Dynamic Currency Conversion

Training Presentation

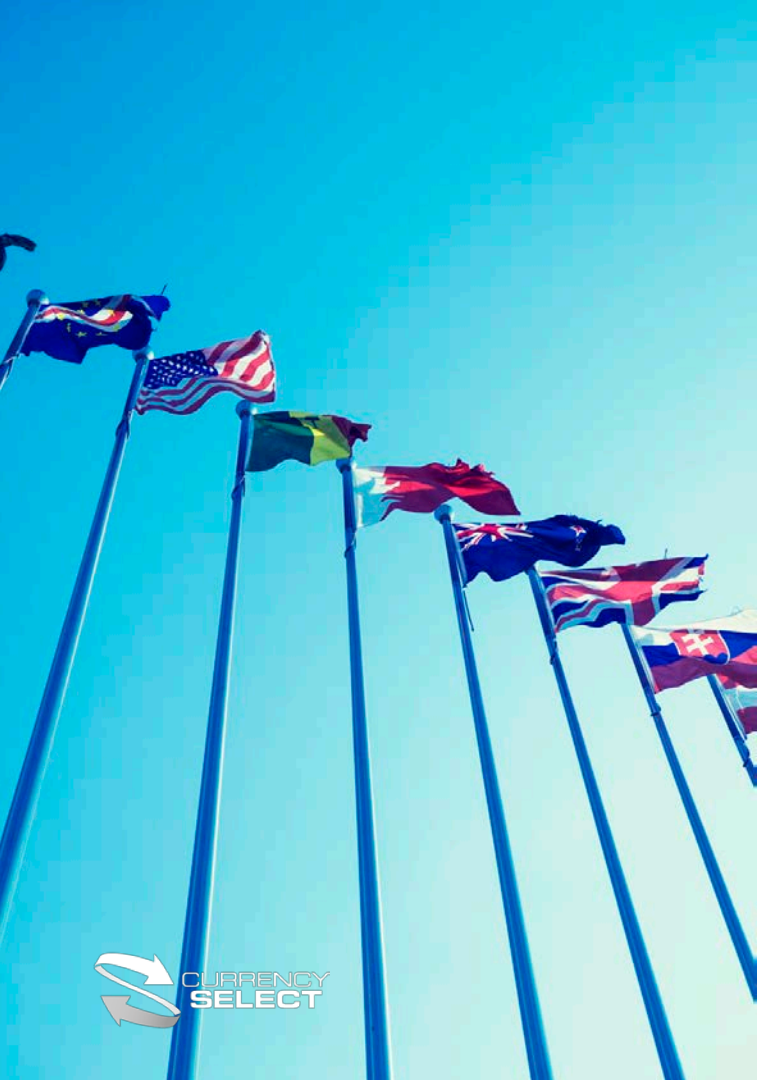
CURRENCY SELECT

worldline
e-payment services

What is Dynamic Currency Conversion?

The DCC service allows your customers to pay in their home currency when using their Visa and MasterCard for transactions processed via your payments terminal.

The Currency Select DCC is offered to cardholders of:



Supported currencies

There are 16 foreign currencies in the offer:

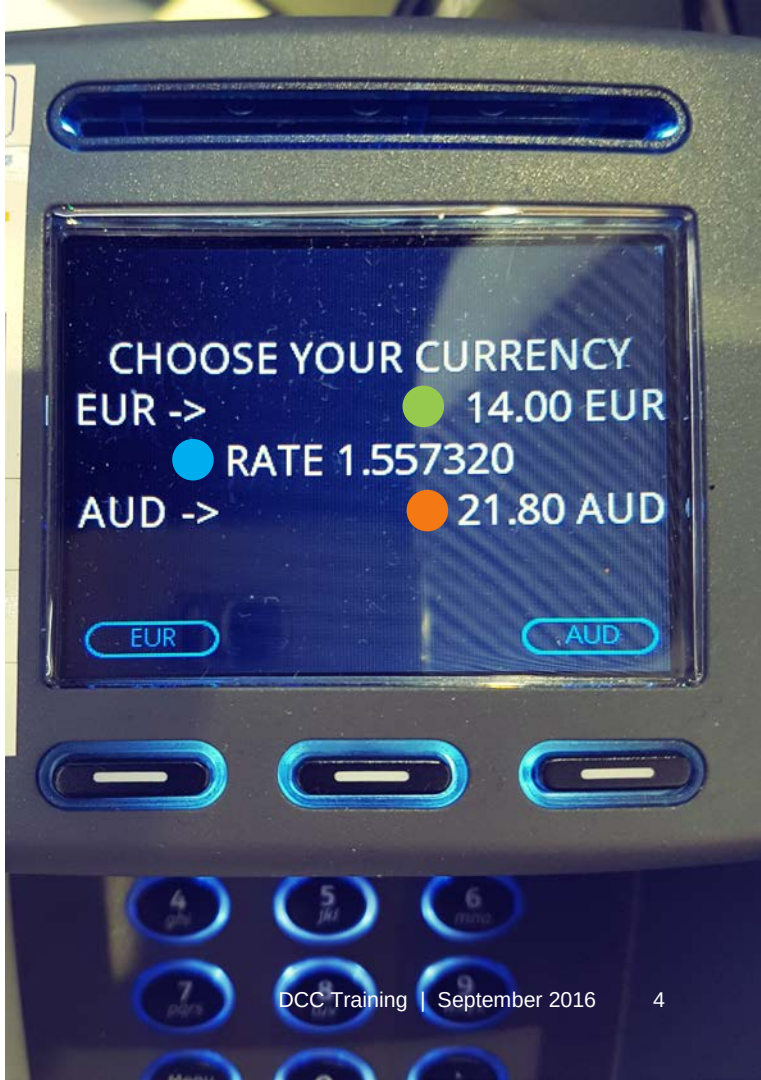
AUD Australian Dollar	**CAD** Canadian Dollar	**CZK** Czech Crown	**DKK** Danish Krone
GBP Pound Sterling	**HUF** Hungarian Forint	**JPY** Japanese Yen	**NZD** New Zealand Dollar
NOK Norwegian Krone	**PLN** Polish Zloty	**RUB** Russian Ruble	**ZAR** South African Rand
SEK Swedish Krona	**CHF** Swiss Franc	**TRY** Turkish Lira	**USD** US Dollar

How Dynamic Currency Conversion Works

Dynamic Currency Conversion (DCC) converts a transaction from local currency to the foreign currency of a card at the point of sale.

Your payment terminal automatically detects eligible international payment cards and DCC offer is automatically displayed on the terminal screen.

- In GREEN: The amount the customer would be paying in Euro.
- In BLUE: The exchange rate, including already the margin (usually 3%, but may vary, please check your margin % set up).
- In ORANGE: The exact amount the customer will be paying in their home currency.



Benefits to You

DCC is a great **way to attract international visitors** to your business.

It is also an **additional service for your clients** which they will welcome.

Your customers **do not need to work out and calculate** the cost of the purchase in their home currency and they **will know in advance** the exact amount of their purchase.

DCC Process Flow Chart

CARD IS PRESENTED AT TERMINAL, cardholder can choose:

HOME CURRENCY IS SELECTED (Opt-in)

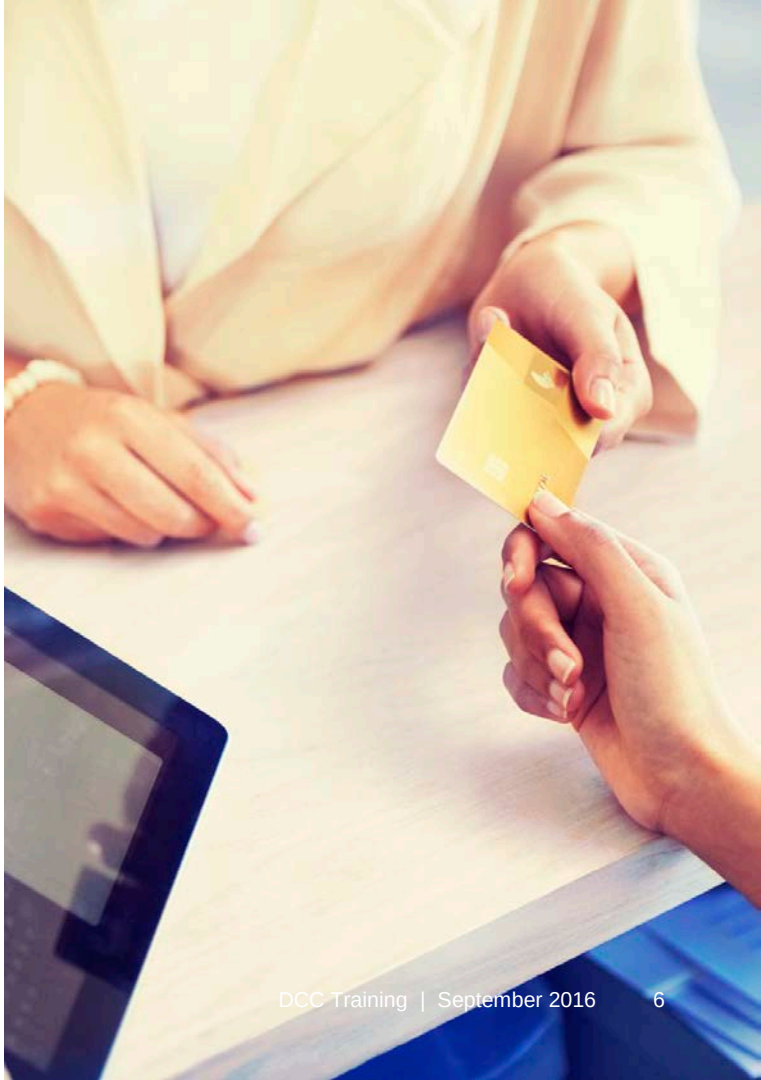
The exchange rate is locked in and disclosed to the cardholder before the transaction is processed.

Exchange rate and purchase amount is LOCKED IN and KNOWN at the time of the transaction.

EUR IS SELECTED (Opt-out)

Exchange Rate NOT disclosed to the customer until up to 4 days after the transaction is performed. Takes an average of 4 days.

Exchange rate and purchase amount is NOT KNOWN at the time of the transaction.



Benefits to the cardholders for choosing their home currency

Full Disclosure / Transparency

Customers know exactly in advance how much they will pay for the purchase in their home currency, including the margin.

Locked in Rate

Foreign currency exchange rates are fluctuating
– our rates are fixed for 24 hours.

Easy for Budgeting

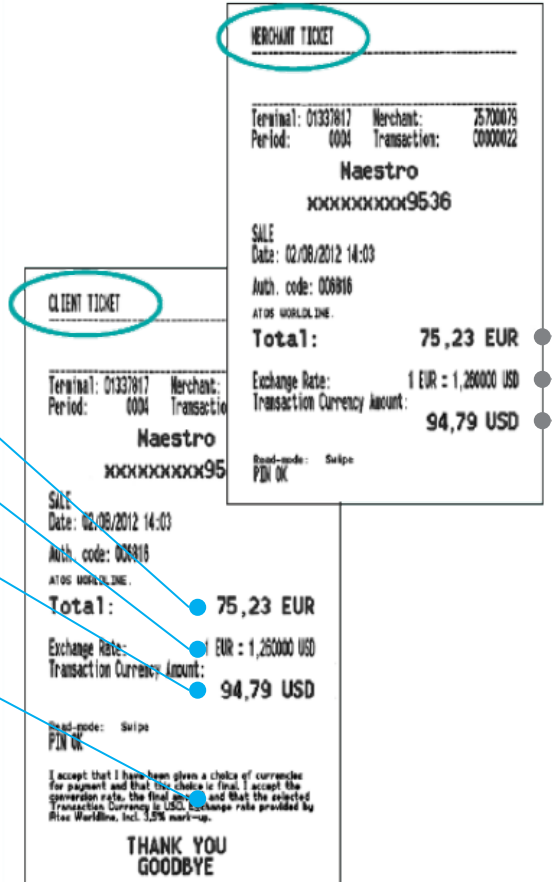
Because everything is disclosed and the rate is locked in, your customers will know how much of money they will have left in their account after the transaction.

How is DCC presented on Receipt

Client / Cardholder

Do not forget to give this receipt to your customers!

- Amount paid in Euro
- Exchange rate of the day including margin
- Amount paid in US Dollars (customer' s home currency)
- Confirmation that customer accepts the DCC payment, incl. Information about % margin / mark up



Merchant / You

- Amount paid in Euro
- Exchange rate of the day including margin
- Amount paid in US Dollars (customer' s home currency)

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How to proceed in case of...

Pre-authorisation or Reservation

Pre - authorisation or reservation are done in EUR. It is only at the time of payment, when you wish to turn the reservation into an actual sale, that DCC can be offered.

Refunds

If the customer has paid in their home currency then the refund has to be done in the home currency as well. In that instance you need to explain this to the customer.

Presenting the Offer to your Customers – Three Simple Steps

1. **Present to your customer <u>proactively</u> the offer on the terminal**

"Would you like to pay in your own currency? In this case the exchange rate is locked in and you know the exact amount of your purchase now."

2. **Explain the main benefits** If the customer has questions, answer them as honestly as you can.

"If you decide to pay in your home currency, the exchange rate and purchase amount is locked in."

3. **Ask your customer to make a choice** by pressing the particular button.

"Can I please ask you to choose the currency to pay your bill by pressing the corresponding function key?"

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Questions and Answers I

Q: What components make up the exchange rate?

- The actual exchange rate.
- A small margin which is included in the rate.

Q: Why is the rate offered so different to the exchange rate shown on internet or in the newspaper?

- Rates on internet or in the paper are the official exchange or interbank exchange rates and like the official interest rate, the general public don't actually get access to these rates.
- Those published exchange rates do not include the conversion fees.
- Those advertised rates are also based on a cash exchange rate – not a Credit Card exchange rate.
- These rates can fluctuate through the course of a day – ours are locked in for 24 hours.

Questions and Answers II

Q: What fees are involved if I choose my home currency and not local currency?

- If you chose your home currency your transaction will be converted at the rate shown on the receipt – this rate is inclusive of the margin.

Q: Which currency will the transaction appear as on my statement if I choose to settle in my home currency?

- The transaction will appear on the statement in your home currency and this will match exactly as it appears on the receipt. Note that some issuing banks charged their cardholders an additional overseas transaction fee, irrespective of whether the customer paid in their home currency or not.

Questions and Answers III

Q: I use my company business card and they ask for every expense to be in local currency…

- The receipt that is printed has BOTH the home currency amount as well as the amount applied in local currency. This also makes it easier for your company to budget in both currencies.

Q: I'm in a rush and don't know enough about it can you give me a quick overview?

- Full disclosure and transparency.
- The exchange rate is locked in - you know in advance how much you pay for your purchase.
- Easy to budget – no need to work out how much you are actually paying in your own currency.

DCC Compliance Requirements

When offering DCC, you must comply with the five following Visa and MasterCard requirements:

Cardholder Choice
The cardholder must always be given the choice to pay in either their home currency or local currency.

Steering
You can not steer cardholder into paying in their home currency by making biased, inaccurate or unwarranted claims about either payment option. In addition, you can not penalise a cardholder if they do not elect to use DCC.

Transaction Receipt
Give your customer the right transaction receipt, which includes all information relevant to the DCC transaction.

Disclosure
All information relevant to the DCC offer must be presented to the cardholder in either a written or electronic format before they select their option.

Active Choice
Ask cardholder to select their payment option on the POS terminal by pressing the corresponding key. Verbal consent is not enough.

Visa and MasterCard are very particular about the way that DCC is offered by a merchant and as a registered DCC merchant you may be audited by them to ensure that you are offering DCC in an appropriate manner. If an audit (Mystery Shopping) is conducted at your premises and you fail, DCC may be switched off.

Thanks a lot for your attention!

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