

The Marketplace



“An electronic Marketplace is a virtual, online space in which Buyers and Sellers meet to carry out transactions involving goods and/or services.

Transactions between buyers and sellers take place on a platform managed by a Marketplace operator whose role is to provide a transparent, confidence-inspiring, safe environment for the different participants, by making tools and services available that achieve free-flowing traffic between them: on-line payment, catalogue and stock management, verified information about the seller and/or buyer, various guarantees etc.

The different tools and services provided will depend on the operator’s strategy and on the potential verticality of the Marketplace.”

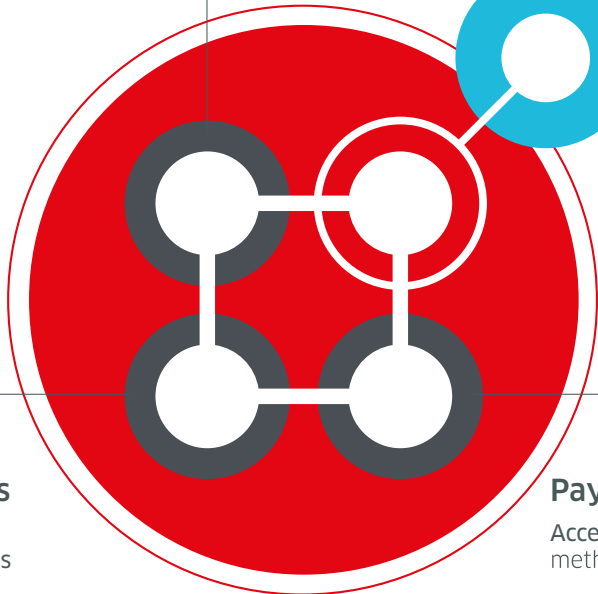
Source: Mirakl White Paper, Marketplace: The Future of e-Commerce

The Marketplace
Create a unique consumer experience

The Estate Manager
Tap into the full potential of your estate



Smart Terminals
Meet the most demanding use cases



Payment Applications
Access a world of payment methods at your fingertips



Operating System
Secure in payment.
Open to creativity.

The Ingenico Marketplace

Ingenico Group has already established itself as the world leader with 27 million smart terminals installed around the world. Now, Ingenico Group wants to strengthen its services strategy, and has therefore decided to set up a Marketplace so that its new TELIUM TETRA line smart terminals can be used to host and access innovative digital services.

The Ingenico Group Marketplace is part of the Global TELIUM TETRA offer which allows business services to be deployed in the payment value chain. This seamless integration is made possible thanks to the new TELIUM TETRA Operating System combining payment & business: an Ingenico secured operating system dedicated to payment on one side and an open HTML5 platform on the other. By capitalizing on the universal HTML5 web language, Ingenico Group enables easy development of innovative consumer-centric WebApplications, such as couponing, advertising and satisfaction surveys; paving the way for a new commerce experience without compromising security. This strategy allows Ingenico to turn the payment terminal into an interactive, multi-channel touchpoint offering digital service in a physical store.

The Ingenico Group Marketplace is the backbone of this seamless integration and is designed for:

- **Service Publishers** who can use this shared global platform to offer their HTML5 Web-Application and services. The Marketplace allows Service Publishers to take advantage of Ingenico's Group worldwide comprehensive installed base of smart terminals when they publish a WebApplication.
- **Merchants** who can use the AppStore to select and purchase any WebApplication that is useful or necessary for their business.
- **Estate Owners** who can, if they wish, take advantage of Ingenico's targeted distribution model and set up/manage an AppStore that is fully adapted to their terminal estate.



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The Marketplace allows any parties aiming to develop their business to benefit from a secure, unique and dedicated platform, while offering an innovative new experience to consumers.

How does it work?

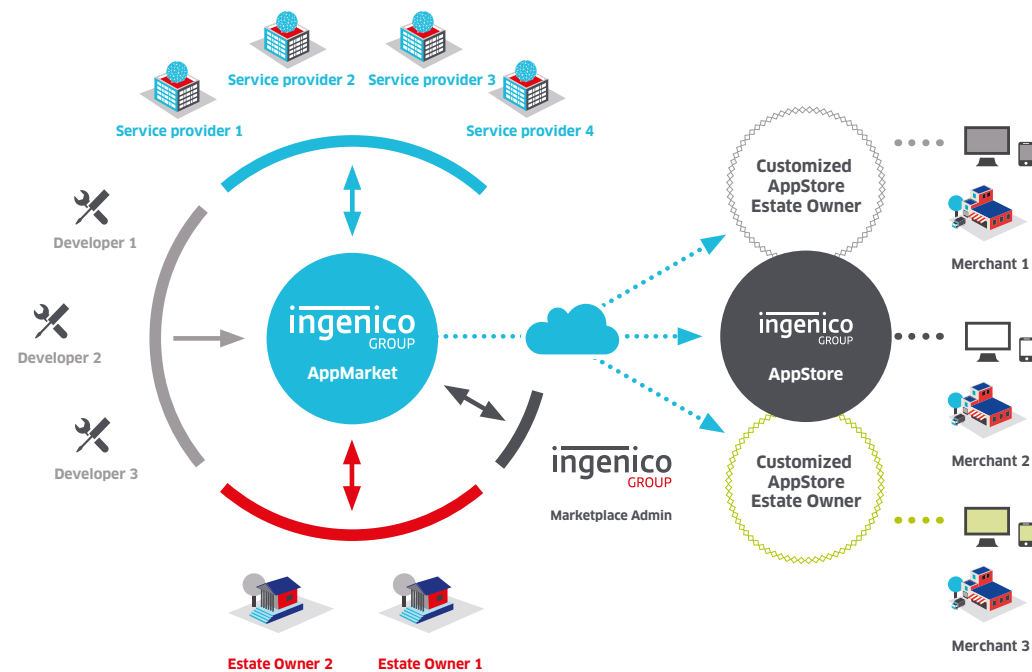
The Ingenico Marketplace solution is divided into two main parts:

The first part is called the **AppMarket (Application Market)**, which is designed for professional users of this ecosystem (Service Publishers, Marketplace Operators, and WebApplication Distributors, i.e. Estate Owners). This dedicated space allows different members to publish WebApplications and updates on one side, and to select WebApplications and run AppStores on the other, with Ingenico administering the system.

The second part is called the **AppStore (Application Store)**, which is meant for Merchants with a compatible TELIUM TETRA smart terminal. Merchants will be able to use this AppStore to research, select, purchase, and download the various WebApplications published by the Service Publishers and pre-selected by their Estate Owner (See Customized AppStore page 13). This Merchant-dedicated space will also allow them to manage their WebApplications by requesting support, deleting WebApplications, unsubscribing, receiving commission statements, etc.

5 parties are involved:

The Operator (Ingenico Group), Publishers, Developers, Estate Owners and Merchants.



Operator **ingenico** GROUP

The Operator is to the Marketplace what a conductor is to an orchestra. Its main job is to introduce Buyers (Merchants) and Sellers (Publishers), and to provide a framework for this relationship. Ingenico Group creates and operates the technological platform and makes sure that it continues to work in order to guarantee the security and proper function of the whole.

Its main role is to define:

- The Marketplace's operating rules (sales and legal structure),
- The level of service offered to all parties,
- Intermediary rules between different parties,
- Transaction mechanisms and payment rules for WebApps.

Responsibilities:

- A legal framework that allows Service Publishers, Developers, Estate Owners and Merchants to interact under conditions that comply with national and international e-commerce regulations. This legal framework will be provided by Ingenico Group and will be reviewed/adapted by local Ingenico entities in line with the laws and regulations of individual countries.
- How the platform will be hosted, operated and administered, as well as how service operations are to be monitored.

- How the Web portals that make up the Marketplace (the AppMarket and AppStore) will be published. These portals will allow all participants (Developers, Service Publishers, Estate Owners, and Administrators) to interact. All parties will find the documentation, instructions, and online support that they need for their business through these portals.
- A mechanism that ensures payment for WebApps purchased by Merchants, as well as transactions carried out through HTML5 WebApps that use the TELIUM TETRA smart terminal payment module. This mechanism will also ensure that commissions from these sales are distributed to the proper party as defined by the Service Publisher in its WebApp publication file.
- An access to dedicated financial statements that will allow participants to invoice properly. Ingenico Group will provide all data necessary to ensure correct invoicing between the different parties but will not handle invoicing for other parties.
- Hosting and operation on various AppStores (generic or customized) published within the Marketplace, both for its own part and on behalf of Estate Owners.



Marketplace
Operator
portal



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Within the framework of the Ingenico Marketplace, Ingenico Group will provide all other participants with tools (AppMarket access portals) and necessary information, as well as the rules needed for the Marketplace to function properly.

Service Publishers



Service Publishers publish and sell value-added WebApps in the Marketplace. Their target clients are Merchants who have an HTML5-compatible TELIUM TETRA smart terminal. After WebApps are published on the AppMarket and selected by an Estate Owner, they will be available for sale through the Estate Owner's customized AppStore, if the Estate Owner chooses to allow this.

Responsibilities:

The Service Publisher is the sole **proprietor of the WebApps and/or services** that it publishes, i.e. it holds all intellectual property rights. He is entirely responsible for maintenance and support for all of its WebApps that are published in the Marketplace. Furthermore, the Service Publisher is responsible for signing its WebApps using the dedicated signature tools provided by Ingenico.

The Service Publisher is solely responsible for setting a WebApp's price and dissemination policy, as well as the policy for assigning commissions to the different parties in the distribution chain, i.e. Estate Owners, Merchants. The Service Publisher is responsible for promoting and advertising its WebApps to Estate Owners and Merchants. Outside of the Marketplace, the Service Publisher is responsible for creating and sending bills to the Buyers of its various WebApps.

- “ We have worked with Ingenico Group for several years and we share the same vision for the future of commerce.
- By giving sellers concrete ways to enrich the customer experience at the point of sale, the new TELIUM TETRA smart terminals and the Marketplace embody this vision.
- For Tessi customer marketing, distributing its applications on the Marketplace is an excellent opportunity to make shopper and CRM solutions available to sellers, which in turn improves their customer relations.”

TESSI GROUP COMPANY
Julien DUBREUIL
Innovation & Strategy director

Developers

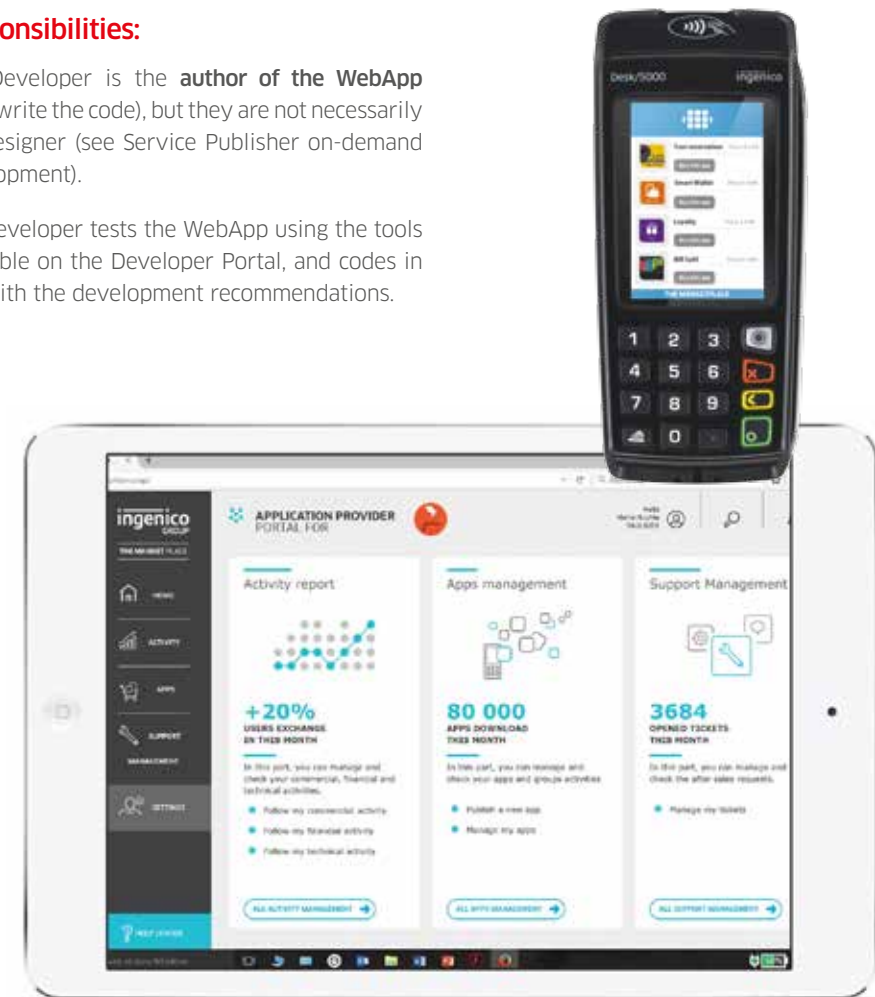


WebApp developers can either be independent participants, or can be part of a Service Publisher team. They develop HTML5 WebApps that can be installed on HTML5-compatible TELIUM TETRA smart terminals. The HTML5 language allows them to develop in a very easy and quick way, as this language is universal.

Responsibilities:

The Developer is the **author of the WebApp** (they write the code), but they are not necessarily the designer (see Service Publisher on-demand development).

The developer tests the WebApp using the tools available on the Developer Portal, and codes in line with the development recommendations.



Estate Owner



The term Estate Owner refers to any terminals' owner, whether these are resold or hired (Purchaser, VAR, Retailer...). Estate Owners subscribe to the platform in order to allow all their Merchants equipped with compatible TELIUM TETRA smart terminals to have access to value-added services, whether through the generic Ingenico AppStore or via their own customized AppStore. They then register

terminals and Merchants via the dedicated portal. These operations can be performed by the Estate Owner manually, via import, or through web services connected to the Estate Owner's own tools. The Marketplace infrastructure is designed in order to give Estate Owners a dedicated and user-friendly management tool that combines accuracy and efficiency.

Generic Appstore



Customized Appstore



As an option Estate Owners can benefit from a customized AppStore. They will be able to:

- Use customized graphics for their AppStore following a template system.
 - Benefit from tools to segment their market and create groups of Merchants according to customizable criteria. Estate Owners can also offer lists of WebApps specific to each group of Merchants in order to optimize traffic to and sales from their AppStore.
- The Estate Owner is in charge of running their customized AppStore.

Merchants



Merchants are the end-users of the WebApps offered by Service Publishers and installed on their smart terminals. The Merchant has access to an AppStore. As seen above, this AppStore is either the generic Ingenico AppStore for the Merchant's country, or its Estate Owner's customized AppStore. Merchants can browse and discover new HTML5 WebApps, learn about their features, and purchase or subscribe to WebApps in order to download them onto their TELIUM TETRA smart terminal.

In their Appstore, merchants will find WebApps that can help them in their day-to-day business (menu ordering), WebApps that will generate extra sales and commission (concert tickets, taxi booking...) and WebApps that offer customer services (donations, voucher management, ratings...).

For the Merchant, the terminal is no longer just a commodity and starts becoming a business generator.

Merchants can access the AppStore:

- **From their payment terminals**, merchants can use their pre-installed 'AppStore Terminal' WebApp to browse the WebApps they have access to. When Merchants find a WebApp they wish to install on their terminal, they can purchase it by paying directly with a card using the terminal (a Card Present transaction). Depending on the country, other forms of payment may be available for purchasing WebApps.

- **From a PC or tablet**, using the Internet address they received from their Estate Owner or from Ingenico Group.

When using a PC/tablet, the Merchant will be able to purchase or subscribe to a WebApp by paying with a card in the «Card Not Present» mode (Ingenico Payment Services, formerly Ogone).

Once it has been purchased, the WebApp will be downloaded on the smart terminal:

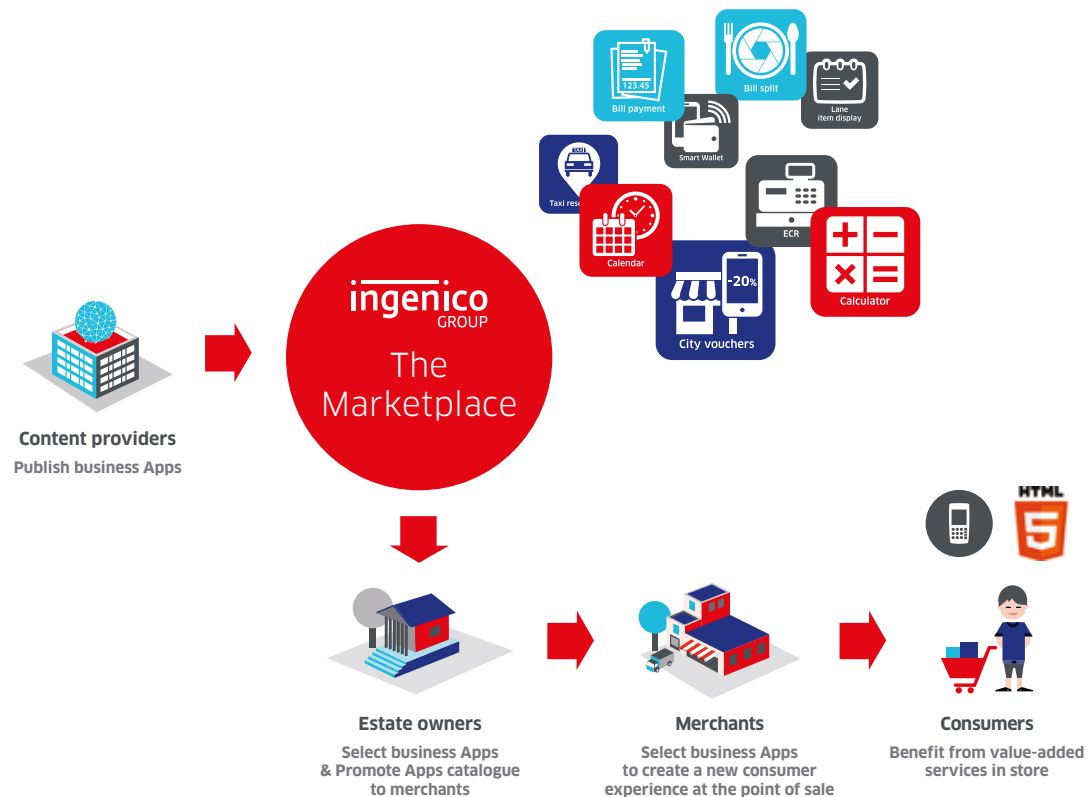
1. During the daily synchronization between the smart terminal and the Marketplace.
2. As a manual download initiated by the Merchant using the terminal's AppStore WebApp.



The Business Model

The main revenue model for the different parties in a Marketplace model is Sales Commission.

This is the classic Marketplace model, or at least the most widespread. As the sale takes place in the operator's shop front, thanks to a visitor that the operator has attracted, the operator takes a commission on the transaction (generally a percentage).



A mutually beneficial model:

- **Beneficial for the Service Publisher**, as the main goal of the Marketplace is to distribute their services around the world. It also allows them to easily manage WebApp promotion and pricing policies and provides a wider range of potential clients. All of this is offered to Service Publishers without any infrastructure cost, and for fees that are essentially based on income (commission);
- **Beneficial for the Estate Owner**, who has opened a new risk-free sales channel receiving additional profitable turnover, as the technical infrastructure and marketing costs are entirely borne by the operator; and who has also developed a new loyal relationship with Merchants thereby reducing churn;
- **Beneficial for the Merchant**, who is able to offer more services to customers and generate more business through an existing and convenient consumer touchpoint;
- **Beneficial for the Consumer**, who is able to find a product or service and carry out the transaction in the familiar, secure environment of a recognized operator.

In the Ingenco Marketplace model, the Merchant pays the Service Publisher for the service, and Ingenco Group, acting as operator and broker, receives commissions from the Service Publisher.

Estate Owners, as brokers in the terminal distribution network (and therefore in the HTML5 WebApp distribution network), are the ones who receive commissions from the Service Publisher depending on the options defined when publishing their service or WebApp.

Service Publishers can use the smart terminal to bring their service to the Merchant's end-customers (e.g. taxi reservations in a restaurant, topping up transport passes or mobile phones at a newsagents). In this case, the Service Publisher can choose to pay a commission to the Merchant for acting as a broker and to encourage the Merchant to promote the service. This type of transaction is called **In-App Payment**.



What are the benefits?

With the Marketplace, all stakeholders can interact, contribute and join forces to develop business opportunities in near-real-time. They all have something to gain.



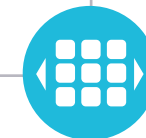
Benefits for Estate Owners

- Offer innovative services and reach new Merchant segments
- Get new revenue streams from acceptance estate
- Leverage turnkey solutions to start Merchant WebApp catalogue
- Use data analytics to improve Merchant knowledge



Benefits for Merchants

- Pick and choose the WebApps that fit specific business needs
- Increase consumer engagement with enriched interactions
- Earn new revenues from payment terminals
- Create new consumer experiences in store



Benefits for Service Publishers

- Promote WebApp portfolio to worldwide Merchants in the Marketplace
- Leverage a global point of sale network to increase customer interactions
- Benefit from the full services of the Marketplace, including collecting services



Benefits for Consumer

- Benefit from a more engaging in-store experience
- Save time with unique single point of sale for a full range of services

Glossary

API

An API is an Application Programming Interface. An API is an interface provided by a program or technology to help programmers in their work by providing them with the basic necessary tools. APIs are composed of a set of features, using parameters to return values which are available only to the WebApplication using them, allowing developers to avoid the complex task of programming the data called by the API.

APPMARKET

A dedicated space in the Marketplace where exchanges between Developers, Service Publishers, Estate Owners and the Marketplace Administrator (Ingenico Group) can be held. The AppMarket is composed of 4 secure web portals which offer tools that each of the stakeholders in the Marketplace ecosystem require.

APPSTORE

A dedicated space in the Marketplace designed for shopkeepers, which they can use to access, download, buy and manage the WebApplications they want to install on their TELIUM TETRA smart terminals.

BROKERAGE COMMISSION

Within the Marketplace, Ingenico Group matches sellers (Service Publishers) to buyers (Merchants). For each transaction carried out between the two parties, a commission is paid to Ingenico for facilitating the contact. Ingenico Group receives commercial and financial brokerage commissions.

COLLECTING

Transaction collection service. In the Marketplace context, this term is used to refer to transaction payment collection:

- when a Merchant buys an app,
- when the Merchant's customer performs an In-App purchase.

Ingenico Group, which manages the transaction and the Settlement, receives a financial brokerage commission.

COMMISSION

A payment made on the conclusion of a contract or transaction.

COMMERCIAL BROKERAGE COMMISSION

Commission received by Ingenico Group for each app 'purchase' from the Marketplace for putting a buyer and a seller in contact.

CONSUMER

The consumer is the Merchant's customer. Consumers may use the services offered by HTML5 WebApplications, whether on the Merchant's request (loyalty WebApplications, satisfaction questionnaires, etc.), or on the customer's request (buying tickets, paying bills, reserving taxis, etc.).

CNP (CARD NON PRESENT)

Refers to an electronic transaction which takes place when the cardholder cannot physically present the card to the Merchant. In this document, this term refers more specifically to an online payment via a website.

CP (CARD PRESENT)

Refers to an electronic transfer when the cardholder (and the card) is physically present when the transaction takes place. Generally, this is a transaction which takes place with a bank card at a payment Terminal (chip & PIN card reader, magnetic strip reader, or contactless reader).

DEVELOPERS

This term refers to a developer of HTML5 WebApplications. Developers interact with the Marketplace via a specific portal to collect resources and receive implementation advice in order to comply with the rules imposed by the TELIUM TETRA architecture.

ESTATE OWNER (EO)

The Estate Owner distributes terminals to Merchants. In Ingenico Group context, Estate Owners can be Purchasers, Banks, ISOs, VARs, or partners. They authorize Merchants using their smart terminals to access the generic Ingenico AppStore (or their Customized AppStore if they have chosen this) and can receive commissions for their brokerage.

FINANCIAL BROKERAGE COMMISSION

Commission received by Ingenico Group for its Collecting and Settlement service when apps are purchased or during In-App purchases.

GCS (General Terms and Conditions of Sale)

A document containing the general terms and conditions of sales contracts between parties involved in the Marketplace. By accepting these terms, stakeholders accept the general framework and the conditions of sale set out by Ingenico.

GCUs (General Terms And Conditions of Use)

A contractual document governing the interaction between the provider (Ingenico Group in the case of the Marketplace) and the various Marketplace users (Developers, Service Publishers, Estate Owners, Merchants). In particular, the document sets out rules for the use of the various portals.

HTML5

HTML5 (HyperText Markup Language 5) is the most recent major version of the HTML format, originally designed to display web pages. Version 5 includes an application cache (supported by many APIs), which allows rich applications to be created by exploiting this technology.

In everyday use (and by extension in this document), HTML5 refers to all web technologies (HTML5, CSS3, JavaScript) which allow applications to be developed.

HTML5 is viewed as a standard, is very widely used, and has millions of developers worldwide.

IN-APP PAYMENT

Refers to a transaction carried out from within an HTML5 WebApplication, when this uses the terminal's payment function on behalf of the Service Publisher.

INGENICO GROUP

Within the Marketplace, Ingenico Group plays the role of Operator.

MERCHANT

The Merchant refers to the Marketplace player with the smart terminal. Merchants choose, buy (or subscribe to), and download HTML5 WebApplications to the compatible smart terminal. They use the smart terminal and configure services as they wish to use them or offer them to consumers.

They act in the ecosystem through the AppStore (via PC/tablet or via the dedicated application on the terminal).

MARKETPLACE

A virtual online space where Service Publishers and Merchants meet to carry out transactions for services. Ingenico Group Marketplace is formed of an AppMarket and AppStores.

OPERATOR

The Operator is the key player in the Marketplace value chain: it is the Operator who sets the operating rules for the Marketplace and ensures that it remains secure. The Operator creates the exchange framework (operating rules, invoicing rules, the legal and financial framework, etc.), and puts in place the tools each party requires to facilitate exchanges.

SERVICE PUBLISHER

The Service Publisher is the owner of the WebApplication and/or associated service.

The Service Publisher markets the service and publishes the WebApplication in the Marketplace and assumes full responsibility as well as maintenance and support roles for all WebApplications it publishes in the Marketplace.

SMART TERMINAL

Smart terminal (or payment terminal) is an electronic secured solution on which value-added service WebApplications run. The smart terminal is developed by Ingenico Group and processes bank transaction flows.

TERMINAL POPULATION MANAGER

Cf. Estate Owner

VAS

Value-added services.

WEBKIT

WebKit is a copyright-free software library which offers a web page rendering engine. Roughly speaking, this 'engine' allows machines to run HTML5 WebApplications. WebKit is a very popular rendering engine, notably used by Apple for Safari and Safari Mobile (web browser software for Mac and iOS) and by Google for Google Chrome, which means that WebKit has a huge majority of the market.




Ingenico Group is the global leader in seamless payment, providing smart, trusted and secure solutions to empower commerce across all channels, in-store, online and mobile.

With the world's largest payment acceptance network, we deliver secure payment solutions with a local, national and international scope.

We are the trusted world-class partner for financial institutions and retailers, from small merchants to some of the world's best known global brands.

Our solutions enable merchants to simplify payment and deliver their brand promise.

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