2019 ProPay Overview

ProPay *About Us*

ProPay

- **Established in 1997**

- **20 years experience in payments**

- **Boarded 2 million merchants**

2012 acquired by TSYS (NYSE: TSS)

*Sources: Pro forma ranking per First Annapolis Consulting and based on 2014 net revenue
(gross revenue less interchange, assessments and card brand pass-throughs)*

PROPAY
A TSYS® Company

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STRENGTH OF TSYS DIVERSIFIED BUSINESS

Issuer Processing

- **#1** in North America
  ~45% share in U.S
  ~80% share in Canada

- **#2** in Europe

- **#1** in China, via CUP Data JV

- **774** million accounts on file

Merchant Acquiring

- **#6** U.S. acquirer
  (based on revenue)

- **1,200** distribution partners

- **657,000** Merchant locations

- **#3** U.S. integrated payments

Prepaid Program Management

- **#1** U.S. provider of prepaid debit cards
  (based on GDV)

- **130,000+** reload locations

- **110,000+** distribution locations

- **5.0** million active cards

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WHAT IS A PAYMENT FACILITATOR?

A payment facilitator is a merchant services provider that merges the payments function with software capabilities, often focused on one or a few vertical markets. Payment facilitators have emerged to become one of those technology capabilities that has challenged the balance of power in the merchant services space.

Often referred to as a Merchant of Record, Aggregator, PSP, ProFac

PROFAC^{SM}
E X P R E S S

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WHY IMPLEMENT A PAYMENT FACILITATOR MODEL

- **Frictionless onboarding (instant boarding and approvals)**

- **Seamless customer experience within the software**

- **Option to collect of convenience fees as part of the transaction**

- **Option for multiple parties participating in the transaction**

- **Your branding to the client, to the consumer**

- **Participate in processing revenue.**

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WHAT CAN PROPAY DO FOR YOUR COMPANY?

Overview:

Provide the convenience, expertise and reliability of a single point of integration for all things payments — from acceptance online or in store, clear through funding commissions and payments.

- **Simple, instant onboarding process via API**

- **No-liability and full-liability programs**

- **Full underwriting and risk**

- **Reduces PCI DSS compliance scope**

- **Fraud management resources to mitigate risk**

- **Advanced analytics and data reporting**

- **ProPay Money Network**

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PROCESSING SOLUTIONS

- **Developer Community**

- **ProtectPay®**

- **SplitPay**

- **SpendBack**

- **Sub-Merchant Funding**

- **Mobile**

- **EnsureBill — account updater**

- **Fraud Prevention powered by ThreatMetrix**

- **Shop in Your Currency powered by Planet Payment**

- **Disbursements — U.S. and international**

SplitPay℠

SpendBack℠

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DEVELOPER COMMUNITY

ProPay Multiple Payment Processing API Integration for Developers

PROTECTPAY® — ENCRYPTION & TOKENIZATION

PROTECTPAY®

Point-to-Point Tokenization - PCI Level 1

- Storage of customer data
- Ability to store multiple payment methods per customer (ACH or payment card)
- Encrypted data storage, processing and transmitting
- Hosted payment page or integrated into provider environment

Payment acceptance method encrypts data

Card data is sent encrypted directly to ProPay's ProtectPay Servers.

Sensitive data **NEVER** transverses your servers.

ProPay ProtectPay Server

ProPay returns **TOKEN** along with payment response.

Your Server

ProPay authorizes and captures payment from issuing bank.

Issuing Bank

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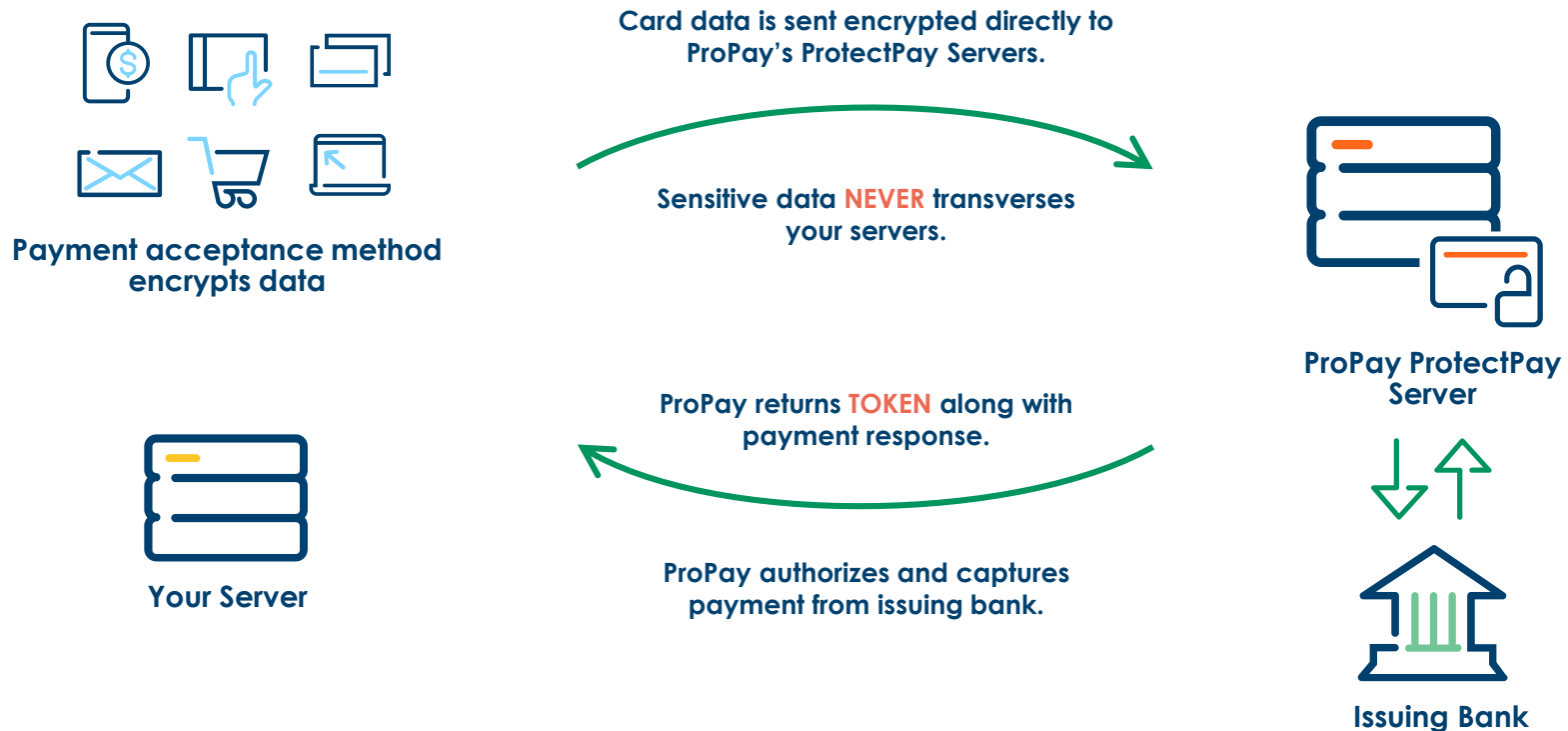
SPLITPAY

Allows for the collection of convenience and service fees at the time of transaction

- **Single transaction split multiple ways (Credit/Debit or ACH)**

- **Partner submits a 2nd (or more) transaction(s) instructing ProPay to move funds to a SplitPay settlement account**

- **Settlement account can be disbursed or held and used for future ProPay-to-ProPay transactions**

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Distributor

$$$$

$

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Customer Payment

SplitPay℠

Corporate Merchant Account

Or Platform Account

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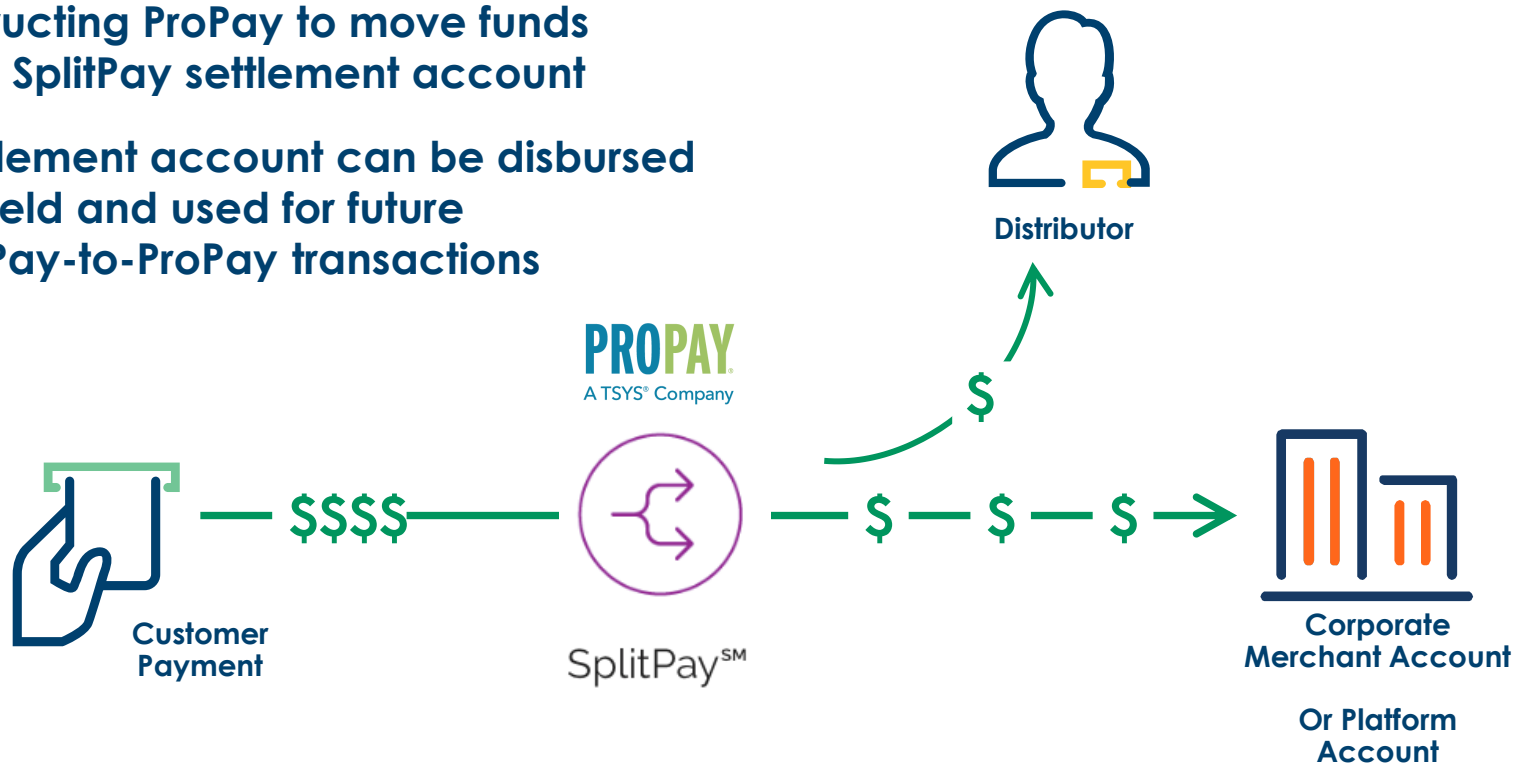
FLEXIBILITY PROPAY MONEY NETWORK

SpendBack®

- **ProPay-to-ProPay account transfers**
  - **simplifies transactions between buyers and suppliers**
  - **accelerates order process**
  - **provides significant savings**

Payee

Funds Due

SpendBack®

Corporate Merchant Account

Or Platform Account

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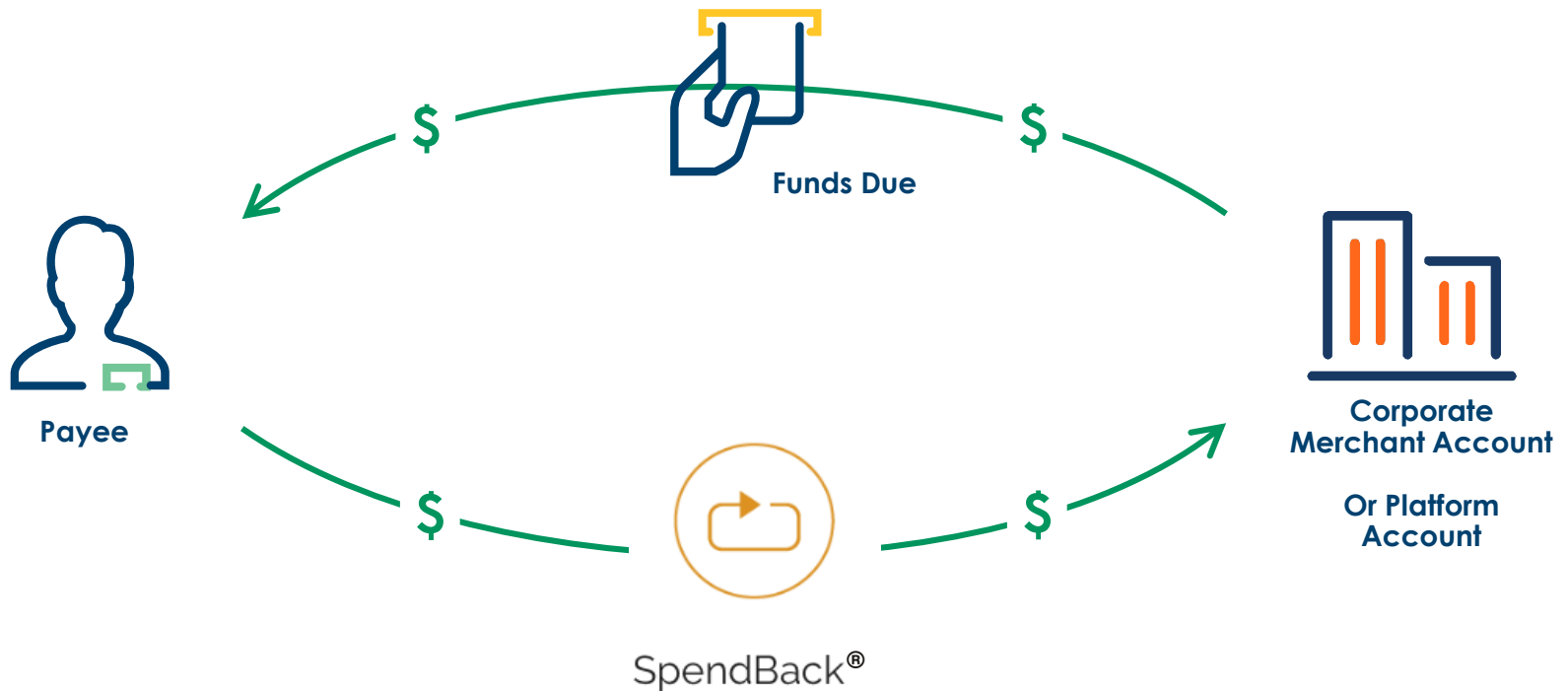
FUNDING CAPABILITIES

- **Sub-Merchants are funded via API instructions**

  - or, through predetermined mechanisms within the system (no overhead for you)

- **Standard process is net settlement**

- **ProPay supports gross dependent upon pricing and business model**

- **Reserves or disablement of settlement can be used to mitigate risk**

  - Example — hold majority of funds until the non-profit 5k event is held

  - We'll work with you to meet the needs of your customer base.

- **Flash Funds allows for instant deposit to merchants bank account (**No waiting for an overnight deposit through ACH)

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PROPAY PAYMENT NETWORK

Designed to enable the flow of funds seamlessly between ProPay participants. Flexible, Saves Time, Reduces Cost

SUPPLIERS

Money can move back and forth between merchants and suppliers within the payment network.

ATM

Access funds in multiple currencies via:
1) Prepaid Debit Card
2) Bank Transfer
3) ATM

Payment processed through your marketplace

MERCHANTS

FEES

AFFILIATES

The payment splits between merchants, transactional fees and affiliates in real time via APIs.
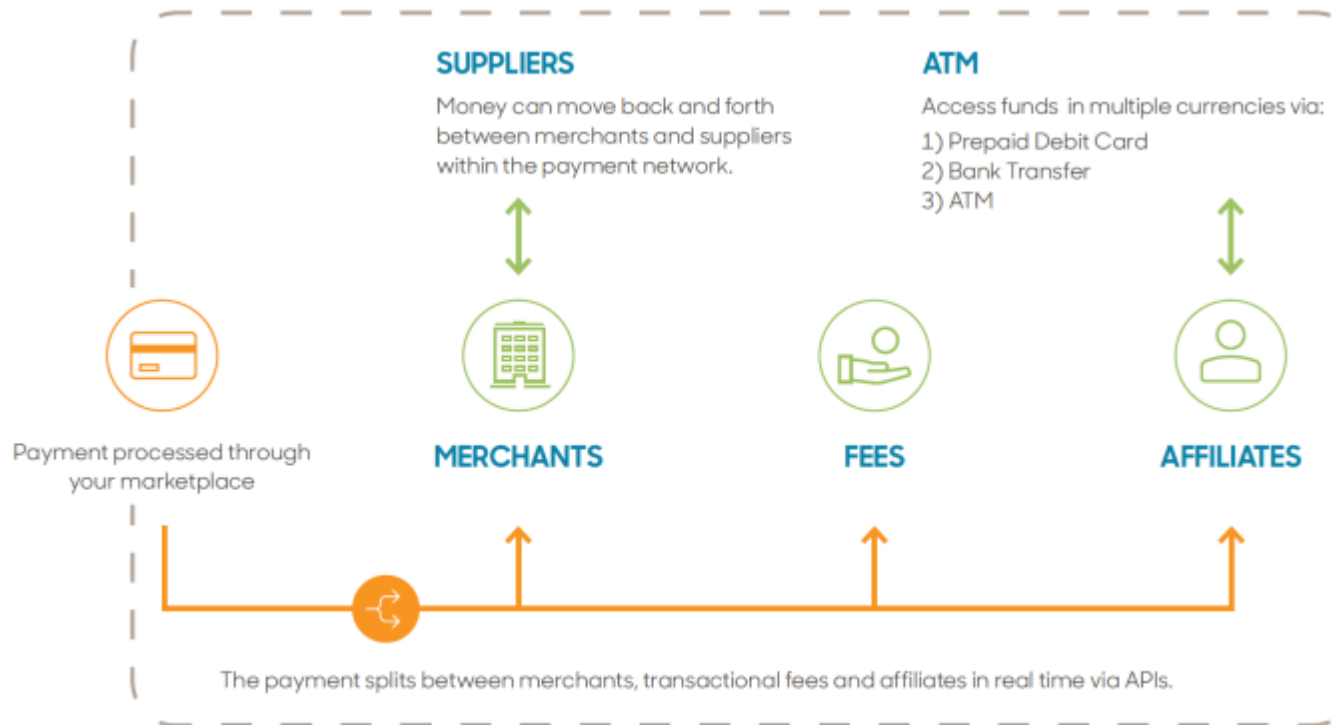
Primary Uses:

- **SplitPay**
- **Spendback**
- **Disbursements and commissions**

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MOBILE PROCESSING

Easily make our application branded to the business
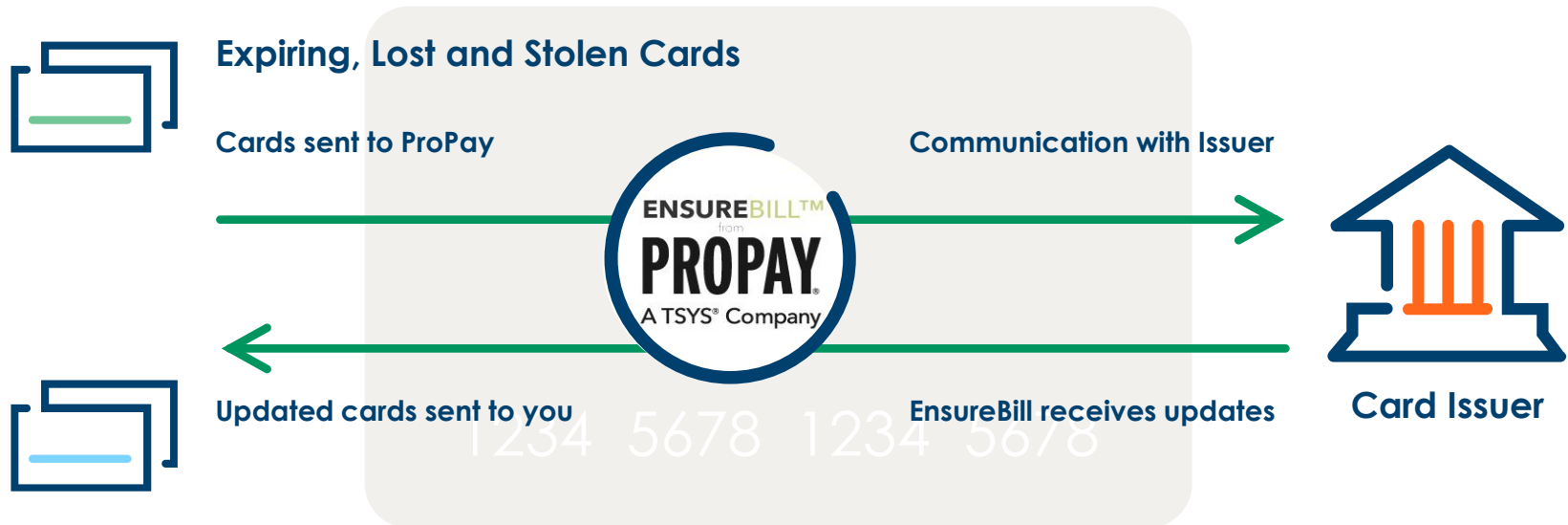
- **Customize logo**

- **Customize colors**

- **Customize backgrounds**

- **Customize icon**

- **More in depth solutions**

  - URL scheming for easy integration

  - SDKs and certified devices

  - Full white label in their environment

iOS stored cards screen

iOS splash screen

iOS login screen

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ENSUREBILL™ — ACCOUNT UPDATER

Automatically update your customers' credit card information

- **Increase revenue due to fewer declines**

- **Reduce customer service costs associated with manual updates**

- **Increase customer retention through uninterrupted service**

- **Fewer authorization fees**

Expiring, Lost and Stolen Cards

Cards sent to ProPay

Communication with Issuer

Updated cards sent to you

EnsureBill receives updates

Card Issuer

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FRAUD PREVENTION POWERED BY THREATMETRIX

Protect your business with payment fraud prevention and detection:

- **Profile devices and identify threats**

- **Examine users' identity and behavior**

- **Configure business rules**

- **Validate business policy**

- **Enable detailed analysis**

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SHOP IN YOUR CURRENCY POWERED BY PLANET PAYMENT

- **36 currencies**

- **Merchant sets prices on website in own currency, but can target international markets with localized pricing**

- **International customers enjoy the convenience of shopping and paying in the currency they know best – their own**

- **One MID, 36+ currencies for Visa® and Mastercard®**

- **No foreign bank accounts or overseas incorporation**

- **No FX third party**

- **All funding and reporting in USD**

- **Reporting available for domestic and foreign transactions**

SHOP IN YOUR CURRENCY™

Sell in your customers' currencies... get paid in your own

Multi-Currency Processing

Single Source Solution

Maximize Global Reach

Improve the Shopping Experience

One Settlement Account

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PROFAC PROGRAM OPTIONS – "HAVE IT YOUR WAY"

Profac services can be "ordered" a la Cate.

Best of all, you can change your order at any time!

For example if you want to start with us doing KYC, OFAC and underwriting but you want to take that over that mid-meal, no problem! Or you want to start without registering as a Payfac but later add…Again no problem!

MENU

Starters
❖ **Referral Sign-up** – Enjoy simple referral registration on a ProPay hosted co-branded page complete with ProPay KYC, OFAC check and underwriting.
❖ **API Sign-up** – You host and control the sign-up experience.
All signups served with instant onboarding!

Main Course

Referral Quick Start Combo
Quickest and easiest way to start benefiting from your Payment Facilitator Program. Includes all of the following:
• ProPay hosted sign-up complete with KYC & OFAC checks and underwriting.
• API based processing and a side of ProPay reports and customer service.

MENU

ProFac Combo
Designed for SaaS and software providers needing:
• Referral capabilities
• Flexibility in the application, branding and underwriting processes.
• No registration required
• Choice of liability at Facilitator level
• Served with ProPay's T&Cs embedded (no substitutions please on T&C's)
• API based processing
• Control of merchant pricing.
• "All-you-can-eat" data feeds to supply reporting and service to your customers.
• Your brand reigns supreme.

ProFac Combo with Registration
Designed for providers looking to fully operate as a registered ProFac. All options in ProFac combo plus the following:
• Use an agreement with your T&C's along with Wells Fargo.
If choosing this option please allow 6 months for the Card Brands to process and serve your registration.

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MORE ABOUT OUR STARTERS (BOARDING) CHOICES

API Boarding

- 15-20 required fields

- Subject to Limits: Additional fields made mandatory based on partners' expected risk profile and desired processing volume.

- Additional data can "pre-load" accounts with more features.

- ProPay TID/MID returned to partner for use in processing.

- Seamless experience for client.

- Embed ProPay terms in partner website.

ProPay Hosted Page

- Minimal development

- User leaves partner site to co-branded page.

- "Web Hooks" can communicate new account details to partner.

- Subject to Limits: Additional fields made mandatory based on partners' expected risk profile and desired processing volume.

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# REFERRAL – QUICKSTART COMBO

Designed for SaaS providers needing instant boarding, flexible underwriting and SplitPay™ capabilities

- **Registration not required**

- **Instant onboarding process**

- **Underwriting performed fully by ProPay, flexible parameters for "auto-approval"**

- **Funding is always to the sub-merchant**

- **Co-branded landing page using our short-form application**

- **Merchants log in and utilize ProPay's system for reporting and access to billing information**

- **Customer service for merchant services is handled by ProPay**

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QUICKSTART — CO-BRANDED PAGE

- **Short-form signup**

- **Design by ProPay**

- **Collaboration on co-branded elements**

- **Mobile responsive/ optimized**

- **Friendly URLs**

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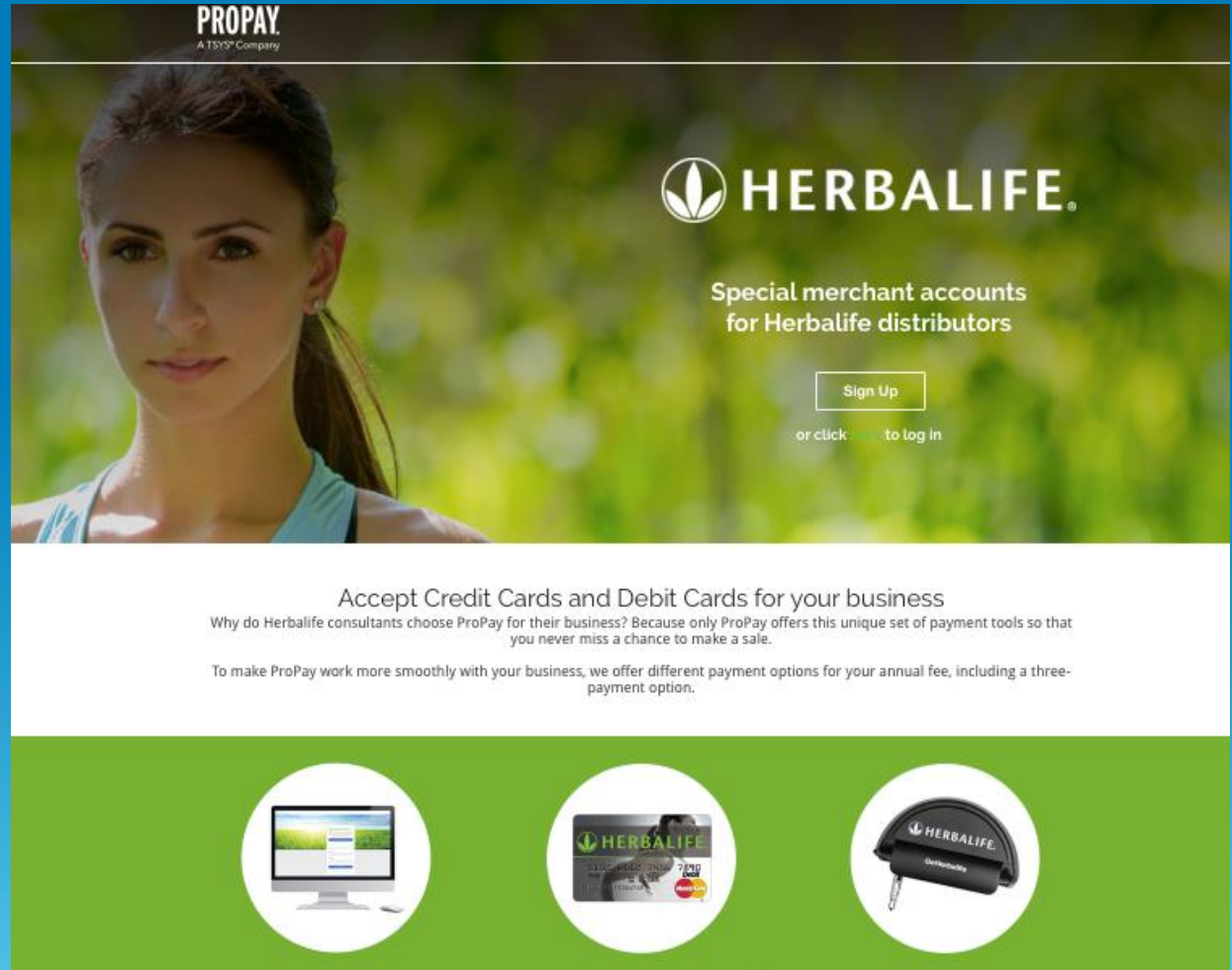
PROFAC COMBINATION

Designed for SaaS and software providers needing referral capabilities plus flexibility in the application, branding and underwriting processes

- **No registration required**

- **Partial liability at Facilitator level**

- **Utilize ProPay's T&Cs embedded**

- **Underwriting performed fully by ProPay**
  - Can offer hybrid approach (DDAs, legal, etc.) to expedite KYC, OFAC and regulatory requirements

- **Set own payment structure**

- **Manage chargebacks, provide own customer support and create own reconciliation reporting**

- **Support handled either by ProPay, or by partner**

- **Integrate with ProPay's APIs (pay, ACH, disbursements and mobile)**

- **Use own brand**

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PROFAC COMBO WITH REGISTRATION

Designed for providers looking to fully operate as a registered ProFac

- **Take full liability with ProPay (optional)**
- **Registration required ($10K for Visa and MC)**
- **Short-form application with integrated T&Cs**
- **API available for boarding of merchants**
- **Underwriting can be outsourced to ProPay or ProFac can utilize own program**
- **Risk management can be outsourced to ProPay or performed by ProFac**
  - Agreed-upon parameters must meet OFAC, KYC, and other regulations or requirements of ProPay's sponsor bank
- **PCI compliant or utilizing ProtectPay®**
- **Integrate with ProPay's APIs (pay, ACH, disbursements and mobile)**
- **All support and service provided by ProFac to sub-merchant**
- **Funding schedule to be determined by ProFac**
  - System supports funding to the ProFac or submerchant
- **Use own brand**

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THANK YOU

To Learn More: Visit www.propay.com
email sales@propay.com or call 844.896.3209

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