcoming Transaction, its amount and the number of days (as agreed between the Merchant and the Account Holder) until the date on which the debits are to be collected.
- Merchant acknowledges that Electronic Signature legal effect and admissibility as evidence by the Issuer or in legal proceedings may be disputed if parts of the requirements established in the Identification Procedure that Merchant is responsible of are not executed. If the Issuer denies the Mandate validity on the ground of insufficient Electronic Signature evidence, the Transactions operated under the Mandate may be claimed by the Account Holder and shall be refunded by the Merchant according to the SEPA Direct Debit Rulebook.
- Mandates shall be valid for (3) three years after the last usage or after its signature.
- A request for payment through SDD Payment Method shall be issued in Euros.
- The request for payment must comply with the SEPA Direct Debit Rulebook and, as the case may be, with the interbank rules of the local Payment Method used. If one or more elements of the request are incorrect, Worldline FS is not responsible for the non-execution or incorrect execution of the Transaction.
- The deadline for the reception of requests of payment of a Transaction through SDD Payment Method is 05:45 CET. The reception of a request is, for an immediate order (in case the Merchant has not defined a specific date), the date on which Worldline FS confirms its receipt by the Merchant and for a deferred order (in case the Merchant establishes the execution date in the future), the date on which Worldline FS confirms its execution.
- Merchant shall inform Worldline FS if he expects to receive more than 8.000 Mandates the same day, it shall do so 14 days before the expected peak.
- In case of a valid Mandate, the risk of Refund is 8 weeks and without a valid Mandate, 13 months. The validity of a Mandate is determined by the Issuer in accordance with SEPA Direct Debit Rulebook.

- It is Merchant's responsibility to comply with the volumetric thresholds if any such thresholds are indicated in the conditions of the Merchant Services Contract and to notify Worldline FS if it needs to increase Processing capacity.
- In case of unauthorized Transactions, Merchant shall contact the Account Holder or a third party as applicable for any dispute or claim.
- Monitoring Program: Merchant shall comply with the Monitoring Program (as described below), aiming at limiting the Reversed Transaction ratio of the Merchant.
Criteria to enter the Monitoring Program:
 - Reversed Transaction rate exceeding 8% for a minimum of 100 Transactions per month.
 - Return Transaction rate exceeding 5% for a minimum of 100 Transactions per month.

If one of the above 2 criteria is recorded for 3 consecutive months or if the Reversed Transaction rate is unreasonably high, Worldline FS may add at its discretion Merchant into the Monitoring Program and shall inform him accordingly. Merchant enters then in the observation period of maximum 3 months within which Merchant should reduce the monthly Reversed Transaction rate and/or the Return Transaction rate. At the end of this 3 months period, if Merchant fails to decrease the Reversed Transaction rate and/or the Return Transaction rate, Worldline FS may totally or partially suspend the Service until the Merchant has taken appropriate measures that shall be submitted to Worldline FS for approval.

5. Merchant hereby authorizes Worldline FS to receive the payments underlying the Transactions from the Acquirers or the Scheme on behalf of the Merchant. Worldline FS shall transfer the amount of the Transactions effected for the Merchant in accordance to the terms indicated in Article 2.2 of the Merchant Services General Terms and Conditions.

6. Merchant is the contact point and remains responsible for the contractual relationship with the Account Holder. Merchant releases Worldline FS from any responsibility resulting directly or indirectly from this relationship.

7. Worldline FS shall have the right to suspend (part of its) SDD Payment Method if it reasonably expects that the incoming Transactions are not sufficient to compensate the amounts due to Worldline FS and until such amounts have been compensated. Worldline FS may immediately, with notice, suspend SDD Payment Method, in whole or in part, if Transaction data submitted by Merchant is corrupted or otherwise materially jeopardizes the integrity of Transactions, either at its sole discretion or according to the SEPA Direct Debit Rulebook. The Parties shall co-operate and work together to resolve any inaccurate Transaction data.

8. For the purpose of the SDD Payment Method, when providing the Services, Worldline FS shall process Personal Data upon the instructions of the Merchant and therefore shall act in its quality of data processor. The Merchant is the data controller of this processing of Personal Data.

9. Merchant undertakes to hold Worldline FS harmless against all claims arising directly or indirectly from or relating to any:

- Legal action arising in connection with a Transaction between the Merchant and the Account Holder;
- Merchant's breach and non-observance of SEPA Direct Debit Rulebook;

- Liability resulting from Transactions not authorised by the Account Holder; and/or
- Any improper activity, misrepresentation by, fraudulent or criminal activity of the Merchant.

10. Worldline FS reserves the right to terminate the provision of the SDD Payment Method if:

- Merchant engages in misconduct or upon the occurrence of any other event that would (in Worldline FS' sole but reasonable opinion) likely harm the brand or reputation of Worldline FS or any of its service provider or the Schemes; and/or the Merchant initiates Transactions which are not approved or which are prohibited;
- Worldline FS has exercised any of its suspension rights as provided under the Merchant Services Contract (and in connection with the SDD Payment Method) and Merchant fails to cure the event within ten (10) working days after Worldline FS has provided notice of the suspension.
