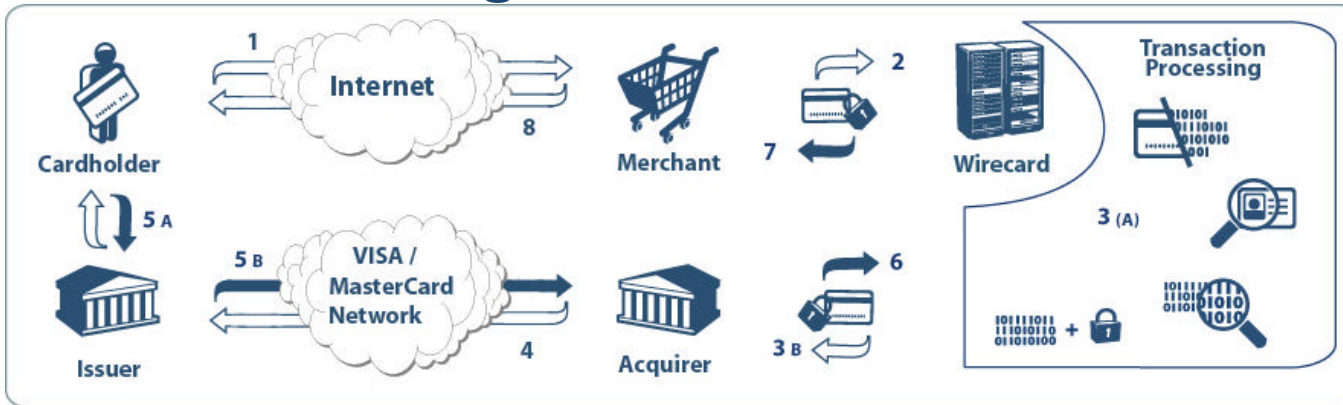


# Card Processing Flow



1. The cardholder places an order and enters the payment details. The data is securely transmitted from the cardholder's computer via the Internet to the merchant's system.
2. The merchant instantly posts an SSL-encrypted transaction request, typically of the type "authorization" containing the order details (card number, cardholder, payment data, etc.) to the Wirecard system.
3. Wirecard verifies the incoming data (fraud screening with e.g. address verification and CVC check), processes the transaction (3a) and sends the data on a secured connection to the Acquirer (3b).
4. The Acquirer notifies the Issuer via the card organization's network (e.g. VISA or MasterCard).
5. Depending on the transaction request type, the Issuer either authorizes (reserves) the purchase price or captures (settles) the amount. When the retail price is captured, the Issuer transfers the money minus the interchange fees of the card association (5b) to the Acquirer. The sum of money equivalent to the captured retail price is withdrawn from the account of the cardholder bi-weekly or monthly (5a). The debiting of the customer account is a side -step which does not directly impact on the card processing flow.
6. The Acquirer routes the captured amount minus the service charge to Wirecard.
7. Wirecard books the deposited amount and credits the merchant with the end total minus processing fees.
8. Finally, the merchant sends the customer (cardholder) by email or on-screen message a confirmation and status report of the processed transaction request.