

INSTRUCTIONS FOR SALES PAID BY CARD

Card Present

(August 2019)

These Instructions, the "Card Present Instructions", apply to sales paid by Card through the use of a Terminal.

The Card Present Instructions comprise a supplement to the General Terms and Conditions for the Acquiring of Card Transactions (the "Master Document") that have been entered between the Merchant and Bambora. In the event of discrepancies between the Master Document and the Card Present Instructions, the Card Present Instructions shall take precedence.

1. Definitions

Words that begin with an upper case letter are words that, if not defined in these Instructions, have been assigned special definitions in the Master Document and in these Instructions such words shall have the same meaning as in the Master Document.

"MIT" means merchant initiated transactions, where the Cardholder has given a mandate authorizing the Merchant to initiate a Transaction or a series of Transactions with the Cardholder's Card Information, and where such mandate is based on an agreement between the Cardholder and that Merchant.

"PSP" means in this context a payment service provider providing payment gateway services on behalf of Merchant.

"SCA" means strong customer authentication; an authentication based on the use of two or more elements categorised as knowledge (something only the user knows), possession (something only the user possesses) and inherence (something 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.

2. Checks

In conjunction with accepting payment, the Merchant shall conduct the checks specified below.

2.1 Authorisation

Authorisation shall always be made in conjunction with payment, regardless of the purchase amount, except where the purchase amount is below the floor limit as determined from time to time by a Card Scheme. Transactions may not be processed if neither the magnetic stripe nor the Card's chip can be read for any reason. If, when authorising the Transaction, the

Merchant receives the response that the Card is blacklisted, or if it is apparent that the Card is being used by an unauthorised person, the Merchant shall if possible retain the card. The Merchant shall then cut the Card in two and send it to Bambora.

When validating the status of the Cardholder's Card (card status control) a so-called "account verification" shall always be used. Such verification shall never include authorisation of any amounts.

2.2 Identification of the Cardholder

Where the Card used by the Cardholder is issued within the EEA, identification of the Cardholder shall always be made in accordance with Section 4 below. For other Cards, the following identification checks are accepted by Bambora:

- PIN code;
- Cardholder's signature on receipt; and
- Other methods accepted by Card Schemes from time to time.

Identification is not required in the following environments:

- Contactless payments that do not exceed certain purchase amounts as stipulated by the Card Schemes from time to time.

2.3 Use of PIN code

The amount shall be known to the Cardholder when the PIN code is entered. The entering of the PIN code comprises the Cardholder's authorisation for the transaction to be charged to the Cardholder's account. In certain environments, following special agreement Bambora can approve other procedures.

The Cardholder shall be given 3 (three) attempts to provide the correct PIN code. The Cardholder shall be able to cancel a Transaction instead of making further PIN code attempts. The Cardholder shall have the right to refrain from using his or her PIN code to instead sign a receipt (provided that PIN code transactions are not mandatory for the concerned Card).

2.4 Signature

The Merchant must not check the signature if the Cardholder signs the Transaction by PIN code (see Section 2.3 above).

In the following cases, a written signature must be provided and as such the Cardholder may not be asked to use his or her PIN code:

- PIN code cannot be verified by chip or issuer;
- The number of the Card has been registered manually, that is, the Card could not be read by machine; or
- Refunds.

The Merchant shall compare the Cardholder's signature on the signature receipt with that on the Card and the identification document. If the signatures do not match, the Merchant shall not accept the Card as a means of payment.

2.5 The Card

Where the number of the Card is manually registered in the Terminal by the Merchant, the Merchant shall visually inspect the Card to check that:

- The Card has been signed by the Cardholder;
- The Card bears no sign of alteration;
- The valid thru date specified on the Card has not expired;
- When identification is presented, the name embossed on the Card is the same as the name on the identification; and
- The Card is marked with a brand that is covered by the Agreement.

Should any of the above conditions not be met, the Card may not be accepted as a means of payment.

In cases where (i) the information on the Card is read without the involvement of the Merchant and (ii) the Cardholder approve the Transaction with a PIN code, the checks specified above need not be conducted. The same applies if the information on the Card is read without the involvement of the Merchant and the type of Card does not require any further action/acknowledgement of the Transaction than the actual reading of the information.

3. Receipts

3.1 Receipt contents

The Merchant's copy of the receipt shall include the following information:

- The Merchant's name, location and corporate ID number;
- The Merchant's customer number at Bambora;
- The date and time of the Transaction;
- The number of the Card (in truncated format);
- The transaction type (purchase or Refund) in plain text;
- Control number (proof of authorisation);
- Currency and amount;
- The text: "Authorised to debit my account as specified above" (this does not apply when a PIN code is used); and
- Reference/tracing number (unique identifier for the Transaction).

If the Transaction is an EMV chip or contactless payment, the following information shall also be included in the receipt:

- Information that it is a contactless payment;
- The application ID related to the issued Card;
- Application label or application preferred name related to the issued Card.

If the Transaction is approved by the Cardholder's signature, the following information shall also be included in the receipt:

- Space for the Cardholder's signature (this does not apply when a PIN code is used);
- Number and type of identification (this does not apply when a PIN code is used).

3.2 The Cardholder's copy

The Cardholder shall receive a copy of the receipt that includes the same information as the Merchant's copy of the receipt. However, the following differences apply to the Cardholder's copy:

- The transaction type need not be specified (this is only required if the copy of the receipt comprises a standalone terminal receipt).
- The text "Authorised to debit my account as specified above" is not necessary to be included.
- The Merchant's customer number at Bambora may not be specified.

3.3 Storage

The Merchant shall for at least eighteen (18) months archive the signature receipt and the PIN code log in accordance with the applicable rules for PCI DSS (see Section 6.1 below). If requested by Bambora, the Merchant shall be able to provide a receipt for an individual Transaction within five (5) days. This applies even if the Merchant's card acquiring agreement with Bambora has terminated for any reason.

4. Strong Customer Authentication

Strong Customer Authentication (SCA) shall be applied for identification of the Cardholder in conjunction with payment, unless any of the exemptions in Section 4.1 are applicable. The methods accepted by Bambora for SCA in Card Present environments are limited to solutions provided by the Card Schemes from time to time. Other methods for SCA may only be accepted by Bambora if agreed between Bambora and the Merchant.

4.1 Exemptions from SCA

SCA is not required in Card Present environments if the Card is issued by a card issuer outside of the EEA.

Furthermore, exemptions from SCA in Card Present environments may be granted by the card issuer under the following circumstances:

- For contactless payments where the purchase amount is EUR 50 (fifty euro) or below, and where payment from the same Card is not the fifth payment in a row or has reached a total value of EUR 150 (one hundred and fifty euro),
- For MIT's,
- If the purchase is made in an unattended Terminal for transport or parking.

Bambora cannot guarantee that any exemption will be finally accepted, as it is the card issuer who has the mandate to accept or decline the use of an exemption.

5. Collecting Transactions

5.1 Collecting in general

Card payment transactions may only be collected using a Terminal.

Electronically collected payment Transactions shall be transferred to Bambora within two (2) days of the date of payment. The "date of payment" is the date of authorisation. For environments such as hotels where so-called preliminary authorisation is used, payment Transactions shall be submitted to Bambora within thirty (30) days.

6. Reporting

6.1 Transaction log

The Merchant shall keep a special log detailing all Transactions, that is, both processed and cancelled Transactions. This log shall show:

- How the Transaction was processed;
- The Merchant's name (trading name), location and corporate ID number;
- The date and time;
- The number of the Card (in truncated format);
- The payment method;
- The transaction type (payment or return/credit) in plain text;
- Point of sale identifier;
- Control number as proof of authorisation;
- Currency and amount;
- Reference/tracing number; and
- Response code.

7. Cash withdrawal in conjunction with payment (so-called cashback)

The withdrawal of cash in conjunction with a Card purchase shall not exceed SEK 2 000 (two thousand kronor). Authorisation and identification (in accordance with Section 4) must take place before cash is paid out. Cashback may only take place when the Card has been checked electronically and only in Swedish kronor (SEK). Cashback may only take place in Sweden.

8. Terminals and PSP's

8.1 General requirements

The Merchant shall inform Bambora of which Terminal model it intends to use, as well as the selected PSP. Both Terminal and PSP shall be approved by Bambora. For such approval, the Merchant must provide Bambora with requested information.

The Merchant shall place the Terminal in a place and in a manner inaccessible to unauthorized persons.

8.2 Changes to equipment etc.

The Merchant shall inform Bambora prior to every installation, relocation or decommissioning of equipment that is technically connected to Bambora or another collector of Transactions that acts on behalf of the Merchant within the framework of this agreement.

Changes to Terminals affecting the conditions that applied at the time of approval may not be implemented without Bambora's consent.

Before transactions are transferred to Bambora, the Merchant shall conduct a test specified by Bambora on said Merchant's connection to Bambora's receiving system.

8.3 Manual registration

The Card shall always be read by the Terminal and never registered manually by Merchant, unless Bambora has provided special permission to register the Card number and valid thru date manually. In such situations the Merchant must be able to prove that the Card was present in conjunction with payment, such as with an imprint of the Card or a photocopy of the front of the Card. The photocopy or other proof shall be kept together with the corresponding signature receipt in a manner that is in agreement with the PCI regulations. However, manual registration is never permitted for a Card on which the number of the Card is not embossed.

8.4 Chip and PIN Terminals

Terminals that are used to process Transactions shall support magnetic stripe reader and EMV chip technology.

Other Terminals than chip and PIN Terminals may also be used by the Merchant if agreed between the Parties.

8.5 Terminals with support for contactless payments

As of 1 January 2016, all newly installed Terminals at Merchants that have not previously accepted Cards must support contactless payments. This also applies to Merchants that replace all of their card readers. As of 1 January 2020, all Terminals must support contactless payments.

9. Security

9.1 System approval

Terminals that deliver Transactions to Bambora shall be approved by Bambora, or by a third party designated by Bambora. Bambora can require special audits concerning the security of sensitive components.

9.2 Special regulations for PSP's

If the Merchant uses a third party service provider, PSP, as part of its payment solution for processing Transactions, the Merchant must ensure that said third party complies with all of the requirements of PCI DSS and PCI PIN Security Requirements as well as any other applicable PCI requirements.

10. Liability

The Merchant is in its relation to Bambora under the Master Document liable for all losses attributable to Transactions made by magnetic stripe where the Card is equipped with a so-called EMV chip and the Merchant is using an EMV Terminal.

Where manual registration is made by Merchant in accordance with Section 8.3, the Merchant bears all risks.

Where an exemption from SCA has been applied for a certain Transaction in accordance with Section 4.1, the Merchant bears all risks, except for the use of contactless payments (Section 4.1 first bullet), for which the card issuer bears the risk.
