

*Merchant Services*

# Operating Guide

Together we'll go far



# Card Services Operating Procedures

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# Operating Procedures

These Operating Procedures describe the procedures and methods for submitting Credit Card transactions for payment, obtaining Authorizations, responding to Chargebacks and Media Retrieval Requests, and other aspects of the operations of our services. You are required to comply with these Operating Procedures as part of your Merchant Processing Agreement.

Processor is a full-service financial transaction processor dedicated, among other processing services, to facilitating the passage of your Sales Drafts back to the thousands of institutions who issue the Mastercard,<sup>®</sup> Visa<sup>®</sup>, Discover and American Express Cards carried by your customers, as well as to the independent Card Issuers of American Express<sup>®</sup> and Optima. The Operating Procedures contained in this part focus primarily on the Mastercard, Visa and Discover and PayPal and American Express Card Organization Rules, and seek to provide you with the principles for a sound Card program; however, you should consult the Card Organization Rules for complete information and to ensure full compliance with them. They are designed to help you decrease your chargeback liability and train your employees. (In the event we provide Authorization, processing or settlement of transactions involving Cards other than Mastercard, Visa, Discover, PayPal and American Express you should also consult those independent Card Issuers' proprietary rules and regulations.)

The requirements set forth in these Operating Procedures will apply unless prohibited by law. You are responsible for following any additional or conflicting requirements imposed by your state or local jurisdiction.

## 1. Mastercard, Visa, Discover, PayPal and American Express Acceptance

**1.1. Card Descriptions.** At the point of sale, the Card must be carefully examined to determine whether it is a legitimate and valid Card and not visibly altered or mutilated. The name of the Card (e.g., Visa, Mastercard, Discover, PayPal or American Express) should appear in bold letters on the Card. For all Mastercard and Visa Cards and some Discover Cards, the Card Issuer (e.g., XYZ Bank, etc.) should also appear in bold letters on the Card. The following is a description of the authorized Visa, Mastercard, Discover, PayPal and American Express Card designs:

**Visa:** The Visa Brand Mark must appear in blue and gold on a white background in either the bottom right, top left, or top right corner. Embossed/Unembossed or Printed Account Number on valid cards begins with "4." All digits must be even, straight, and the same size. The Four to Six Digit Bank Identification Number (BIN) must be printed directly below the account number. This number must match exactly with the first four digits of the account number. The Expiration or "Good Thru" date should appear below the account number. The Mini-Dove Design Hologram may appear on the back of the card. The three-dimensional dove hologram should appear to move as you tilt the card. The Magnetic-Stripe is encoded with the card's identifying information. The Card Verification Value 2 (CVV2) is a three-digit code that appears either in a white box to the right of the signature panel, or directly on the signature panel. Portions of the account number may also be present on the signature panel. CVV2 is used primarily in card-absent transactions to verify that customer is in possession of a valid Visa card at the time of the sale. The Signature Panel must appear on the back of the card and contain an ultraviolet element that repeats the word "Visa<sup>®</sup>." It may vary in length. The words "Authorized Signature" and "Not Valid Unless Signed" must appear above, below, or beside the signature panel. If someone tried to erase the signature panel; the word "VOID" will be displayed. Chip cards contain a small embedded microchip that is virtually impossible to copy or counterfeit. Chip Antenna for contactless

cards, the interface can be an antenna embedded into the back of the card and connected to the chip. A contactless transaction works at terminals through the radio frequency wave between the card and the terminal. You are required to familiarize yourself with the new design by consulting the document entitled "Card Acceptance Guidelines for Visa Merchants" and Chargeback Management Guidelines for Visa Merchants. You may download the document from Visa's website at <http://www.visa.com/merchant>.

**Mastercard:** The Mastercard symbol appears on the front or back of the Card. The Mastercard hologram is a 3 dimensional with a repeat "Mastercard" printed in the background. In addition, the words Classic, Preferred, Gold or Business may appear. When rotated, the hologram will reflect light and appear to move. Mastercard account numbers are sixteen (16) digits, and the first digit is always a two (2) or five (5). The first four digits of the account must be printed directly below the embossed number. The signature panel is tamper evident with the word "Mastercard" printed in multiple colors at a 45° angle. For magnetic swiped transactions, remember to compare the signature on the back of the card with the cardholder's signature on the receipt. The 4 digits printed on the signature panel must match the last 4 digits of the account number, followed by the 3 digit indent printed CVC2 number. A Chip may be present on the card. The cardholder will be prompted to enter a unique personal identification number or PIN when the card is inserted into a chip capable payment terminal. PayPass<sup>®</sup> contactless payment technology may be present on card. A signature is not required for PayPass<sup>®</sup> "tapped" transactions below a specified limit. You are required to familiarize yourself with the new design by consulting a document "Mastercard Card Identification Features." You may download the document from Mastercard's website at <http://www.mastercardmerchant.com/us/merchant>.

**Discover:** The Discover Network includes Discover, Diners Club International, JCB, UnionPay, BCCard and Dinacard. Valid standard rectangular plastic Cards bearing a Discover<sup>®</sup> Acceptance Mark include the following common characteristics and distinctive features.

- The Discover Acceptance Mark may appear on the lower right corner of the front, back, or both sides of the Card.
- Cards display either a three-dimensional hologram on the front or back of the Card or a three-dimensional holographic magnetic stripe on the back of the Card. Valid Cards do not display holograms on both front and back.
- Card Numbers may be embossed or unembossed and will appear on either the front or back of a Card. Card Numbers begin with the number "6" and are composed of 16 digits that should be clear and uniform in size and spacing.
- The Cardholder name, and if applicable, business name, may be embossed or unembossed and will appear on either the front or back of the Card.
- The "Valid Thru" date may be embossed or unembossed and will appear on either the front or back of a Card in mm/yy format that indicates the last month in which the Card is valid.
- The words "DISCOVER" or "DISCOVER NETWORK" appears on the front of the Card under an ultraviolet light.
- The signature panel displays the words "DISCOVER" or "DISCOVER NETWORK" and may vary in size. Cards may contain a panel that includes an ultraviolet image of the word "DISCOVER." An underprint of "void" on the signature panel becomes visible if erasure of the signature is attempted.
- The last four digits of the Card Number may be displayed on the back of the Card and are commonly printed in reverse indent printing on the signature panel.

- On embossed Cards, a security character, displayed as an embossed stylized “D” may appear on the front of the Card.
- The 3-digit CID is printed on the back of the Card in a separate box to the right of the signature panel.

NOTE: Valid Cards may not always be rectangular in shape (e.g., Discover 2GO Cards). Certain valid unembossed Cards or Contactless Payment Devices approved by us for use in accessing Card Accounts (e.g., contactless stickers, key fobs, and Mobile Commerce Devices) and to conduct Contactless Card Transactions may not display the some features described above. Card expiration date and other features listed above are not displayed on such Contactless Payment Devices.

NOTE: For unembossed Cards used to conduct a Card Present Card Sales, Merchants must obtain an Authorization Response electronically using a POS Device. A Card Sale involving an unembossed Card may be subject to Dispute if the Merchant “key enters” Card information into a POS Device and does not use the electronic Authorization procedures.

The features indicated below are found on valid Contactless Chip Payment Devices approved for use in accessing Card Accounts and to conduct Contactless Card Transactions:

- Standard, plastic rectangular Cards that are also Contactless Chip Payment Devices bear the security features described above.
- Contactless Chip Payment Devices other than Mobile Payment Devices bear the Contactless Indicator.
- Contactless Magnetic Stripe Payment Devices bear the Discover Zip Indicator
- Other Acceptance Mark as described below for Diners Club International, JCB, and UnionPay.

#### **Diners Club International:**

- A Diners Club International Acceptance Mark in upper left corner.
- Two-character alphanumeric code printed in the lower right corner.
- Embossed 14 – digit Account Number (begins with 36).
- Embossed 16 – digit Account Number (begins with 30).
- Embossed digits on the card must be clear and uniform in size and spacing within groupings.
- Embossed expiration data appears in mm/yy format and indicates the last month in which the Card is valid.

Note: Some valid Cards bearing a Diners Club International Acceptance Mark display a printed, unembossed Card number. If a Card sale involving a Diners Club International Card with an unembossed Card number cannot be completed by swiping the card through the POS Device, the card should not be accepted. If submitted, such card sale may be subject to Dispute.

#### **Union Pay:**

- A 16 – digit Card number starting with “622,” “624,” “625,” “626,” or “628” is embossed on the front of the Card.
- Embossed digits on the Card should be clear and uniform in size and spacing.
- The embossed expiration date appears in mm/yy format and indicates the last month in which the Card is valid.
- The Card contains a magnetic stripe.
- A three-dimensional hologram image of Heaven Temple in the foreground with Chinese characters in the background appears on the front of all such Cards. The hologram reflects light as it is rotated.
- “Valid Thru” and the Cardholder name (which may not be in English) are embossed on the front of the Card.

- The CID appears on the upper right corner of the signature panel.

Note: Text on Cards bearing a China UnionPay Acceptance Mark may not be printed in English.

#### **JCB:**

- Card Numbers are made up of 16 digits, starting with “35” embossed or printed on the front of the Card.
- Embossed digits on the Card should be clear and uniform in size and spacing within groupings.
- The Cardholder name and, if applicable, business name embossed on the front of the Card.
- A JCB Acceptance Mark appears on the front of the Card.
- A three-dimensional hologram image of rising sun, rainbow, and “JCB” in micro lettering appears on either the front or the back of the Card. The hologram reflects light as it is rotated.
- The embossed expiration date appears in mm/yy or mm/dd/yy format on the front of the Card and indicates the last month in which the Card is valid.
- The Card contains a magnetic stripe on the back of the Card.
- The name “JCB” appears in ultraviolet ink on the left bottom of the front of the Card when held under an ultraviolet light.
- The first four digits of the Card number match the 4-digit number pre-printed just below the embossed Card number of the front of the Card.
- The first four digits of the Card number displayed on the signature panel on the back of the Card match the last four digits of the Card number that appears on the front of the Card.
- The last four digits of the Card number on the back of the Card followed by the 3-digit CID.
- An overprint on the signature panel reads “JCB” in two colors, blue and green.
- Some Cards have an embedded integrated circuit chip on the front of the Card.
- The words “Good Thru,” “Valid Dates,” “Valid Thru,” or “Expiration Date” must be printed near the expiration date. The corresponding words in the language of the country where the JCB Card is issued may also be printed. The words “Month/Year” or the corresponding words in the language of the country where the JCB Card is issued may be printed above or below the expiration date.

Note: Some valid Cards bearing the JCB Acceptance Mark will have a printed, unembossed Card number on the Card. If a Card sale involving a valid, JCB Card with an unembossed Card number cannot be completed by swiping the Card through the POS Device, the Card should not be accepted. If submitted, such Card sale may be subject to dispute.

#### PayPal Tokens:

- PayPal logo appears on the front of the card with all remaining features appearing on the back of the card
- The following features appear on the back of the card:
  - PayPal Account Holder name
  - Last 4 digits of the Account Number printed on the PayPal Card Token
  - Valid thru mm/yy date
  - Tamper proof signature panel followed by a 3 digit CID value
- The full token card number does not appear anywhere on the card.
- Transactions processed using PayPal Card Tokens that do not have all of these features may be subject to Dispute under the Dispute Rules.



#### American Express:

- All American Express Card Numbers start with “37” or “34.” The Card number appears embossed on the front of the Card. Embossing must be clear, and uniform in sizing and spacing. Some Cards also have the Card Number printed on the back of the Card in the signature panel. These numbers, plus the last four digits printed on the Sales Draft, must match.
- Pre-printed Card Identification (CID) Numbers must always appear above the Card Number on either the right or left edge of the Card.
- Only the person whose name appears on an American Express Card is entitled to use it. Cards are not transferable.
- Some Cards contain a holographic image on the front or the back of the plastic to determine authenticity. Not all American Express Cards have a holographic image.
- Some Cards have a chip on which data is stored and used to conduct a transaction.
- The signature on the back of the Card must match the Cardholder’s signature on the Sales Draft, and must be the same name that appears on the front of the Card. The signature panel must not be taped over, mutilated, erased or painted over.
- Some Cards also have a three digit Card Security Code (3CSC) number printed on the signature panel.

**1.2. Effective/Expiration Dates.** At the point of sale, the Card should be carefully examined for the effective (valid from) (if present) and expiration (valid thru) dates which are located on the face of the Card. The sale date must fall on or between these dates. Do not accept a Card prior to the effective date or after the expiration date. If the Card has expired, you cannot accept it for a Card sale unless you have verified through your Authorization Center that the Card is in good standing, otherwise, you are subject to a Chargeback and could be debited for the transaction.

**1.3. Valid Signature.** Check the back of the Card. Make sure that the signature panel has not been disfigured or tampered with in any fashion (an altered signature panel may appear discolored, glued or painted, or show erasure marks on the surface). The signature on the back of the Card must compare favorably with the signature on the Sales Draft. The Sales Draft must be signed by the Card presenter in the presence of your authorized representative (unless a Card Not Present Sale) and in the same format as the signature panel on the Card; e.g., Harry E. Jones should not be signed H.E. Jones. The signature panels of Visa, Mastercard, Discover and PayPal Cards have a 3-digit number (CVV 2/ CVC 2/CID) printed on the panel known as the Card Validation Code.

Visa, Mastercard, Discover, PayPal and American Express: If the signature panel on the Card is blank, in addition to requesting an Authorization, you must do all the following:

- Review positive identification bearing the Cardholder’s signature (such as a passport or driver’s license that has not expired) to validate the Cardholder’s identity.
- Require the Cardholder to sign the signature panel of the Card prior to completing the Transaction.

**1.4. Users Other Than Cardholders.** A Cardholder may not authorize another individual to use his/her Card for purchases. Be sure the signature on the Card matches with the one on the Sales Draft. Furthermore, any Card having two signatures on the back panel is invalid and any sale made with this Card can result in a Chargeback. For Cards bearing a photograph of the Cardholder, ensure that the Cardholder appears to be the person depicted in the picture which appears on the Card. If you have any questions, call the Voice Authorization Center and request to speak to a Code 10 operator.

**1.5. Special Terms.** If you limit refund/exchange terms or impose other specific conditions for Card sales, you must provide proper disclosure to the Cardholder at the time of transaction in accordance with applicable law. If applicable, the words “No Exchange, No Refund,” etc. must be clearly printed on the Sales Draft near or above the Cardholder’s signature. The Cardholder’s copy, as well as your copy, must clearly display this information near or above the Cardholder’s signature. Applicable disclosures will vary by transaction type.

During a liquidation and/or closure of any of your outlets, locations and/or businesses, you must post signs clearly visible to customers stating that “All Sales Are Final,” and stamp the Sales Draft with a notice that “All Sales Are Final.”

Generally do not give cash, check or in store credit refunds for Card sales. Visa allows for the following exclusions: a cash refund to the Cardholder for a Visa Easy Payment Transaction, a cash refund, Credit, or other appropriate form of Credit to the recipient of a gift purchased as a Mail/ Phone Order transaction, or a cash refund or in-store Credit for a Visa prepaid card transaction if the Cardholder states that the Visa prepaid card has been discarded. NOTE: A disclosure does not eliminate your liability for a Chargeback. Consumer protection laws and Card Organization Rules frequently allow the Cardholder to dispute these items notwithstanding such disclosures.

**1.6. Delayed Delivery Transactions or Deposit Balance.** In a delayed delivery transaction where a Cardholder makes a deposit toward the full amount of the sale, you should execute two separate Sales Drafts (each completed fully as described in Section 3.1.), the first for a deposit and the second for payment of the balance upon delivery of the merchandise or the performance of the services.

Visa: You must obtain an Authorization for each Sales Draft on each transaction date. You must assign the separate Authorization numbers to each Sales Draft, respectively. You must note on such Sales Drafts the words “delayed delivery,” “deposit” or “balance,” as appropriate, and the authorization dates and approval codes.

Mastercard: For Mastercard transactions, you must obtain an Authorization for each Sales Draft on each transaction date. You must note on both Sales Drafts the words “delayed delivery,” “deposit” or “balance,” as appropriate, and the authorization date and approval code.

**NOTE:** For Visa and Mastercard transactions, If delivery is more than twenty-five (25) days after the original transaction date and the initial Authorization request, you should reauthorize the unprocessed portion of the transaction prior to delivery. For Discover transactions, the same rules apply if delivery is more than ninety (90) days after original transaction date and initial Authorization request. If the transaction is declined, contact the Cardholder and request another form of payment. For example: On January 1, a Cardholder orders \$2,200 worth of furniture and you receive an Authorization for the full amount; however, only a \$200 deposit is processed. The above procedures are followed, with a \$2,000 balance remaining on the furniture; the \$2,000 transaction balance should be reauthorized.

Discover: For Discover transactions, you must label one Sales Draft “deposit” and the other “balance,” as appropriate.

You shall submit Authorization requests you receive and await receipt of the Authorization Response prior to completing the Card sale. A positive Authorization Response will remain valid for thirty (30) calendar days from the date of the Authorization response for Card sales in the car rental industry, airline and passenger railway industries, the lodging industry and other travel MCCs including passenger transport and **all International Card sales.** A positive Authorization response will remain valid for ten (10) calendar days from the date of the Authorization response for Card sales in all other industries and MCCs.

In addition, you must complete Address Verification at the time of the “balance” authorization, and you must obtain proof of delivery upon delivery of the services/merchandise purchased. You may not submit sales data relating to the “balance” to us for processing until the merchandise/ service purchased has been completely delivered.

**American Express:** For American Express Card transactions, you must clearly disclose your intent and obtain written consent from the Cardholder to perform a delayed delivery transaction before you request an Authorization. You must obtain a separate Authorization Approval for each delayed delivery transaction on their respective Charge dates and clearly indicate on each record that the Charge is either for the deposit or for the balance of the transaction. You must submit the delayed delivery transaction record for the balance of the purchase only after the items have been shipped, provided or services rendered. For deposits, submission must be on the date the Cardholder agreed to pay for the deposit for the purchase. For balances, submission must be on the date the items are shipped, provided or services rendered. You must submit and Authorize each delayed delivery transaction under the same Merchant Identification Number and treat deposits on the Card no differently than you treat deposits on all other payment products.

#### **Advance Payment Charges.**

Please follow the procedures set out in this section if you permit or require cardholders to make advance payment charges for:

- custom orders (for example, orders for goods to be manufactured to a customer’s specifications);
- ticketing for events or entertainment (for example, sporting events or concerts);
- tuition, room, board, and other mandatory fees (for example, library or other students services fees at universities);
- tickets for airlines, rail lines, cruise lines, lodging, and other travel-related services (for example, tours or guided expeditions);
- vehicle rentals; or
- in-store merchandise not immediately available (for example, merchandise pre-purchased for an upcoming sale event or merchandise on layaway).

#### **For all advance payment transactions:**

- do state your full cancellation and refund policies;
- do clearly disclose your intention to receive advance payment;
- before you request an authorization, do obtain written consent from the cardholder to bill the card for an advance payment charge; the Cardholder’s consent must include (1) a detailed description of the goods or services to be provided, and (2) his or her agreement to all of the terms of the sale, including price, any cancellation or refund policies, and the expected delivery date of the goods or services;
- do obtain an authorization approval;
- do complete a Sales Draft; and
- if you cannot deliver the goods or services (for example, because custom-ordered merchandise cannot be fulfilled) and cannot make other arrangements, do immediately issue a credit for the full amount of the advance payment charge.

#### **For Card Not Present transactions involving an advance payment:**

- do ensure that the Sales Draft contains the words “Advance Payment”; and
- within twenty-four (24) hours of the advance charge being authorized, do provide the cardholder with written confirmation (for example, by email or facsimile) that advance payment charge has been made the written confirmation must include (1) a detailed description of the

goods or services to be provided; (2) the amount of the charge; (3) the confirmation number (if applicable); (4) the details of any cancellation or refund policies; and (5) the expected delivery date of the goods or services.

**1.7. Recurring Transaction and Preauthorized Order Regulations.** If you process recurring transactions and Charge a Cardholder’s account periodically for recurring goods or services (e.g., yearly subscriptions and annual membership fees, etc.), the Cardholder shall complete and deliver to you a Cardholder approval for such goods or services to be charged to his account. The approval must at least specify the Cardholder’s name, address, account number and expiration date, the transaction amounts, the frequency of recurring Charges and the duration of time for which the Cardholder’s permission is granted. For Discover transactions, the approval must also include the total amount of recurring Charges to be billed to the Cardholder’s account, including taxes and tips and your Merchant Number.

If the recurring transaction is renewed, the Cardholder must complete and deliver to you a subsequent written request for the continuation of such goods or services to be charged to the Cardholder’s account. You may not complete a recurring transaction after receiving a cancellation notice from the Cardholder or Issuer or after a request for Authorization has been denied.

If we or you have terminated this Agreement, you may not submit authorization requests or sales data for recurring transactions that are due after the termination date of this Agreement, and you must inform Cardholders for which you have submitted the recurring transactions that you no longer accept the Card.

You must obtain an Authorization for each transaction and write “Recurring Transaction” (or “P.O.” for Mastercard transactions/ “Signature on File” for American Express) on the Sales Draft in lieu of the Cardholder’s signature. A positive authorization response for one recurring transaction Card Sale is not a guarantee that any future recurring transaction authorization request will be approved or paid.

For all recurring transactions, you should submit the 3-digit CID with the first authorization request, but not subsequent authorization requests. Discover Card Organization Rules specifically require that you follow this CID procedure for Discover recurring transactions.

Also, for Discover recurring transactions, the Sales Draft must include a general description of the transaction, your merchant name and a toll-free customer service number that the Cardholder may call to obtain customer assistance from you or to cancel the written approval for the recurring transaction.

For American Express recurring transactions you should periodically verify with Cardholder that their information (e.g., Card Number, expiration date, billing address) is still accurate. This will improve the likelihood of obtaining an approval to an Authorization request.

The method to secure consent for recurring Charges must contain a disclosure that you may receive updated Card account information from the Issuer. You must retain evidence of consent to receive updated Card account information from the Issuer for twenty-four (24) months from the date you submit the last recurring billing Charge. If you offer Cardholders the option to make recurring billing Charges, you must:

- Ensure that your process for cancellation of recurring billing is simple and expeditious;
- Clearly and conspicuously disclose all material terms of the option, including, if applicable, the fact that recurring billing will continue until the option is cancelled by the Cardholder;
- Within twenty-four (24) hours of incurring the first recurring billing Charge, provide the Cardholder written confirmation (e.g., email or facsimile) of such Charge, including all material terms of the option

- and details of your cancellation/refund policy; and
- Where the material terms of the option change after submission of the first recurring billing Charge, promptly notify the Cardholder in writing of such change and obtain the Cardholder's express written consent to the new terms prior to submitting another recurring billing Charge.

The cancellation of an American Express Card constitutes immediate cancellation of that Cardholder's consent for recurring Charges. American Express will not have any liability from such cancellation. If an American Express Card is cancelled or a Cardholder withdraws consent to recurring Charges, you are responsible for arranging another form of payment with the Cardholder.

All recurring transactions or preauthorized orders may not include partial payments for goods or services purchased in a single transaction.

You may not impose a finance charge in connection with a Recurring Transaction or Preauthorized Order.

If you process recurring payment transactions, the Recurring Payment Indicator must be included in each Authorization request, and as applicable, each Batch submission entry. Penalties can be assessed by the Card Organizations for failure to use the Recurring Payment Indicator.

### 1.8. Payments By Installments.

If you process multiple payments for a single purchase of goods or services over a period of time based on an agreement between a Cardholder and a merchant (for example a car payment or furniture purchase) please follow the procedures set out in this section:

- Do obtain written Cardholder approval for goods or services to be charged on an installment basis to the Cardholder's account at the time of the first transaction. Approval must at least specify:
  - Terms of service.
  - Timing of delivery to Cardholder.
  - Transaction amount.
  - Total purchase price.
  - Terms of future payments, including dates, amounts, currency, cancellation and refund policies.
  - Any associated charges, including shipping and handling charges and any applicable tax.
- Installment transaction amount must be less than the total price of the merchandise or services purchased (may include interest charges, except in the US Region) and must be applied to the total obligation.
- Do obtain authorization for each transaction.
- Contact Cardholder in writing if authorization is declined, and allow at least 7 days for payment by other means.
- Provide the following to the Cardholder within 3 business days if they cancel within the terms of the cancellation policy.
  - Cancellation or refund confirmation in writing.
  - Credit transaction receipt for the amount specified in the cancellation policy.
- Process a refund for the full amount paid if unable to adhere to the terms of the sale or service.
- Do include the installment payment indicator in the authorization request.
- Don't impose a convenience fee in connection with an installment payment.
- Don't process installment transactions at intervals less than.

- 7 calendar days.
- Monthly anniversary of the shipment date for the U.S. region.

**1.9. Certain Rules and Requirements.** The following rules are requirements strictly enforced by Visa, Mastercard and Discover and PayPal:

- Your minimum Credit Card acceptance amount cannot exceed \$10.00. Such minimum amount must be established to all Credit Cards regardless of Card Issuer or Card brands. Unless you are a federal government entity or institution of higher learning, you may not establish a maximum amount as a condition for accepting a Card, except that for Discover transactions, you may limit the maximum amount a Discover Cardholder may spend if, and only if, you have not received a positive authorization response from the Issuer. Setting a minimum transaction amount limit for Debit Cards (PIN Debit or Non-PIN Debit) is prohibited.
- You cannot impose a surcharge or fee for accepting a Debit Card or PayPal Cards.
- You cannot establish any special conditions for accepting a Card.
- You cannot require the Cardholder to supply any personal information (e.g., home or business phone number; home or business address including zip code; or driver's license number) unless instructed by the Authorization Center. The exception to this is for a mail/telephone/Internet order or delivery-required transactions, or as otherwise permitted by applicable law. Any information that is supplied by the Cardholder must not be in plain view when mailed.
- Any tax required to be collected must be included in the total transaction amount and not collected in cash.
- You cannot submit any transaction representing the refinance or transfer of an existing Cardholder obligation deemed uncollectible, for example, a transaction that has been previously charged back, or to cover a dishonored check.
- You cannot accept a Visa Consumer Credit Card or commercial Visa Product, issued by a U.S. Issuer to collect or refinance an existing debt.
- You must create a Sales Draft or Credit Draft for each Card transaction and deliver at least one copy of the Sales Draft or Credit Draft to the Cardholder.
- If you accept Card checks, your Card check acceptance policy must treat the acceptance of checks from all payment card brands that you accept equally. (e.g., if you accept Mastercard, Visa and Discover, your check acceptance policy must treat checks for all three payment card brands equally). You should handle these Card checks like any other personal check drawn upon a bank in the United States.
- Failure to comply with any of the Card Organization Rules may result in fines or penalties.

### U.S. merchants may engage in any of the following:

- You may direct customers to a particular brand or type of general purpose card or a particular form of payment. U.S. merchants may also encourage customers who initially present a Visa Card to use a payment card with a different network brand, a different type of payment card or a different form of payment.
- You may provide a discount/incentive for a consumer to pay with cash, check, Credit Card, Debit Card, etc., however, you must clearly and conspicuously disclose the discount to consumers. Also, you must offer the discount to all consumers and you cannot discriminate based upon Card brand or Card Issuer. However, you may choose not to accept either U.S. issued Debit Cards or U.S. issued Credit Cards under the terms described in Section 1.10.



- You may offer a discount or rebate, including an immediate discount or rebate at the point of sale;
- You may offer a free or discounted product, service or enhanced service;
- You may offer an incentive, encouragement, or benefit;
- You may express a preference for the use of a particular brand or type of general purpose card or a particular form of payment;
- You may communicate to a customer the reasonably estimated or actual costs incurred by the merchant when a customer uses a particular brand or type of general purpose card or a particular form of payment or the relative costs of using different brands or types of general purpose cards or different forms of payment. NOTE: Visa Consumer Debit and Visa Business Debit Card products including prepaid card type can be accepted to collect or refinance an existing debt; or
- You may engage in any other practices substantially equivalent to the above.
- You will inform the Cardholder that you are responsible for the Card transaction including your goods and services and for related customer service, dispute resolution and performance of the terms and conditions of the transaction.

**1.10. Card Acceptance.** If you have indicated either in the Merchant Processing Application or by registering with us at least thirty (30) days in advance that, as between Non-PIN Debit Card transactions and Credit Card transactions, you will limit your acceptance to either (i) only accept Non-PIN Debit transactions; or (ii) only accept Credit Card transactions, then the following terms in this Section 1.10 will apply:

**1.10.1.** You will be authorized to refuse to accept for payment either Non-PIN Debit Cards or Credit Cards that are issued within the United States. You will, however, continue to be obligated to accept all foreign issued Credit or Debit Cards issued by Mastercard, Visa or Discover so long as you accept any type of Mastercard, Visa or Discover branded Card.

**1.10.2.** While many Debit Cards include markings indicating debit (such as “Visa Checkcard, Visa Buxx, Gift Card, DEBIT, or Mastermoney), many Debit Cards may not include such markings. It will be your responsibility to determine at the point of sale whether a Card is of a type that you have indicated that you will accept. You agree to institute appropriate systems and controls to limit your acceptance to the Card types indicated. You may purchase a table of ranges of numbers currently associated with Debit Card transactions upon execution of confidentiality/ non-disclosure agreements required by the Card Organizations. You will be responsible for updating your systems to utilize such tables and to obtain updated tables. You must safeguard BIN information provided by us. If you share our provided BIN information with a third party to use on your behalf, you must require they safeguard it also and use it only for card type identification at the POS.

**1.10.3.** To the extent that you inadvertently or intentionally accept a transaction other than the type anticipated for your account, such transaction will downgrade to a higher cost interchange and you will be billed the difference in interchange (a Non-Qualified Interchange Fee), plus a Non-Qualified Surcharge (see section 5.1 and Glossary).

**1.10.4.** Based upon your choice to accept only the Card types indicated in the Application, you must remove from your premises any existing signage indicating that you accept all Visa, Mastercard or Discover Cards and use approved specific signage reflecting your policy of accepting only Non-PIN Debit or Credit Cards.

**1.10.5.** Even if you elect not to accept Non-PIN Debit Card transactions as provided above, you may still accept PIN Debit Card transactions if you have signed up for PIN Debit Services.

**1.10.6.** If a Mastercard Card is presented, you must use your best efforts, by reasonable and peaceful means to retain the Card while making an Authorization request. In a face-to-face environment, you must give a Mastercard Cardholder the option of a signature based transaction. Unless the Cardholder uses a PIN, the Cardholder must sign the transaction receipt.

**1.10.7.** Mastercard revised standards related to the use of Mobile POS (“MPOS”) terminals.

Merchants with less than \$100,000 in annual Mastercard transaction volume may use Chip only MPOS terminals;

- That do not support magnetic stripe capture and cannot print a paper Transaction receipt.
- Have a contact chip reader and magnetic stripe-reading capability but does not support PIN as a Cardholder Verification Method (“CVM”) for Contact Chip Transactions.
- Chip-only MPOS Terminal.

Merchants with less than \$100,000 in annual Mastercard transaction volume may use MPOS terminals or Chip-only MPOS solutions that do not support electronic signature capture to complete a transaction without obtaining a CVM.

Please Note: Merchants with more than \$100,000 in annual transactions may use MPOS terminals if the MPOS terminal complies with Mastercard’s requirements for POS terminals or hybrid POS terminals (if chip cards are accepted).

**1.11. Deposits of Principals.** Owners, partners, officers and employees of your business establishment, and the guarantors who signed the Application, are prohibited from submitting Sales Drafts or Credit Drafts transacted on their own personal Cards, other than transactions arising from bona fide purchases of goods or services in the ordinary course of your business. Such use in violation of this Section 1.11 is deemed a cash advance, and cash advances are prohibited.

**1.12. Merchants in the Lodging Industry.**

**1.12.1. Generally.** There are additional rules and requirements that apply to merchants in the lodging industry for practices including, but not limited to, Guaranteed Reservations and Charges for no shows, advance deposits, overbookings, and priority checkout. If you are a merchant a lodging merchant and wish to participate in the Card Organization lodging services programs, please, **contact your sales representative or account manager for detail and the appropriate Card Organization Requirements. Failure to do so could result in additional charges or termination of this Agreement.**

**1.12.2. Lodging Service Services Programs.** In the event you are a lodging merchant and wish to participate in Visa’s and/or Mastercard’s lodging services programs, please contact your sales representative or account manager for details and the appropriate Mastercard and Visa requirements.

**1.12.3. Written Confirmation of Guaranteed Reservations.** You must provide the Cardholder with written confirmation of a guaranteed reservation. The confirmation must contain:

- Cardholder’s name as it appears on the Card, if present.
- Card Number, truncated where required by applicable law to you or us and Card expiration date if present, unless prohibited by applicable law to you or us.
- Reservation confirmation number.
- Anticipated arrival date and length of stay.
- The cancellation policy in its entirety, inclusive of the date and time the cancellation privileges expire.
- Any other pertinent details related to the reserved accommodations.

**1.12.4. Cancellation of Guaranteed Reservations.** If a Cardholder requests a cancellation in accordance with Merchant’s cancellation policy and specified time frames, Merchant must provide the Cardholder with a cancellation number and instructions to retain a record of it. If a Card holder requests a written confirmation of the cancellation, Merchant must forward this confirmation within three (3) Business Days of the Cardholder’s request. The cancellation confirmation must contain: Cardholder’s reference that Charges were placed on the Card, if applicable, or a guarantee that a “no-show” Charge will not be placed on the Card.

- Cardholder’s name as it appears on the Card, if present.
- Card Number, truncated as required by applicable law to you or us.
- Card expiration date, if present, unless prohibited by applicable law to you or us.
- Reservation cancellation number.
- Date of cancellation.
- The name of the Merchant’s employee that processed the cancellation.
- Any other pertinent information related to the reserved accommodations.

**1.13. Customer Activated Terminals and Self-Service Terminals.** Transactions are processed at customer-activated terminals and self-service terminals have specific requirements for processing. Prior to conducting Customer Activated Terminal (“CAT”) transactions or Self-Service Terminal transactions for Mastercard, Visa, Discover or PayPal **you must contact us for approval and further instructions, rules and requirements that apply to CAT and Self-Service Terminal transactions. Failure to do so could result in additional charges or termination of this Agreement.**

**Customer Activated Terminals for American Express Transactions**

Charges for purchases at your Customer Activated Terminals (CATs) must meet the requirements for Sales Draft as detailed below:

You must include:

- Full Magnetic Stripe data stream or chip Card data in all Authorization requests, and;
- CAT indicator on all Authorization requests and Submissions.  
American Express will not be liable for actual or alleged fraudulent

Charges occurring through Customer Activated Terminals (CAT) and will have the right to Chargeback for those Charges.

**1.14. Displays and Advertising.** You must prominently display appropriate Visa, Mastercard, Discover, PayPal, American Express, and, if applicable, other Card Organization decals and program Marks at each of your locations, in catalogs, on websites and on other promotional materials as required by Card Organization Rules, if you elected to accept such Card payments on your Application. You may not indicate that Visa, Mastercard, Discover, PayPal or any other Card Organization endorses your goods or services.

Your right to use the program Marks of the Card Organizations terminates upon the earlier of (i) if and when your right to accept the Cards of the respective Card Organization terminates (e.g., if your right to accept Discover Cards terminates, you are no longer permitted to use Discover Program Marks), (ii) delivery of notice by us or the respective Card Organization to you of the termination of the right to use the program Mark(s) for that Card Organization, or (iii) termination of the license to use the program marks by the respective Card Organization to us.

**American Express:** If you elected to accept the American Express Card on your Application, whenever payment methods are communicated

to customers, or when customers ask what payments are accepted, you must indicate your acceptance of the American Express Card and display the American Express Marks (including any Card application forms provided to you) as prominently and in the same manner as you do for any other Card or payment products. You must not use the American Express Marks in any way that injures or diminishes the goodwill associated with the American Express Marks, nor (without prior written consent from us) indicate that American Express endorse your goods or services. You shall only use the American Express Marks as permitted by the Agreement and shall cease using the American Express Marks upon termination of the Agreement.

**1.14.1. Discover Sublicense to Use Discover Program Marks.** You are prohibited from using the Discover Program Marks, as defined below, other than as expressly authorized in writing by us. “Discover Program Marks” means the brands, emblems, trademarks and/or logos that identify Discover Cards, including, without limitation, Diners Club International Cards, JCB, UnionPay, BCCard, and Dinacard. Additionally, you shall not use the Discover Program Marks other than as a part of the display of decals, signage, advertising and other forms depicting the Discover Program Marks that are provided to you by us or otherwise approved in advance in writing by us.

You may use the Discover Program Marks only to promote the services covered by the Discover Program Marks by using them on decals, indoor and outdoor signs, advertising materials and marketing materials; provided that all such uses by you must be approved in advance by us in writing.

You shall not use the Discover Program Marks in such a way that customers could believe that the products or services offered by you are sponsored or guaranteed by the owners of the Discover Program Marks. You recognize that you have no ownership rights in the Discover Program Marks. You shall not assign to any third party any of the rights to use the Discover Program Marks.

**1.14.2. American Express sublicense to Use American Express Marks.** You shall only use the American Express Marks as reasonably necessary to perform your obligations under the Agreement. The guidelines listed below apply to the Merchant’s use of the American Express “Blue Box” logo.

- The “Blue Box” logo must always be shown in the pre-approved “American Express blue” or, in one or two color communications, or black.
- The space around the “Blue Box” must equal at least 1/3 the size of the box.
- The “Blue Box” logo minimum size is 3/8” and 1/2” is the preferred size.
- A minimum distance of 1-1/2 times the size of the “Blue Box” must be allowed between the “Blue Box” logo and another Mark.
- For additional guidelines on the use of the American Express Marks, you can visit the American Express website at [www.americanexpress.com/decals](http://www.americanexpress.com/decals).
- You must remove American Express Marks from your website and wherever else they are displayed upon termination of the Agreement or if do not elect to accept or are not authorized to accept American Express Cards.

**1.14.3. PayPal Sublicense to Use PayPal Marks.** You are prohibited from using the PayPal Marks, as defined below, other than as expressly authorized in writing by us. “PayPal Marks” mean the brands, emblems, trademarks, and/or logos that identify PayPal acceptance. You may use the PayPal Marks only to promote PayPal products, offers, services, processing and/or acceptance. Your use of the PayPal Marks is restricted to the display of decals, signage, advertising, and marketing materials

provided or approved by PayPal in writing pursuant to the process set forth in the PayPal Card Organization Rules. You shall not use the PayPal Marks in such a way that PayPal Account Holders could believe that the products or services offered by you are sponsored or guaranteed by the owners of the PayPal Marks. You recognize that you have no ownership rights in the PayPal Marks. You shall not assign to any third party any of the rights to use the PayPal Marks. You are prohibited from using the PayPal Marks, not permitted above, unless expressly authorized in writing by PayPal.

**1.15. Cash Payments by and Cash Disbursements to Cardholders.** You must not accept any direct payments from Cardholders for Charges of merchandise or services which have been included on a Sales Draft; it is the right of the Issuer to receive such payments. You may not make any cash disbursements or cash advances to a Cardholder as part of a Card transaction unless you are a financial institution with express authorization in writing in advance by Servicers. For Discover, cash advances in authorized jurisdictions other than the United States may be conducted in an originating currency provided that cash advances may be subject to dispute and/or Acquirer fees.

**1.16. Discover Cash Over Transactions.** Cash Over transactions are not available for Mastercard or Visa transactions. You may issue Cash Over in connection with a Discover Card sale provided that you comply with the provisions of this Agreement including the following requirements:

- You must deliver to us a single authorization request for the aggregate total of the goods/services purchase amount and the Cash Over amount of the Card sale. You may not submit separate authorization requests for the purchase amount and the Cash Over amount.
- The Sales Draft must include both the purchase amount and the Cash Over amount, and you may not use separate Sales Drafts for the purchase amount and Cash Over amount.
- Cash Over may only be offered with a Card Present Card Sale that includes a purchase of goods or services by the Cardholder. You must not issue Cash Over as a stand-alone transaction. Merchants that offer Cash Over may require the total amount of a Card Sale with a Credit product, including Cash Over, to meet a minimum transaction amount of up to \$10.00.
- You shall not assess or charge fees of any type or amount, including any surcharges, on Cash Over transactions. None of the fees or charges applicable to Cash Advances shall be applied to Cash Over transactions.
- Cash Over may not be dispensed in connection with Credits, Cash Advances, or any Card Sale for which you are unable to electronically capture Track Data using the POS Device.
- The maximum amount of cash that you may issue as Cash Over is \$100.00.

(Cash Over may not be available in certain markets. Contact us for further information.)

**1.17. Telecommunication Transactions.** Telecommunication Card Sales occur when a telephone service provider is paid directly using a Card for individual local or long-distance telephone calls. (NOTE: pre-paid telephone service cards are not and do not give rise to Telecommunication Card Sales). Prior to conducting Telecommunication transactions you must contact us for approval and further instructions, rules and requirements. Failure to do so could result in additional charges or termination of this Agreement.

## 2. Suspect Transactions

If the appearance of the Card being presented or the person presenting the Card appears to be suspicious or you otherwise suspect fraud, you must immediately call the Voice Authorization Center and ask

to speak to a Code 10 operator. Answer all their questions and follow their instructions. While not proof that a transaction is fraudulent, the following are some suggestions to assist you in preventing fraudulent transactions that could result in a Chargeback:

### Ask yourself, does the Customer:

- appear nervous/agitated/hurried?
- appear to be making indiscriminate purchases (e.g., does not care how much an item costs, the size, etc.)?
- make purchases substantially greater than your usual customer (e.g., your average transaction is \$60, but this transaction is for \$360)?
- insist on taking the merchandise immediately (e.g., no matter how difficult it is to handle, is not interested in free delivery, alterations, etc.)?
- appear to be purchasing an unusual amount of expensive items or the same items?
- take an unusual amount of time to sign the Sales Draft, or look at the back of the Card as he signs?
- talk fast or carry on a conversation to distract you from checking the signature?
- take the Card from a pocket instead of a wallet?
- repeatedly come back, in a short amount of time or right before closing time, to make additional purchases?
- cause an unusual, sudden increase in the number and average sales transactions over a one- to three-day period?
- tell you he has been having some problems with his Issuer and request that you call a number (that he provides) for a “special” handling or Authorization?
- have a previous history of disputed Charges?
- place orders to be shipped to an address other than the billing address, or use anonymous/free email domains?
- place orders sent to zip codes or countries where you show a history of fraudulent claims?
- frequently make purchases and then return goods for cash?
- use a prepaid Card to purchase other prepaid Cards?
- use a large numbers of prepaid Cards to make purchases?

### Does the Card:

- have characters the same size, height, style and all within alignment?
- appear to be re-embossed (the original numbers or letters may be detected on the back of the Card)?
- have a damaged hologram?
- have a Magnetic Stripe on the back on the Card?
- have an altered Magnetic Stripe?
- have an altered signature panel (e.g., appear discolored, glued or painted, or show erasure marks on the surface)?
- have “valid from” (effective) and “valid thru” (expiration) dates consistent with the sale date?

If you use an electronic terminal and swipe the Card, make sure the account number displayed on the terminal and/or the Sales Draft matches the number on the Card. If you cannot or do not verify the account number and accept the sale, you are subject to a Chargeback and could be debited for the amount of the transaction. **IF THE NUMBERS DO NOT MATCH, DO NOT ACCEPT THE CARD AS A FORM OF PAYMENT, EVEN THOUGH AN AUTHORIZATION CODE FOR THE MAGNETICALLY SWIPED CARD NUMBER MAY BE RECEIVED.**

### Fraud-Prone Merchandise Tips:

- Gift Cards, jewelry, video, stereo, computer and camera equipment, shoes and men's clothing are typically fraud-prone because they can easily be resold.
- Be suspicious of high dollar amounts and transactions with more than one fraud-prone item, e.g., two VCRs, three gold chains, etc.

### If you suspect fraud:

- Call the Voice Authorization Center and ask to speak to a Code 10 operator.
- If the terminal does not display the Card number, call the POS Help Desk for terminal assistance.

**REMEMBER: AN AUTHORIZATION CODE ONLY INDICATES THE AVAILABILITY OF A CARDHOLDER'S CREDIT AT THE TIME OF THE TRANSACTION. IT DOES NOT WARRANT THAT THE PERSON PRESENTING THE CARD IS THE RIGHTFUL CARDHOLDER. IF PROPER PROCEDURES ARE NOT FOLLOWED AT THE TIME OF THE TRANSACTION, YOU ARE SUBJECT TO A CHARGEBACK AND YOUR ACCOUNT MAY BE DEBITED FOR THE AMOUNT OF THE TRANSACTION.**

### 3. Completion of Sales Drafts and Credit Drafts

You must prepare a Sales Draft or Credit Draft, as applicable, for each Card transaction and provide a copy of it or a transaction receipt or copy of the Draft to the Cardholder at the time the Card transaction is completed.

**3.1. Information Required.** All of the following information must be contained on a single page document constituting a Sales Draft or Credit Draft:

- Cardholder's account number must appear on the Sales Draft or Credit Draft in the manner required by applicable law and Card Organization Rules. NOTE: The copy of the Sales Draft or Credit Draft you provide to a Cardholder must not include the Cardholder's expiration date or any more than the last four digits of the Cardholder's Card number. Some states have similar requirements that also apply to the Sales Drafts or Credit Drafts you retain. Mastercard requires that Card expiration dates be excluded from the Sales Drafts or Credit Drafts your business retains. You are solely responsible to determine the Card account number truncation requirements and Card expiration date exclusion requirements for your state/jurisdiction;
- Clear imprint of the Card. Whenever the term "imprint" is used it refers to the process of using a manual imprinting machine to make an impression of the Card on a Sales Draft; it does not include the printout from a printer attached to an electronic device. If you use a device (e.g., authorization/draft capture terminal, cash register, POS Device, etc.) to electronically capture the card information (magnetic swipe, chip or contactless data), you do not have to imprint the Card. HOWEVER, IF THE CARD HAS A CHIP OR MAGNETIC STRIPE AND THE POS DEVICE FAILS TO READ THE CHIP OR MAGNETIC STRIPE OR IF YOU ARE REQUIRED TO OBTAIN A VOICE AUTHORIZATION, YOU MUST ALSO USE A MANUAL IMPRINTING MACHINE TO MAKE A CLEAR IMPRESSION OF THE CARD ON THE SAME SIDE OF THE SIGNED SALES DRAFT. IF YOU WORK IN THE FACE-TO-FACE SALES ENVIRONMENT, YOU MAY INCLUDE THE CARD VERIFICATION CODE IN THE AUTHORIZATION REQUEST FOR U.S. DOMESTIC KEY-ENTERED TRANSACTIONS IN LIEU OF TAKING A MANUAL CARD IMPRINT, WITH THE EXCEPTION OF DISCOVER. FAILURE TO FOLLOW THESE PROCEDURES WILL PREVENT YOU FROM DEFENDING A TRANSACTION IN THE EVENT THAT IT IS CHARGED BACK UNDER A CLAIM THAT THE RIGHTFUL CARDHOLDER DID NOT AUTHORIZE THE

PURCHASE. ENTERING INFORMATION INTO A TERMINAL MANUALLY WILL NOT PREVENT THIS TYPE OF CHARGEBACK. FOR MAIL/TELEPHONE/ INTERNET AND OTHER CARD NOT PRESENT ORDERS SEE SECTION 3.2. IF THE PHYSICAL CARD IS NOT PRESENT, ANOTHER FORM OF PAYMENT MUST BE REQUESTED;

- Cardholder's signature. However, eligible merchants participating in Mastercard's Quick Payment Service Program, Visa No Signature Required Program, American Express No Signature Program, Discover's No Signature Program, PayPal's No Signature Program, and/or certain Discover transactions (see note below) are not required to obtain the Cardholder's signature under certain conditions set forth by each program;
- Date of the transaction
- Amount of the transaction (including the approved currency of the sale);
- Description of the goods and/or services involved in the transaction (if there are too many items, combine them into one description; e.g. "clothing" instead of "one pair of pants, one shirt"). Do not carry information onto a second Sales Draft;
- Description of your merchandise return and Credit/refund policy;
- A valid authorization code; and
- Merchant's Doing Business As ("D/B/A") name and location (city and state required) and Merchant Identification Number.

When imprinting Sales Drafts, do not alter the Cardholder account number, circle or underline any information on the Sales Draft or alter a Sales Draft in any way after the transaction has been completed and signed. Stray marks and other alterations on a Sales Draft may render it electronically unscannable, unreadable or illegible. This may result in a Chargeback or summary adjustment to your account.

For Discover sales using a paper Sales Draft (as opposed to Electronic Draft Capture), the paper sales draft must also contain the initials of your representative or employee that conducted the transaction. For Discover Credits, the Credit Draft must contain the signature of your authorized representative or employee that conducted the transaction.

Discover and PayPal Card Sales in an amount more than \$50.00 including sales taxes, tip, surcharge and/ or Cash Over amount are not eligible for treatment as No Signature Required Card Sales and you may lose a dispute of such a Card Sale if the Merchant fails to obtain the Cardholder's Signature on the Sales Draft.

Eligible merchants participating in Visa Easy Payment Service ("VEPS") (Visa's No Signature Required Program), Quick Payment Service and/ or Small Ticket are only required to provide the Cardholder with the completed Sales Draft when requested by the Cardholder.

**NOTE:** If you are a merchant operating under certain merchant category codes ("MCC") approved by the Card Organizations, you are not required to provide a transaction receipt, unless requested by the Cardholder or obtain the Cardholder's signature provided that you transmit the full track data in the authorization request and the sale amount is below the applicable program floor limit (Mastercard/ Discover/PayPal/ American Express/STAR is \$50.00 or less. Visa's program limit remains at \$25.00 or less excluding U.S. grocery stores (MCC 5411) and discount stores (MCC 5310) where the limit is \$50.00.

For Discover only include the last 4-digits of the merchant identification number.

For Mastercard, if you are operating vending machines under MCC 5499 (Miscellaneous Food Stores-Convenience Stores, Markets, Specialty Stores), you need not provide a receipt at the time a transaction is conducted. If a vending machine cannot provide a printed receipt, you



must disclose and post instructions advising customers how a receipt may be obtained.

#### **Sales Drafts for American Express Transactions.**

You must create a Sales Draft for every Charge. For each Charge submitted electronically, you must create an electronically reproducible Sales Draft. The Sales Draft (and a copy of the customer's receipt) must disclose your return and/or cancellation policies.

If the Cardholder wants to use different Cards for payment of a purchase, you may create a separate Sales Draft for each Card used. However, if the Cardholder is using a single Card for payment of a purchase, you shall not divide the purchase into more than one Charge, nor shall you create more than one Sales Draft.

- Submit the Charge to American Express directly, or through your Processor, for payment.
- Retain the original Sales Draft (as applicable) and all documents evidencing the Charge, or reproducible records thereof, for the timeframe listed in our country-specific policies.
- Provide a copy of the Sales Draft to the Cardholder.

You may be able to create more than one Sales Draft if the purchase qualifies for a delayed delivery Charge. The retention time frame for Sales Drafts is twenty-four (24) months from the date you submitted the corresponding Charge to us. Pursuant to applicable law, truncate the Card number and do not print the Card's expiration date on the copies of Sales Drafts delivered to Cardholders. Truncated Card number digits must be masked with replacement characters such as "x," "\*" or "#," and not blank spaces or numbers.

If you submit Charges on paper, you must create a Sales Draft containing all of the following required data:

- Provide a copy of the Sales Draft to the Cardholder.
- Full Card number and expiration date (pursuant to applicable law), and if available, Cardholder name.
- The date the Charge was incurred.
- The amount of the Charge, which must be the total price for the purchase of goods and services (plus applicable taxes and gratuities) purchased on the Card.
- A clear description of the goods or services purchased by the Cardholder.
- An imprint or other descriptor of your name, address, Merchant Identification Number and, if applicable, store number.
- The words "no refunds" if you have a no refund policy, and your return and/or cancellation policies.

#### **American Express No Signature Program/ No PIN Required Program.**

You may participate in the American Express No Signature/ No PIN Program. This No Signature/ No PIN Program allows establishments not to request a signature from Cardholders on the Sales Draft. To qualify for the No Signature/ No PIN Program, both the establishment and each Charge must meet the following criteria:

##### **Establishment Criteria.**

If your establishment is classified in an industry that accepts in-person Charges, then the establishment may participate in the No Signature/ No PIN Program with the exception of the following categories:

- Merchants who do not conduct in-person Charges (i.e., internet, mail order or telephone order).
- Prohibited transactions as set forth in the American Express Card Organization Rules or illegal transactions or activity, as described in the Agreement.

- High Risk Merchants (e.g., establishments whose business type has had historically high occurrences of fraud and disputed charges with American Express or as compared to other similarly situated merchants (or both); examples include internet electronic services or nightclubs/lounges) as determined by American Express in its sole discretion.
- Merchants placed in American Express' Fraud Full Recourse Program.

##### **Charge Criteria:**

- The amount or Charge must meet the threshold established in American Express' country specific policy.
- The Charge Submission must include the appropriate indicator to reflect that the Card and the Cardholder were present at the point of sale.
- The Charge Submission must include a valid approval.

Under the No Signature/ No PIN Program, Chargebacks will not be exercised for such Charges based solely on the establishment's failure to obtain the Cardholder's signature at the point of sale. If a disproportionate amount or a number of disputed Charges under the No Signature/ No PIN Program occur, you must cooperate to reduce the amount or number of disputed Charges. If such efforts fail, you may be placed in American Express Chargeback programs, or your establishment's participation in the No Signature Program may be modified or terminated. The established threshold for charges to qualify under the No Signature/ No PIN Program is \$50.00 or less.

**3.2. Mail/Telephone/Internet (Ecommerce) Orders and Other Card Not Present Sales.** You may only engage in mail/ telephone/ Internet orders provided they do not exceed the percentage of your total payment Card volume reflected on your Application. Failure to adhere to this requirement may result in cancellation of your Agreement. Merchants conducting Internet transactions using Mastercard or Visa Cards must have special codes (an "Electronic Commerce Indicator") added to their authorization and settlement records. Discover does not use an Electronic Commerce Indicator. Failure to register as a merchant conducting Internet transactions can result in fines imposed by the Card Organizations.

Mail, Telephone, Internet and other Card Not Present transactions have a substantially higher risk of Chargeback. Since you will not have an imprinted or magnetically swiped transaction and you will not have the Cardholder's signature on the Sales Draft as you would in a face-to-face transaction, you will assume all risk associated with accepting a mail/ telephone/Internet or other Card Not Present transaction. The following procedures, while they will not eliminate Chargebacks, are useful in reducing them and should be followed by you:

- Obtain the expiration date of Card.
- On the Sales Draft, clearly print the Cardholder's account number; effective and expiration dates; date of transaction; description of the goods and services; amount of the transaction (including shipping, handling, insurance, etc.); Cardholder's name, billing address and shipping address; authorization code; and merchant's name and address (city and state required); provided, that you must effect PAN Truncation, and must not include the expiration date, on the copy of the Sales Draft or Credit Draft that you provide to the Cardholder, or as required by applicable law, the Sales Draft or Credit Draft you retain.
- For mail orders, write "MO"; for telephone orders, write "TO" on the Cardholder's signature line.
- If feasible, obtain and keep a copy of the Cardholder's signature on file on a form authorizing you to submit telephone and mail order transactions.
- You should utilize the Address Verification Service for all Card



Not Present Transactions (see note below). Address Verification is specifically required for all Discover Card Not Present Transactions. If you do not receive a positive match through AVS, you may not process the Discover Card Not Present Transaction. If you do not have AVS, contact us immediately.

- You should obtain the 3 or 4 digit Card Verification Code number and include it with each authorization request. Discover Card Organization Rules specifically require that you submit the Card Verification Code with the authorization request for all Discover Card Not Present Transactions.
- For telephone orders, it is recommended that written verification of the sale be requested from the Cardholder (sent by mail or fax).
- You may not submit a transaction for processing until after the merchandise has been shipped or the service has been provided to the customer. (The Card Organizations will permit the immediate billing of merchandise manufactured to the customer's specifications [i.e., special/ custom orders] provided the Cardholder has been advised of the billing details.)
- You should provide a copy of the Sales Draft to the Cardholder at the time of delivery. You must also obtain proof of delivery of the goods or services to the address designated by the Cardholder (i.e., by getting a signature of the Cardholder or person designated by the Cardholder through the delivery carrier). If the Cardholder visits one of your locations to receive the goods or services purchased, obtain an imprint of the card and the Cardholder's signature.
- Notify the Cardholder of delivery time frames and special handling and/ or of cancellation policies. Merchandise shipping dates must be within seven (7) days of the date Authorization was obtained. If, after the order has been taken, additional delays will be incurred (e.g., out of stock), notify the Cardholder. If you have not shipped the product by the seventh day, you must reverse the original authorization then reauthorize the transaction.
- You may not require a Cardholder to complete a postcard or other document that displays the Cardholder's account number in clear view when mailed.
- If you accept orders via the Internet, your web site must include the following information in a prominent manner:
  - Complete description of the goods or services offered
  - Description of your merchandise return and Credit/refund policy;
  - Customer service contact, including email address and/or telephone number;
  - Transaction currency (U.S. dollars, unless permission is otherwise received from Servicers);
  - Any applicable export or legal restrictions;
  - Delivery policy;
  - Consumer data privacy policy;
  - A description of the transaction security used on your website; and
  - The sale or disclosure of databases containing Cardholder account numbers, personal information, or other Card transaction information to third parties is prohibited.
  - Address of merchant including country.
  - Cancellation policy; and
  - Date any free trial period ends.
- You may not accept Card Account Numbers through Electronic Mail over the Internet.

**NOTE:** Address Verification Service (AVS) (and other fraud mitigation

tools such as Verified by Visa®, Mastercard® Secure Code, Discover Protect Buy, SafeKey, Card Validation Codes and Card Identification) does not guarantee against Chargebacks, but used properly, it assists you in reducing the risk of fraud by confirming whether certain elements of the billing address provided by your customer match the billing address maintained by the Issuer. AVS also may help you avoid incurring additional interchange expenses. AVS is a separate process from obtaining an Authorization and will provide a separate response. A transaction may be authorized regardless of the AVS response. It is your responsibility to monitor the AVS responses and use the information provided to avoid high-risk transactions.

#### **American Express Internet Charges.**

#### **Processing a Card Not Present Charge for American Express Transactions** you must:

- Submit the Charge to American Express;

For Card Not Present Charges, you must create a Sales Draft and ask the Cardholder to provide:

- Card number;
- Card expiration date;

In addition, it is recommended that you ask for:

- Name as it appears on the Card,
- Cardholder's billing address, and
- Ship-to address, if different from the billing address.

American Express will not Chargeback for such charges based solely upon a Card- member claim that he or she did not receive the disputed goods if you have:

- Verified the address to which the goods were shipped was the Cardholder's full billing address.
- Provided proof of delivery signed by the Cardholder or an authorized signer of the Card indicating the delivery of the goods or services to the Card- member's full billing address.

American Express will not be liable for actual or alleged fraudulent transactions over the internet and will have the right to Chargeback for those charges.

For Internet Orders, you must:

- Use any separate merchant numbers (seller ID) established for your internet orders in all of your requests for Authorization and Submission of charges.
- Provide us with at least one (1) month's prior written notice of any change in your internet address.
- Comply with any additional requirements that American Express provides from time to time. Additionally, if a disputed Charge arises involving a Card Not Present Charge that is an internet electronic delivery Charge, American Express may exercise Chargeback for the full amount of the Charge and place you in any of its Chargeback programs.

**3.2.1. Discover Protocol for Internet Transactions.** Each Internet Discover Card transaction accepted by you and submitted to us shall comply with Discover standards, including, without limitation, Discover standards governing the formatting, transmission and encryption of data, referred to as the "designated protocol." You shall accept only those Internet Discover Card transactions that are encrypted in accordance with the designated protocol. As of the date of these Operating Procedures, the designated protocol for the encryption of data is Secure Socket Layer (SSL). We may, at our discretion, withhold Settlement until security standards can be verified. However, the designated protocol, including any specifications with respect to data encryption, may change

at any time upon thirty (30) days advance written notice. You shall not accept any Internet Discover Card transaction unless the transaction is sent by means of a browser which supports the designated protocol.

**3.3. Customer Service Telephone Numbers** for Card types which are funded by individual non-bank Card Organizations include:

American Express EDC Program 1-800-528-5200

American Express 1-800-451-5817

JCB, International 1-800-366-4522

(For YEN and CAD currency only)

TeleCheck 1-800-366-1054

Voyager 1-800-987-6591

WEX 1-800-492-0669 (24 hours)

#### 4. Data Security

**THE FOLLOWING IS IMPORTANT INFORMATION REGARDING THE PROTECTION OF CARDHOLDER DATA. PLEASE REVIEW CAREFULLY AS FAILURE TO COMPLY CAN RESULT IN SUBSTANTIAL FINES AND LIABILITIES FOR UNAUTHORIZED DISCLOSURE AS WELL AS TERMINATION OF THIS AGREEMENT.**

**4.1. Payment Card Industry Data Security Standards (PCI DSS).** Visa, Mastercard, Discover and JCB and American Express aligned data security requirements to create a global standard for the protection of Cardholder data. The resulting Payment Card Industry Data Security Standards (PCI DSS) defines the requirements with which all entities that store, process, or transmit payment card data must comply. PCI DSS is the name used to identify those common data security requirements. The Cardholder Information Security Program (CISP) is Visa USA's data security program, the Site Data Protection (SDP) program is Mastercard's data security program and Discover Information Security and Compliance (DISC) is Discover's data security program, and the Data Security Requirements (DSR) is American Express' data security program, each based on the PCI DSS and industry aligned validation requirements. PCI DSS PCI compliance validation is focused on Merchant Equipment (as defined below) where Cardholder data is processed, stored, or transmitted, including:

- All external connections into your network (i.e., employee remote access, third party access for processing, and maintenance).
- All connections to and from the Authorization and settlement environment (i.e., connections for employee access or for devices such as firewalls, and routers); and
- Any data repository outside of the Authorization and settlement environment.

For the purposes of this Section 4, "Merchant Equipment" means any and all equipment you use in connection with Card authorization, clearing, completing, settling, transmitting or other related processing, including, without limitation, all telecommunication lines and wireless connections and software, systems, point-of-sale terminals, card readers, merchandise and card scanners, printers, PIN pad devices and other hardware, whether owned by you, Merchant Providers or other Persons used by you.

The Card Organizations or we may impose fines or penalties, or restrict you from accepting Cards if it is determined that you are not compliant with the applicable data security requirements. We may in our sole discretion, suspend or terminate Services under this Agreement for any actual or suspected data security compromise. You agree that you will not request any Authorizations, submit any Sales Drafts or Credit Drafts until you have read and understood the PCI DSS, CISP, SDP and DISC for which you acknowledge we have provided you sufficient information to obtain, and you will be deemed to have done so upon our receipt of your request or submission of any Authorizations, Sales Drafts or Credit Drafts.

You must comply with the data security requirements described in this Section 4.1, including without limitation, PCI DSS, SDP, CISP and DISC, and any additional Card Organization requirements applicable to payment applications and PIN transactions.

Detailed information about PCI DSS, can be found at the PCI DSS Counsel's website: [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org).

Detailed information about Visa's CISP program can be found at Visa's CISP website: [www.visa.com/cisp](http://www.visa.com/cisp).

Detailed information about Mastercard's SDP program can be found at the Mastercard SDP website: [www.mastercard.com/sdp](http://www.mastercard.com/sdp).

Detailed information about DISC can be found at Discover DISC website: <http://www.discovernetwork.com/fraudsecurity/disc.html>.

Detailed information can be found at American Express' website: [www.americanexpress.com/merchantopguide](http://www.americanexpress.com/merchantopguide).

**4.2. Data Security Requirements. You must comply with the data security requirements shown below:**

- You must install and maintain a secure firewall configuration to protect data.
- You must protect stored data and do encrypt transmissions of data sent across open/public networks using methods indicated in the Payment Card Industry Data Security Standard (PCI DSS) which is available at [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org).
- You must use and regularly update anti-virus software and keep security patches up-to-date.
- You must restrict access to data by business "need to know," assign a unique ID to each person with computer access to data and track access to data by unique ID.
- You must not use vendor-supplied defaults for system passwords and other security parameters.
- You must regularly test security systems and processes.
- You must maintain a policy that addresses information security for employees and contractors.
- You must restrict physical access to Cardholder information.
- You may not transmit Cardholder account numbers to Cardholders for Internet transactions.
- You cannot store or retain Card Verification Codes (three-digit codes printed in the signature panel of most Cards, and a four digit code printed on the front of an American Express Card) after final transaction authorization.
- You cannot store or retain Magnetic Stripe data, PIN data or AVS data. Only Cardholder account number, Cardholder Name and Cardholder expiration date can be retained subsequent to transaction authorization.
- You must destroy or purge all Media containing obsolete transaction data with Cardholder information.
- You must keep all systems and Media containing Card account, Cardholder or transaction information (whether physical or electronic) in a secure manner so as to prevent access by, or disclosure to any unauthorized party.
- For Internet transactions, copies of the transaction records may be delivered to Cardholders in either electronic or paper format.
- You must use only those services and devices that have been certified as PCI DSS compliant by the Card Organizations and by vendors approved by your bank.

**4.3. Compliance Audits.** You may be subject to ongoing validation of your compliance with PCI DSS standards. Furthermore, we retain the

right to conduct an audit at your expense, performed by us or a third party designated by us to verify your compliance, or that of your agents or Merchant Providers, with security procedures and these Operating Procedures. In any event, upon request, you shall provide us with copies of any and all reports developed by your forensic vendor(s), and you shall ensure that we have direct communication access with such forensic vendor(s).

**4.4. Immediate Notice Required.** In the event that transaction data is known or suspected of having been accessed or retrieved by any unauthorized Person, you must contact us immediately and in no event more than 24 hours after becoming aware of such activity.

**4.5. Investigation.** You must, at your own expense (i) perform or cause to be performed an independent investigation, including a forensics analysis performed by a certified forensic vendor acceptable to us and the Card Organizations in accordance with Card Organization standards, of any data security breach of Card or transaction data, (ii) provide a copy of the certified forensic vendors final report regarding the incident to us and the Card Organizations, (iii) perform or cause to be performed any remedial actions recommended by any such investigation, and (iv) cooperate with us in the investigation and resolution of any security breach. Notwithstanding the foregoing, if required by the Card Organization, we will engage a forensic vendor approved by a Card Organization at your expense. You must cooperate with the forensic vendor so that it may immediately conduct an examination of Merchant Equipment, and your Merchant Providers' procedures and records and issue a written report of its findings.

**4.6. Required Information for Discover or PayPal Security Breaches.** For security breaches involving Discover or PayPal transactions and/or track data, you must provide us and/or Discover or PayPal (as applicable) with the following information: (i) the date of breach; (ii) details concerning the data compromised (e.g., account numbers and expiration dates, Cardholder names and addresses, etc.); (iii) the method of such breach; (iv) your security personnel contacts; (v) the name of any person (including law enforcement) assisting you with your investigation of such breach; and (vi) any other information which we reasonably request from you concerning such breach, including forensics reports. You shall provide such information as soon as practicable, and the items listed in (i)-(v) shall be provided to us in any event within 48 hours of your initial notification to us of the breach.

**4.7. Merchant Providers.** The data security standards set forth in this Section 4 also apply to Merchant Providers. Before you engage any Merchant Provider, you must provide to us in writing (a) the Merchant Provider's legal name, (b) contact information, and (c) intended function. You acknowledge and agree that you will not use, or provide Card holder data access to, any Merchant Provider until you receive our approval and, if required, confirmation of our registration of that Merchant Provider with applicable Card Organizations. You must ensure that you and Merchant Providers: (i) comply with the registration process which can involve site inspections, background investigations, provision of financial statements, and any other information required by a Card Organization; (ii) comply with the periodic and other reporting required by a Card Organization; and (iii) comply with all applicable Card Organization Rules, including without limitation, those requiring security of Cardholder data. You may allow Merchant Providers access to Cardholder data only for purposes authorized under and in conformance with the Card Organization Rules. You are responsible for all our costs and expenses associated with our review, approval, certification (and recertification as may required by us or the Card Organization Rules) and registration of any Merchant Providers.

Your use of the Services, equipment, software, systems, materials, supplies or resources of third parties regarding your Card transactions processing, including, without limitation, Merchant Providers and any

third party lessors or licensors, will not affect your obligations under this Agreement to us which will apply to the same extent as if you had not used them.

We have no liability or responsibility to you or others regarding these third parties, even if we referred them to you. These third parties are your agents, and you are solely responsible for (i) determining whether they can meet your needs and standards, (ii) their actions, inactions and compliance with the terms of this Agreement and the Card Organization Rules and (iii) any and all fees, costs, expenses and other obligations owed to them by you or owed by them to us or to Card Organizations.

**4.8. Reserved.**

**4.9. Costs.** If you or a Merchant Provider (or other Person used by you) are determined by any Card Organization, regardless of any forensic analysis or report, to be the likely source of any loss, disclosure, theft or compromise of Cardholder data or Card transaction information (together, "**Compromised Data Events**") and regardless of your belief that you have complied with the Card Organization Rules or any other security precautions and are not responsible for the Compromised Data Event, you must promptly pay us for all related expenses, claims, assessments, fines, losses, costs, and penalties and Issuer reimbursements imposed by the Card Organizations against us (together, "**Data Compromise Losses**"). In addition to the foregoing, you must also pay us promptly for all expenses and claims made by Issuers against us alleging your responsibility for the Compromised Data Event, apart from any claim procedures administered by the Card Organizations.

## 5. Authorizations

Each authorization request you submit to us must fully comply with the applicable provisions of this Agreement. Submission of an authorization request that does not fully comply may result in assessment of additional fees to you, a declined authorization response or a Chargeback to you.

An Authorization Approval Code only indicates the availability of funds on an account at the time the Authorization is requested. It does not guarantee or warrant that the person presenting the Card is the rightful Cardholder, the Charge is in fact valid or bona fide, nor is it a promise or guarantee that you will be paid for the Charge and not be subject to a Chargeback and/or adjustment.

A positive (approved) authorization response remains valid for:

- seven (7) days for Visa, Mastercard and American Express electronic processed transactions;
- ten (10) days for Visa, Discover, and STAR electronic processed transactions subject to the following exception:
  - thirty (30) days for Visa, Discover and PayPal, twenty (20) days for STAR for the following Industries:
  - car rental;
  - airline and passenger railway;
  - lodging;
  - other Travel & Entertainment (T&E) categories.
- seven (7) days for American Express electronic processed transaction subject to the following exception:
  - thirty (30) days for the Travel & Entertainment (T&E) industries. Delayed deliveries.

If delivery is longer than the allowable timeframes after the initial Authorization request, per payment type, the Authorization must be reversed for the unused portion and a new authorization obtained for the remaining amount prior to delivery:

- seven (7) days (Mastercard, Visa, American Express, and STAR transactions);



- ten (10) days (Discover Network and PayPal transactions);

For Card present transactions, it is highly recommended that you use your electronic authorization device to capture card data using the POS device by inserting the card (chip card), swiping the card (magnetic stripe) or tapping/ waving the card (contactless).

Do not attempt to obtain an Authorization Approval Code provided by someone other than us except as described in Section 5.4. If a Cardholder or another service provider provides you with either an authorization number or with a telephone number for obtaining Authorizations, the Authorization Approval Code you receive may not be valid. Even if the transaction is initially processed and funded, it may be charged back at a later date. Also, if you receive a purported Authorization Approval Code from someone other than us, we will not have the supporting records and will be unable to verify that you received the authorization if that is later questioned in a Chargeback.

If you obtain Address Verification, you must review the AVS response separately from the authorization response and make your own decision about whether to accept the transaction. A transaction can receive an Authorization Approval Code from the Card Issuer even if AVS is unavailable or reflects that the address provided to you does not match the billing address on file at the Issuer. If the authorized Cardholder disputes such a transaction, you will be responsible for the resulting Chargeback.

If you receive a Referral response to an attempted Authorization for American Express or Discover, you may not submit the transaction without calling for and receiving a voice authorization. After receiving a Referral response you may not attempt another Authorization on the same Card through your POS Terminal.

If you fail to obtain an Authorization Approval Code or if you submit a Card transaction after receiving a decline (even if a subsequent Authorization attempt results in an Authorization Approval Code), your transaction may result in a Chargeback and may be assessed fines or fees by the Card Organizations for which you will be responsible. These currently range from \$25 to \$150 per transaction. To avoid these costs and related Chargebacks, always obtain an Authorization Approval Code directly from your terminal before submitting a transaction for settlement.

You may not attempt to obtain multiple Authorizations for a single transaction, except when incremental Authorizations are allowed. Refer to Section 1.13 and [www.americanexpress.com/merchanttopguide](http://www.americanexpress.com/merchanttopguide) regarding additional provisions for specific industries. If a sale is declined, do not take alternative measures with the same Card to obtain an approval of the sale from other authorization sources. Instead, request another form of payment. If you accept and process a transaction that was declined, or attempt multi- transactions and/or multi-Authorizations, you are subject to a Chargeback, Card Organization Fines and/or cancellation of your Agreement. Do not discuss reason for decline with a Cardholder rather refer them to the customer service number on the back of the Card.

For Visa, Mastercard, Discover and PayPal transactions, Automated Fuel Dispensers must ensure that completion messages are submitted for Mastercard's Card within 60 minutes of the Authorization.

For Visa, Mastercard, STAR, American Express, Discover and PayPal transactions, Merchants operating in the petroleum industry that conduct Card Sales at Automated Fuel Dispensers (AFDs), may submit an Authorization Request for \$1.00 to verify the validity of the Card presented. Under such circumstances, you must submit an Authorization Advice Message for the actual amount of the Card Sale within sixty (60) minutes of completion of fuel delivery regardless of whether you previously received a Partial Authorization Response or a positive Authorization Response for any other amount. If you do not complete

the Card Sale following receipt of an approved Authorization Response for any amount, a request to cancel the Authorization Request must be submitted within sixty (60) minutes of the completion of fuel delivery.

**5.1. Card Not Present Transactions.** You must obtain the 3 digit Card Verification Code on the back of the Card (or the 4 digit Card Verification Code on the front of American Express Cards) and that with each Card Not Present authorization request unless the transaction is a recurring transaction. However, for recurring transaction Authorizations you submit the Card Verification Code only with the first authorization request, and not with subsequent recurring transaction authorization requests (See Section 1.7). **NOTE: For each Card Not Present Discover transaction, you must also verify the name and billing address of the Discover Cardholder using the Address Verification System (AVS).**

For Gateway merchants, it is your responsibility to ensure AVS/CVV2/CVC2 settings are appropriate to deter fraud for your particular type of business.

## 5.2. Authorization via Telephone (Other than Terminal/Electronic Device Users).

- Call your designated voice authorization toll free number and enter the authorization information into the VRU using a touch tone phone or hold for an authorization representative.
- If advised to pick up a Card, use reasonable and peaceful means to do so, and do not take any action that will alarm or embarrass the Card presenter. You will bear all responsibility for claims, liabilities, costs and expenses as a result of any action by you, your employees, vendors or agents, that attempt to retain a Card without the Issuer's direct request or failure to use reasonable, lawful means in retaining or attempting to retain the Card. Forward the Card to: Attn: Rewards Department, P.O. Box 5019, Hagerstown, MD 21740. You may be paid a reward for the return of the Card.
- On occasion, the Authorization Center will ask you to obtain identification from the Cardholder before issuing an approval code. If you are instructed to do so, clearly write the appropriate identification source and numbers in the space provided on the Sales Draft unless otherwise prohibited by law.
- If the sale is declined, please remember that our operators are only relaying a message from the Issuer. The fact that a sale has been declined should not be interpreted as a reflection of the Cardholder's creditworthiness. The Cardholder should be instructed to call the Issuer.

## 5.3. Authorization via Electronic Devices.

- If you use an electronic terminal to obtain Authorization Approval Code, all sales should be authorized through this equipment. Authorizations through other methods will result in additional charges to you.
- If your terminal malfunctions, refer to your Quick Reference Guide, if necessary, or call the POS Help Desk. The problem will either be corrected promptly or may require terminal programming or replacement. During the period in which your terminal is not functioning, remember to check it periodically since most terminal problems are temporary in nature and are quickly corrected.
- If a terminal is moved or if wires are disconnected, causing malfunction, call the POS Help Desk immediately and follow their instructions. You may be responsible for any service charges incurred for reactivation of the terminal.
- Until the terminal becomes operable, you must call your designated voice authorization toll free number and enter authorization information into the VRU using a touchtone phone. During this time, each transaction must be imprinted using a manual Imprinter

machine. Failure to obtain an Authorization Approval Code and to imprint these transactions could result in a chargeback to your account.

**5.4. Third Party Authorization System.** If you have contracted with another authorization network to obtain Credit Card authorization, i.e., your terminal can Split Dial, liability resulting from discrepancies with that network must be resolved between you and that network.

We will not research Chargebacks resulting from Authorization Approval Codes obtained from another authorization service organization. Such Chargebacks will be passed through to you for resolution. If an authorization provided by a third party authorization system is challenged in a Chargeback, you must obtain proof (e.g., third party authorization logs) from the authorization source and submit it to us within the time frame specified on the Chargeback documentation received.

IF YOU CONTRACTED TO USE ONE OF OUR AUTHORIZATION SERVICES, YOU MUST NOT USE ANOTHER THIRD PARTY AUTHORIZATION SYSTEM WITHOUT VERIFYING THEY ARE PROPERLY REGISTERED WITH THE NETWORKS BY YOUR BANK. THIS CAN BE DONE BY NOTIFYING CUSTOMER SERVICE AND HAVING THEM CHECK THE REGISTRATION STATUS. OTHERWISE, WE WILL BE UNABLE TO SUCCESSFULLY RESEARCH AND DEFEND ANY AUTHORIZATION RELATED CHARGEBACKS ON YOUR BEHALF. THIS DELAY WILL SIGNIFICANTLY DECREASE YOUR TIME TO RESEARCH AND PROVIDE PROOF OF AUTHORIZATION, THUS REDUCING YOUR OPPORTUNITY TO REVERSE A CHARGEBACK.

#### **Third Party Vendors**

You must confirm Bank approval prior to using any vendor that is providing services that stores, processes, or transmits Cardholder data. This includes, but is not limited to: authorization, encryption key/software application loading, terminal driving/servicing (remote servicing), and shopping carts. This can be done by notifying Customer Service and having them check the registration status.

If you utilize another authorization network, you will be responsible for the downgrade of any transactions to a higher cost interchange that result from a mismatch of information to our systems and those of third party authorization networks (see Section 5.1).

If you use a third party authorization network, you must also comply with Section 4.7.

**Call the following for other Card types:**

**American Express EDC Program 1-800-528-5200**

**JCB, International 1-800-522-9345**

**(For YEN and CAD currency only)**

**TeleCheck 1-800-366-5010**

**Voyager 1-800-987-6589**

**WEX 1-800-842-0071**

**Available 24 hours/day; 7 days/week**

All approved sales authorized in this manner must be entered manually as “post authorization” transactions into the terminal, once the terminal becomes operational. All credit transactions must be entered into the terminal for data capture. You may be subject to a Chargeback if you receive a Referral and subsequently receive an approval. To reduce the risk of such a Chargeback, the Card should be imprinted using a manual Imprinter machine. (For specific procedures on Electronic Data Capture, refer to the Terminal Operating Instructions/Users Guide.) If the terminal malfunctions for more than twenty-four (24) hours, contact Customer Service for further instructions on processing your

transactions.

**5.5. Automated Dispensing Machines.** Records must be produced for all transactions whose origin and data capture are automated dispensing machines or Limited Amount Terminals. Records should include the Cardholder account number, merchant’s name, terminal location, transaction date, identification of transaction currency, transaction type (purchase), authorization code and amount.

**5.6. Pre-Authorization for T&E (Travel & Entertainment) and Restaurant Merchants.** If you are a business engaged in providing travel and/or entertainment services (e.g., car rentals, hotels, motels, etc.) or a restaurant business, and engage in the practice of “pre-Authorization.” You must comply with the following general procedures:

- A hotel, motel, or car rental merchant may obtain an estimated Visa, Mastercard, Discover or PayPal Authorization at the time of check-in.
- Restaurants must not add an estimated tip amount to the authorization request beyond the value of the goods provided, or services rendered, plus any applicable tax.
- You must notify the Cardholder of the dollar amount you intend to “Pre- Authorize.”
- If the customer decides to use another form of payment (e.g., cash, check, etc.) you must promptly call the Voice Authorization Response Unit to delete the authorization hold. Provide the Cardholder’s account number, original dollar amount and date of the transaction, and the authorization code. If a new transaction takes place, a new imprinted and signed Sales Draft for the exact amount and a new authorization code for that amount must be obtained.
- VEHICLE RENTAL PROVIDERS MAY NOT INCLUDE POTENTIAL VEHICLE DAMAGE OR INSURANCE DEDUCTIBLES IN ANY PREAUTHORIZATIONS.
- If you receive a decline on a transaction, you must wait twenty four (24) hours before attempting to reauthorize. If you reauthorize prior to this time frame and receive an approval, you may be subject to a chargeback and a fine imposed by the Card Organizations.
- Hotels, motels, and car rental merchants are allowed up to a 15% variance above the amount authorized. If the final amount charged to the Cardholder exceeds the original estimate by more than 15% above the preauthorization, you must authorize any additional amounts, and all incremental authorization codes must be written in the authorization area along with the date of authorization and the amount authorized.
- Pre-Authorization for certain establishments services, are allowed up to a 20% (instead of 15%) variance above the amount authorized. If the final amount exceeds the amount “preauthorized” by more than 20%, you must authorize the additional amount. Estimating the Authorization amount to include a tip is prohibited. The authorization request should include only the amount associated with the bill presented to the consumer.
- You must obtain an Authorization for the initial estimated charges and then monitor the charges to ensure that the actual charges made do not exceed the estimated charges. If the actual charges exceed the amount of the initial estimated authorization (and any subsequent estimated authorizations), then you must secure a positive authorization for the additional amount. NOTE: Subsequent Authorizations should only be for the additional amount of total charges and must not include amounts already authorized.
- The estimated amount of any pre-authorization for lodging accommodations must be based on (i) the intended length of stay; (ii) the room rate; (iii) applicable taxes and service charges; and (iv) other miscellaneous charges as dictated by experience.



- If an authorization request is declined, no charges occurring after that date will be accepted for that Cardholder.
- You do not need to obtain a final Authorization if the total sum of charges (the final amount) does not exceed 20% of the previously authorized charges. You must record the dates, authorized amounts, and their respective Authorization Approval Codes on the Sales Draft(s).

**5.7. Discover and PayPal Procedure for Request for Cancellation of Authorization.** If a Discover or PayPal Card sale is cancelled or the amount of the transaction changes following your receipt of Authorization for the sale, you must process an authorization reversal via your POS Device or, for voice-approved authorizations for Discover Card sales, call your Authorization Center directly and request a cancellation of the Authorization. An Authorization may be cancelled at any time within ten (10) days of your receipt of the Authorization, but must be cancelled before the sales data relating to the transaction is submitted to us, after which the Authorization cannot be changed. For an Authorization cancellation, you must provide us with the following information, in this order:

- The Discover Merchant Identification Number used in the Authorization;
- The Card number;
- The original amount of the Authorization being cancelled;
- The new amount of the total transaction (if any);
- The original authorization code for the Authorization being cancelled;
- The expiration date of the Card; and
- A brief reason for the Authorization cancellation.

**5.8. Partial Authorization and Authorization Reversal.** Partial Authorization provides an alternative to a declined transaction by permitting a Card Issuer to return an Authorization approval for a partial amount, an amount less than the transaction amount requested by the merchant when the available card balance is not sufficient to approve the transaction in full. The Cardholder is able to use up the remaining funds on the Card and select another form of payment (i.e. another payment Card, cash, check) for the remaining balance of the transaction. For Mastercard transactions, partial authorization is optional for batch authorized e-commerce transactions, mail order, telephone order transactions and recurring payment transactions. For Discover transactions, partial Authorization support is optional for Card Not Present transactions. If you support partial Authorizations, a partial Authorization indicator must be included in each Authorization request.

An Authorization reversal must be submitted if the Authorization is no longer needed a partial amount of the total authorized is submitted for the settled transaction, or the Cardholder elects not to the purchase. The transaction sent for settlement must be no more than the amount approved in the partial Authorization response. In the event that you wish to support the partial Authorization functionality, you must contact us for additional rules and requirements. An authorization reversal may only be submitted if the transaction has not settled. Once the transaction has settled, only a Credit or refund can occur.

## 6. Submission/Deposit of Sales Drafts and Credit Drafts

**6.1. Submission of Sales for Merchants Other Than Your Business.** You may present for payment only valid charges that arise from a transaction between a bona fide Cardholder and your establishment. If you deposit or attempt to deposit transactions that arise from sales between Cardholders and a different business than the one approved by us in our agreement with you, then the transaction may be charged back, we may suspend or debit funds associated with all such transactions, and we may immediately terminate your account and the Agreement.

**6.1.1. Factoring.** Factoring is considered merchant fraud and strictly prohibited. Factoring is the submission of authorization requests and/or Sales Drafts by a merchant for Card transactions transacted by another business. If you submit Sales Drafts on behalf of another Person, you will suffer any losses associated with the disputes of any such Sales Draft and/or transaction. Also if any fraud is involved, you could face criminal prosecution.

**6.2. Timeliness.** In order to qualify for the lowest fees for Services, all Sales and Credit Drafts must be properly completed and submitted daily. If you have not received payment for submitted Sales Drafts after one (1) week from your normal payment date, contact Customer Service. Late Submission of Sales or Credit Drafts may result in increased interchange rates or fees or in a Chargeback to you.

**6.3. Electronic Merchants: Daily Batching Requirements & Media Submission.** Batches must be transmitted to us by the time indicated on the Additional Important Information Page of the Agreement in order to be processed on the date of transmission. Additionally, if you deposit via magnetic tape, electronic transmissions, or Electronic Data Capture terminal and have contracted to send the actual Sales Drafts and Credit Drafts to us for imaging and retrieval, the Sales Drafts the Media must be batched daily by register/terminal following the procedures below. Failure to do so may result in a processing fee and/or a Chargeback due to our inability to retrieve the Media as requested by the Issuer.

- A register/terminal Batch header form must be filled out for each Batch of Media.
- The Batch header must be imprinted with your Merchant Identification Card, and all areas completed properly (i.e., Batch number, date, amount, number of items, etc.).
- The Batch/deposit total must match to the settled/reconciled amount displayed on the terminal upon closing the Batch.
- Any discrepancies between the actual Media and electronic display must be reconciled and corrected before storing the Media (for merchants who contract to hold their Media) or before sending us the copies of the deposit. Otherwise, transactions may appear to be a new Submission and may be manually keyed (causing duplicate billing to Cardholders and resulting in Chargebacks) or we may not be able to retrieve an item when requested by the Issuer.
- It is your responsibility to ensure that the actual Media is batched correctly and, depending on the terms of your Agreement, either stored at your location or sent to Processor. (In some cases, the actual Media is sent daily to your head office, and forwarded to Processor for imaging.)
- You must confirm that your equipment has transmitted your Batches to us at least once daily. Even if your equipment is designed or programmed to close and submit Batches without your intervention, it is ultimately your responsibility to confirm that the Batches have been transmitted to us for processing.

**Note:** A batch is defined as: Sales Drafts and Credit Drafts received per day, per transaction date, per location (maximum, 500 documents per batch).

## 7. Settlement

Except as otherwise set forth in this Program Guide, your funds for Mastercard, Visa, Discover, PayPal and American Express transactions will ordinarily be processed and transferred to your financial institution within two (2) Business Days from the time a Batch is received by Processor if your financial institution is the Bank. If your financial institution is not the Bank, your Mastercard/ Visa/ Discover/ PayPal transactions will ordinarily be processed and transferred to the Federal Reserve within two (2) Business Days from the time a Batch is received

by Processor. The Federal Reserve will transfer such amounts to your financial institution.

If you have been classified by Discover as having a Discover Direct Strategic Relationship with Discover, we will not acquire your Discover transactions and they will be subject to your agreement with Discover. If you have a direct relationship with PayPal, we will not acquire your PayPal in-store transactions (we will simply pass transaction data to PayPal) and they will be subject to your agreement with PayPal.

You acknowledge and agree that if we had not agreed or do not acquire transactions for any Card type (i) we have no liability or responsibility whatsoever for the settlement of or disputes regarding those transactions and (ii) you will pursue directly with the related Card Organization all claims and disputes regarding those transactions. You agree to pay us per item processing, authorization and other fees in the Application for any non-acquired transaction services you receive from us. For the avoidance of doubt, with respect to the payments you have elected to accept on your Merchant Processing Application, you authorize us to submit Card transactions to, and receive settlement for such transactions from, the applicable Card Organizations on your behalf.

## **8. Refunds/Exchanges (Credits)**

### **8.1. Refunds.**

- You must promptly complete and submit a Credit Draft for the total amount of the Credit which must include the following information:
  - The account number;
  - The Cardholder's name;
  - Your name, city, state and Merchant Identification Number;
  - A description of the goods or services;
  - The transaction date of the Credit;
  - The total amount of the Credit; and
  - For Discover / PayPal in-store Card transactions, the approved currency used and the signature of your authorized representative or employee. Note: PayPal is limited to U.S. currency.
- You cannot process a Credit transaction that does not correspond to a refund on a previous transaction on the original Sales Draft.
- Full refunds must be for the exact dollar amount of the original transaction including tax, handling charges, etc. (You must identify the shipping and handling charges incurred.) The refund amount may not be for more than the original Card sale amount.
- All dollar amounts and other handwritten information must be clearly written. (Stray marks on the Credit Draft will render it unscannable/ illegible.)
- Do not circle or underline any information on the Credit Draft.
- Imprint the Credit Draft with the same Card used by the Cardholder to make the original purchase when applicable. You should not credit an account that differs from the account used for the original transaction.
- Never give cash or check Credit refunds or other consideration for Card sales with the exception of the following type of Visa transactions only:
  - Visa Easy Payment Service Transaction (Visa's 'no signature required' program);
  - A gift purchased as a Mail/Phone Order transaction; or
  - Visa prepaid Card transaction if the Cardholder states that the Visa prepaid Card has been discarded.
- Have the Cardholder sign the Credit Draft, give the Cardholder the appropriate copy, and deposit the Credit Draft immediately. Failure to process a credit within five (5) calendar days may result in a

Chargeback.

- Authorization is not required for Credits.
- You cannot intentionally submit a sale and an offsetting Credit at a later date solely for the purpose of debiting and crediting your own or a customer's account.
- You are responsible for paying all refunds submitted to us on your merchant account. We assume no responsibility for verifying any Credits or refunds.
- Do not process a Credit transaction once a Chargeback is received. Credits issued after a Chargeback has been received may not be recoverable and the merchant would be financially responsible for the Credit as well as the Chargeback.
- **YOU ARE RESPONSIBLE TO SECURE YOUR TERMINALS AND TO INSTITUTE APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING CREDITS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.**
- For Discover only include the last 4 digits of the merchant identification number.

### **8.1.1. Processing a Credit for American Express Transactions.**

These are additional requirements for a Credit for purchases or payments made on an American Express Card.

#### **To issue a Credit, you must:**

1. Compare the last four digits on the Sales Draft against the Card presented (when applicable).
2. Have the Cardholder sign the Credit Draft (when applicable).
3. Provide a copy of the Credit Draft to the Cardholder.

You must not issue a Credit when there is no corresponding Charge, nor issue a Credit in exchange for cash or other consideration from a Cardholder. You must submit all Credits under the establishment where the Credit originated. A Credit must be issued in the currency in which the original Charge was submitted to us. You must issue Credits to the Card used to make the original purchase; however, if the Credit is for the return of a gift by someone other than the Cardholder who made the original purchase, apply your usual refund policy.

If the Cardholder indicates that the Card on which the purchase was originally made is no longer active or available, do the following:

- For all Cards except Prepaid Cards, advise the Cardholder that you must issue the Credit to that Card. If the Cardholder has questions, advise him or her to call the customer service number on the back of the Card in question.
- If the inactive or unavailable Card is a Prepaid Card, apply your usual refund policy for returns.

If you issue a Credit, American Express will not refund the discount or any other fees or assessments previously applied on the corresponding Charge. The discount on Chargebacks will not be refunded.

Your return and cancellation policies must be fair and clearly disclosed at the time of sale in compliance with applicable law. Your policies must be conveyed to the Cardholder prior to completion of the Charge and printed on a copy of a receipt or Sales Draft. Your refund policy for purchases on the American Express Card must be at least as favorable as your refund policy for purchases made with other payment products or other payment methods.

#### **Return Policy recommendations.**

Provide clear return instructions for your customers, including the following information:

- Customer service telephone number.

- Reference number for the return.
- Expected processing time for the Credit.
- Return address, preferably on a pre-formatted shipping label (if applicable).

You must submit all Credits to us within seven (7) days of determining that a Credit is due.

#### **Cancellation Policy Recommendations.**

- Provide document cancellation policy and terms and conditions on the contract the Cardholder signs, or on your website, as applicable.
- Provide Cardholder with a cancellation number that can be tracked in your records.

#### **American Express Return Policy For Prepaid Products.**

If your return policy for the purchase of prepaid products is different from your standard return policy, you must ensure that such prepaid product- specific return policy is clearly disclosed to the Cardholder at the time of purchase in accordance with applicable law and also coded to print on all receipts and copies of Sales Drafts you provide to Cardholders.

#### **8.2. Exchanges.**

- No additional paperwork is necessary for an even exchange. Just follow your standard company policy.
- For an uneven exchange, complete a Credit Draft (follow the procedures outlined in Section 8.1.) for the total amount of only the merchandise returned. The Cardholder's account will be credited for that amount. Then, complete a new Sales Draft for the total amount of any new merchandise purchased.

### **9. Retention of Records For Retrievals and Chargebacks**

#### **9.1. Retain Legible Copies.**

For Visa, Mastercard and STAR: You must securely retain legible copies of all Sales and Credit Drafts or any other transaction records for a period of thirteen (13) months from the date of each transaction and a period of five (5) years for the retention of healthcare Sales Drafts and Credit Drafts. The Sales Draft you retain must comply with all requirements (see Section 3.1).

For Discover: You must securely retain legible copies of all Sales and Credit Drafts or any other transaction records for the longer of (i) 365 days or (ii) the resolution of any pending or threatened disputes, claims, disagreements or litigation involving the Card transaction. You must also keep images or other copies of Sales Drafts for no less than three (3) years from the date of the Discover transaction.

For PayPal: the longer of (i) (A) one (1) year from the transaction date, or (B) if the transaction date was subject to dispute, two (2) years from the transaction date or (ii) the time period required by applicable law.

For American Express: You must submit the Credit to your Processor, for payment. You must securely retain legible copies of all Sales Drafts and Credit Drafts or any other transaction records for 24 months from the date you submitted the corresponding Credit to us. You must also provide a copy of the Credit Draft to the Cardholder or as required by applicable law, truncate the Card Number and do not print the Card's expiration date on copies of Credit Drafts delivered to the Cardholder.

**9.2. Provide Sales and Credit Drafts.** You must provide all Sales Drafts and Credit Drafts or other transaction records requested by us within the shortest time limits established by Card Organization Rules. You are responsible for any deficiencies in Card transaction data transmitted or otherwise delivered to us.

#### **10. Lost/Recovered Cards**

If a card is left behind and remains unclaimed, you should call the

appropriate payment organization's Customer Service team via the number below or the number printed on the back of the Card and they will instruct you on how to handle it:

Visa: 1-800-336-8472

Mastercard: 1-800-826-2181

Discover: 1-800-DISCOVER (1-800-347-2683)

American Express: 1-800-992-3404

PayPal: 1-877-569-1113

### **11. Chargebacks, Retrievals and Other Debits**

#### **11.1. Chargebacks.**

**11.1.1. Generally.** Both the Cardholder and the Issuer have the right to question or dispute a transaction. If such questions or disputes are not resolved, a Chargeback may occur. A Chargeback is a Card transaction that is returned to us by the Card Issuer. As a result, we will debit your Settlement Account or settlement funds for the amount of each Chargeback. It is strongly recommended that, whenever possible, you contact the Cardholder directly to resolve a disputed transaction or Chargeback, unless the dispute involves a Discover Cardholder, in which case Discover rules and regulations expressly prohibit you from contacting the Discover Cardholder regarding the dispute. You are responsible for all Chargebacks, our Chargeback fees, and related costs arising from your transactions.

**11.1.2. Transaction Documentation Requests.** In some cases, before a Chargeback is initiated, the Issuer will request a copy of the Sales Draft via a request for transaction documentation. We will forward the request to you. You must respond to the request within the time frame and manner set forth in the request. We will then forward your response to the Issuer. If you fail to timely respond, we will so notify the Issuer and a Chargeback may result. Upon receipt of a transaction documentation request, immediately retrieve the requested Sales Draft(s) using the following guidelines:

- Make a legible copy, centered on 8-1/2 x 11-inch paper (only one (1) Sales Draft per page).
- Write the 'case number' from the request for transaction documentation on each copy/page.
- If applicable, make copies of a hotel folio, car rental agreement, or mail/ phone/internet order form, or other form of receipt.
- If a Credit transaction has been processed, a copy of the Credit Draft is also required.
- Letters are not acceptable substitutes for Sales Drafts.
- Respond via Dispute Manager, fax or mail legible copies of the Sales Draft(s) to the fax number or mail address provided on the request form. You may be charged for the fax or mail options.
- If you fax your response, please set your fax machine to print your fax number and name on the documents that you send. We can use this information to determine where the documentation received originated from should additional research be required.
- Additionally, please set the scan resolution on your fax machine to the highest setting. The higher resolution setting improves the clarity of characters and graphics on the documentation transmitted and helps reduce the number of illegible fulfillments and/or Chargebacks.

If we do not receive a clear, legible and complete copy of the transaction documentation within the timeframe specified on the request, you may be subject to a Chargeback for which there may be no recourse.

A handling fee may be charged by the Issuer and will be debited from your Settlement Account or settlement funds if a Transaction Documentation Request results from a difference in the following

information on the Sales Draft and the transmitted record: merchant name or an incorrect city, state, foreign country and/or transaction date.

**11.1.3. Chargeback Process.** Regardless of whether you respond to a Transaction Documentation Request, a Chargeback may be debited to your Settlement Account for numerous reasons (see below). If the Card Issuer submits a Chargeback, we will send you a Chargeback notification, which may also include a request for transaction documentation. Due to the short time requirements imposed by Mastercard, Visa, Discover, PayPal and American Express, it is extremely important that you respond to a Chargeback notification and Transaction Documentation Request within the time frame set forth in the notification. Do not process a credit transaction once a Chargeback is received; the Issuer will Credit the Cardholder's account. Credits issued after a Chargeback has been received, may not be recoverable and you may be financially responsible for the Credit as well as the Chargeback. If the information you provide is both timely and, in our sole discretion, sufficient to warrant a representment of the transaction and/or reversal of the Chargeback, we will do so on your behalf. However, representment and/or reversal is ultimately contingent upon the Card Issuer and/or Cardholder accepting the transaction under applicable Card Organization guidelines. Representment or reversal is not a guarantee that the Chargeback has been resolved in your favor.

For Visa Chargebacks: If we reverse the Chargeback and represent the transaction to the Issuer, the Issuer, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa currently charges a \$250 filing fee and a \$250 review fee. Whether or not a decision is made in your favor, you will be responsible for all such fees and charges, and any other applicable fees and charges imposed by Visa, as they may change from time to time. Such fees and charges will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

For STAR Chargebacks: If we reverse the Chargeback and re-present the transaction to the Card issuing bank, the Card issuing bank, at its sole discretion, may elect to submit the matter for arbitration before STAR. Whether or not a decision is made in your favor, you will be responsible for all fees and charges relating to that arbitration and any other applicable fees and charges imposed by STAR. Such fees and charges will be debited from your Settlement Account or Settlement funds in addition to the Chargeback.

For Mastercard Chargebacks: If we reverse the Chargeback and represent the transaction to the Card Issuer, at its sole discretion, may elect to resubmit the Chargeback. In such event, at the discretion of Processor, we will debit your Settlement Account or settlement funds for the Chargeback. However, if you feel strongly that it is an invalid Chargeback, we may, on your behalf and at your request, submit the matter for arbitration before Mastercard. Mastercard currently charges a \$250 filing fee and a \$250 review fee. Whether or not a decision is made in your favor, you will be responsible for all such fees and charges, and any other charges imposed by Mastercard, as they may change from time to time. Such fees and charges will be debited from your Settlement Account or settlement funds, in addition to the Chargeback.

For Discover and PayPal Chargebacks: If Discover or PayPal rejects our representment request and you feel strongly that the Chargeback is invalid, we may, at the discretion of Processor and on your behalf and at your request, submit the matter for dispute arbitration before Discover or PayPal. Discover and PayPal charges acquirers fees for representment requests and matters submitted to Discover or PayPal for arbitration. We, in turn, may charge you fees for these items.

If the Chargeback is not disputed within the applicable time limits set forth by Mastercard, Visa, Discover, PayPal and American Express rules and regulations, reversal rights are forfeited. Our only alternative, for Visa and Mastercard non-fraud Chargeback reason codes, is to attempt a

“good faith collection” to the Issuer on your behalf. This process can take up to six (6) months and must meet the Issuer's criteria (e.g., at or above a set dollar amount. Good faith collection attempts are not a guarantee that any funds will be collected on your behalf. Issuers normally charge good faith collection fees, which are deducted from the transaction amount if accepted in addition to any processing fees that are charged by us.

For American Express Chargebacks: You may request a Chargeback reversal if the Chargeback was applied in error. In order for us to consider your request, you must have responded to the original inquiry within the specified timeframe, request the Chargeback reversal no later than 20 days after the date of the Chargeback, and provide all supporting documentation to substantiate the error.

**Note:** Discover and American Express do not offer good faith collection for Acquirers.

Mastercard and Visa Card Organization Rules require that a merchant make a good faith attempt and be willing and able to resolve any disputes directly with the Cardholder. Discover rules and regulations, however, prohibit you and/or us from contacting the Cardholder directly regarding dispute(s) or any other matter, except as required for acceptance of Discover transactions, and require you and/or us to submit any responses to dispute notices directly to Discover.

Due to Card Organization Rules, you may not re-bill a Cardholder after a Chargeback is received for that transaction, even with Cardholder authorization.

We strongly recommend that you include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a Chargeback notification (e.g., rental agreement, imprinted portion of the invoice or Sales Draft; the portion signed by the Cardholder; and the area where the authorization codes, with amounts and dates, are located).

Due to the short time frames and the supporting documentation necessary to successfully (and permanently) reverse a Chargeback in your favor, we strongly recommend the following:

- Avoid Chargebacks by adhering to the guidelines and procedures outlined in these Operating Procedures.
- If you do receive a Chargeback, investigate, and if you dispute the Chargeback, submit the appropriate documentation within the required time frame.
- Whenever possible, contact the Cardholder directly to resolve the dispute, unless the dispute relates to a Discover Cardholder, in which case direct contact with the Discover Cardholder regarding the dispute is prohibited by their Card Organization Rules.
- If you have any questions, call Customer Service.

**11.1.4. Chargeback Reasons.** This section outlines the most common types of Chargebacks. This list is not exhaustive. For ease of understanding, we have combined like Chargebacks into six groupings. We have included recommendations on how to reduce the risk of Chargebacks within each group. These are recommendations only, and do not guarantee that you will be able to prevent Chargebacks.

**1. Authorization Issues:** Proper Authorization procedures were not followed and valid Authorization was not obtained.

**The following scenarios could cause an Authorization Related Chargeback to occur:**

- Authorization not obtained.
- Authorization was declined.
- Transaction processed with an expired card and Authorization was not obtained.
- Transaction was processed with an invalid account number and Authorization was not obtained.



- Card Recovery Bulletin (CRB) or Exception File was not checked (transactions below floor limit).

**To reduce your risk of receiving an Authorization Related Chargeback:**

- Obtain valid Authorization on the day of the transaction.
- Card Present Transactions-Authorization must be obtained on the transaction date for the amount settled.
- Card Not Present Transactions-Authorization must be obtained on the transaction date for the amount settled. However, if merchandise is being shipped, Authorization must be obtained within seven calendar days of the transaction ship date.
- If a declined response is received, then request another form of payment from the Cardholder.
- If a Referral response is received, then follow proper voice procedures to obtain a valid Authorization and obtain an imprint of the card
- “Pick-up” response indicates that the Issuer is requesting for the card to be retained and returned back to them. The Credit Card should not be accepted for payment. Alternatively, you should call the appropriate payment organization’s Customer Service team via the number below or the number printed on the back of the Card and they will instruct you on how to handle it.
- Merchants should not exceed any predetermined thresholds for specific terminal types as specified by each Card Organization.

**2. Cancellations and Returns:** Credit was not processed properly or the Cardholder has cancelled and/or returned items.

**The following scenarios could cause a Cancellation and Return Related Chargeback to occur:**

- Cardholder received damaged or defective merchandise.
- Cardholder continued to be billed for cancelled recurring transaction.
- Credit transaction was not processed.

**To reduce your risk of receiving a Cancellation and Return Related Chargeback:**

- Issue Credit to the Cardholder for the same account as the purchase in a timely manner.
- Do not issue Credit to the Cardholder in the form of cash, check or instore/merchandise Credit as we may not be able to recoup your funds in the event the transaction is charged back.
- Ensure customers are fully aware of the conditions for recurring transactions. Cancel recurring billings as soon as notification is received from the Cardholder or as a Chargeback, and Issue a Credit as needed to the cardholder in a timely manner.
- Pre-notify the Cardholder of billings within 10 days (Domestic) and 15 (International) prior to billing, allowing the Cardholder time to cancel the transaction.
- Provide proper disclosure of your refund policy for returned/cancelled merchandise, or services to the Cardholder at the time of transaction in accordance with applicable law.
- Card present, Cardholder signed the Sales Draft containing disclosure.
- If applicable, the words “NO EXCHANGE, NO REFUND,” etc. must be clearly printed in ¼ inch lettering on the Sales Draft near or above the Cardholder signature.
- Ecommerce, provide disclosure on website on same page as check out showing Cardholder must click to accept prior to completion.

- Card Not Present, provide cancellation policy at the time of the transaction.

- Provide cancellation numbers to Cardholder’s when lodging services are cancelled.

- Ensure delivery of the merchandise or services ordered to the Cardholder.

**3. Fraud:** Transactions that the Cardholder or authorized user claims are unauthorized; the account number is no longer in use or is fictitious, or the merchant was identified as “high risk”.

**The following scenarios could cause a Fraud Related Chargeback to occur:**

- Multiple transactions were completed with a single card without the Cardholder’s permission.
- Counterfeit card was utilized and proper acceptance procedures were not followed.
- Authorization was obtained; however, full track data was not transmitted.
- Cardholder states that they did not authorize or participate in the transaction.

**NOTE: Visa Fraud:**

- Complete a retrieval request and/or provide a sales slip that contains all required data elements; and
- Respond to all retrieval requests with a clear legible copy of the transaction document that contains all required data elements within the specified timeframe.

**To reduce your risk of receiving a Fraud Related Chargeback: Card Present Transactions:**

- Pre-notify the Cardholder of billings within 10 days.
- American Express customers have the option to receive written notification of the recurring transaction at least (10) days prior to submitting, or any time the Charge amount exceeds a maximum amount that has been set by the cardholder.
- Obtain an Authorization for all transactions.
- If you are utilizing an electronic device to capture Card data information, swipe all Card transactions through your electronic authorization device to capture Cardholder information and ensure the displayed Cardholder number matches the number on the Card.
- You should avoid keying the Card data into your electronic authorization device unless you are unable to capture the Card data through one of the above methods. If you do not key the Card data into your electronic authorization device, it is highly recommended that you also key in the 3 or 4 digit Verification Code. Otherwise, you should imprint the card using a valid imprinting device that will capture the embossed Card and merchant information. Do not alter the imprint on the draft in any way. Manually entering the information into the terminal does not protect you from this type of Chargeback. All pertinent information relating to the transaction must be written on the manually imprinted draft (transaction date, dollar amount, authorization code and merchandisedescription) along with the Cardholder signature.

**Note:** Do not imprint on the back of a signed Sales Draft. The imprint must be on the transaction document that contains all transaction elements to prove the Card was present at the time of the transaction.

- Obtain the Cardholder signature for all transactions; ensure the signature on the Sales Draft matches the signature on the back of the Card.



- Process all transaction one time and do not Batch out transactions multiple times.
- Educate staff on procedures to eliminate point of sale (POS) fraud.

**Card Not Present Transactions:**

- Participation in recommended Fraud Prevention Tools.
- Verified by Visa Program.
- Mastercard SecureCode.
- Discover ProtectBuy Program.
- American Express SecureKey Program.
- Address Verification Services.
- Use of Card Verification Code.

**Note:** While transactions utilizing these tools may still be disputed, the service may assist you with your decision to accept the Card for the transaction.

- Ensure you ship to the AVS confirmed address (bill to and ship to should match).
- Obtain Authorization for all transactions.
- Ensure merchant descriptor matches the name of the business and is displayed correctly on the Cardholder statement.
- Ensure descriptor includes correct business address and a valid customer service number.
- American Express offers fraud mitigation tools for both Card Present and Card Not Present transactions to help verify that a Charge is valid. These tools help you mitigate the risk of fraud at the point of sale, but are not a guarantee that a Charge is in fact valid or bona fide, or that you will not be subject to a Chargeback. For optimal use of the tools, please visit American Express' Fraud Prevention Information at: [www.americanexpress.com/fraudinfo](http://www.americanexpress.com/fraudinfo).

**4. Cardholder Disputes:** Merchandise or services not received by the Cardholder, Merchandise defective or not as described.

**The following scenarios could cause a Cardholder Dispute Chargeback to occur:**

- Services were not provided or merchandise was not received by the Cardholder.
- The Cardholder was charged prior to merchandise being shipped or merchandise was not received by agreed upon delivery date or location.
- Cardholder received merchandise that was defective damaged or unsuited for the purpose sold, or did not match the description on the transaction documentation/verbal description presented at the time of purchase.
- Cardholder paid with an alternate means and their Card was also billed for the same transaction.
- Cardholder cancelled service or merchandise and their Card was billed.
- Cardholder billed for a transaction that was not part of the original transaction document.

**To reduce your risk of receiving a Cardholder Dispute Related Chargeback:**

- Provide Services or Merchandise as agreed upon and described to the cardholder; clearly indicate the expected delivery date on the sales receipt or invoice.
- Contact the cardholder in writing if the merchandise or service cannot be provided or is delayed, and offer the cardholder the option

to cancel if your internal policies allow.

- In the event that the cardholder received defective merchandise or the merchandise received was not as described; resolve the issue with the cardholder at first contact.
- If the merchandise is being picked up by the Cardholder, have them sign for the merchandise after inspection that it was received in good condition.
- Do not Charge the Cardholder until the merchandise has been shipped, ship according to the agreed upon terms and obtain signed Proof of Delivery from the Cardholder.
- If unable to provide services or merchandise, issue credit to cardholder in a timely manner.
- Accept only one form of payment per transaction and ensure the cardholder is only billed once per transaction.
- Do not bill Cardholder for loss, theft or damages unless authorized by the Cardholder.

**5. Processing Errors:** Error was made when transaction was processed or it was billed incorrectly.

**The following scenarios could cause a Processing Error Chargeback to occur:**

- Transaction was not deposited within the Card Organization specified timeframe.
- Cardholder was issue a Credit Draft; however, the transaction was processed as a sale.
- Transaction was to be processed in a currency other than the currency used to settle the transaction.
- The account number or transaction amount utilized in the transaction was incorrectly entered.
- A single transaction was processed more than once to the Cardholders account.
- Cardholder initially presented card as payment for the transaction; however Cardholder decided to use an alternate form of payment.
- Limited amount or self-service terminal transaction was processed for an amount which is over the pre-determined limit.

**To reduce your risk of receiving a Processing Error Related Chargeback:**

- Process all transactions within the Card Organization specified timeframes.
- Ensure all transactions are processed accurately and only one time.

**Note:** In the event that a transaction was processed more than once; immediately issue voids, transaction reversals or Credits.

- Ensure that credit transaction receipts are processed as Credits and sale transaction receipts are processed as sales.
- Ensure all transactions received a valid Authorization Approval Code prior to processing the transaction and obtain a legible magnetic swipe or imprinted Sales Draft that is signed.
- Do not alter transaction documentation or make any adjustments unless the Cardholder has been contacted and agrees to any modifications of the transaction amount.
- Ensure limited amount, self-service and automated fuel dispenser terminals are set properly to conform to the pre-determined limits.

**Chargebacks due to non-receipt of information Description:**

- The transaction documentation was not provided to fulfill the retrieval request.
- The retrieval request was fulfilled with an illegible sales draft or was

an invalid fulfillment (incorrect sales draft or the sales draft did not contain required information that may include signature).

- The Cardholder does recognize or is unfamiliar with the transaction due to the merchant name and/or location not matching the name and/or location where the transaction took place.

#### **Recommendations to reduce such risk of Chargebacks:**

- Provide a clear and legible copy of the sales draft that contains all required data elements within the required timeframe that is specified on the retrieval request.
- Ensure that the most recognizable merchant name, location and/or Customer Service phone number is provided on all transactions.
- Retain copies of all transaction documentation for the required timeframe that is specified by each payment organization.
- Develop efficient methods to retrieve transaction documentation to maximize ability to fulfill request.

#### **11.2. Summary (Deposit) Adjustments / Electronic Rejects.**

Occasionally, it is necessary to adjust the dollar amount of your summaries/Submissions (deposits) and Credit or debit your Settlement Account or settlement funds accordingly. The following is a list of the most frequent reasons for Summary (Deposit) Adjustments/Electronic Rejects:

- Your summary reflected an arithmetic error.
- Submitted sales not included in your Agreement (e.g., American Express).
- The dollar amount is unreadable/ illegible.
- The Cardholder's account number is unreadable/ illegible.
- Duplicate Sales Draft submitted.
- Card number is incorrect /incomplete.
- Summary indicated Credits, but no Credits were submitted.

**11.3. Disputing Other Debits and Summary Adjustments.** In order to quickly resolve disputed debits and Summary Adjustments, it is extremely important that the items listed in this section be faxed or sent to the address listed on the notification.

If the Summary Adjustment is for an unreadable or incorrect Cardholder account number, resubmit the corrected Sales Draft with your next deposit. Also, if the transaction is over thirty (30) calendar days old, you must reauthorize and obtain a valid Authorization Approval Code.

A clear and legible copy of the Sales Draft containing the following should be obtained from your files:

- Date of sale/Credit;
- Cardholder's account number, name and signature;
- Total amount of the sale and description of goods and services; and
- Date and Authorization Approval Code.

Include a dated cover letter detailing the reasons for requesting a review of the debit or Summary Adjustment and documentation to support your dispute. (You should retain a copy of the correspondence and all documentation for your files.) If the inquiry is related to prior correspondence, be sure to include the control number we previously used.

Immediately fax or mail the Sales Draft or Credit Drafts to the fax number or address provided on your notification letter.

If you have any questions, please call the Customer Service number provided on the last page of this Program Guide. If a Customer Service Representative informs you that additional documentation is required in order to fully review the item, please immediately submit your rebuttal

and transaction documentation to the fax number or address listed on the debit notification.

## **12. Account Maintenance**

**12.1. Change of Settlement Account Number.** If you change the Settlement Account in which you receive the proceeds of your transactions, you must call Customer Service or your Account Manager immediately. If you accept payment types other than Visa, Mastercard, Discover, PayPal and American Express (such as where you have a direct relationship with American Express, and TeleCheck Services), you are also responsible for contacting the Card Organizations or companies governing those Cards to notify them of this change.

**12.2. Change in Your Legal Name or Structure.** You must call Customer Service or your Account Manager and request a new Agreement.

**12.3. Change in Company DBA Name, Address or Telephone/ Facsimile Number.** To change your company or location DBA name, address (or e-mail address), or telephone/facsimile number, you must send the request in writing to the address on your statement.

**12.4. Other Change(s) in Merchant Profile.** You must immediately notify us of any change to the information on file with us in your merchant profile, including: (i) any new lines or types of business; (ii) change in ownership; (iii) the opening, closing or liquidation of business or any location; (iv) change in Card processing method (i.e., paper Sales Drafts to POS Device); (v) voluntary or involuntary party to a bankruptcy case; (vi) entry into a loan or other agreement with a third party that seeks to affect this Merchant Agreement; and/or (vii) change from a business that exclusively conducts card-present retail sales to one that accepts Card sales by mail, telephone or Internet transactions. We retain the right to terminate this Agreement if you fail to notify us of any change to the information in your merchant profile.

**12.5. Charges for Changes to Account Maintenance.** You may be charged for any changes referenced in this section or any other changes requested by you or otherwise necessary related to account maintenance.

## **13. Card Organization Monitoring**

Mastercard, Visa and Discover, PayPal and American Express have established guidelines, merchant monitoring programs and reports to track merchant activity such as, but not limited to excessive Credits, reported fraud and Chargebacks, and increased deposit activity. In the event you exceed the guidelines or engage in practices that could circumvent such monitoring programs or submit suspicious transactions as identified by a Card Organization or any related program or reports, you may be subject to: (i) operating procedure requirement modifications; (ii) incremental Chargebacks and/or increased fees; (iii) settlement delay or withholding; (iv) termination of your Agreement; or (v) audit and imposition of fines.

## **14. Supplies**

### **Placing Orders.**

- To order additional supplies, call Customer Service or order through the customer service IVR when you have two months' inventory left. We will ship you an adequate amount of supplies. The amount of supplies (based on usage) on hand should not exceed a three to six-month supply.
- In an EMERGENCY, please contact Customer Service using the number provided on the last page of this Program Guide. If supplies are sent via an express delivery service, the delivery charges will be debited to your account.
- You are responsible for unauthorized use of sales/credit and summary Media. We recommended that you store all supplies in a safe location.
- You may be charged for supplies and taxes plus applicable shipping

and handling charges.

## 15. Special Provisions for American Express

The provisions in this Section 15 apply to American Express Card acceptance and Transactions.

**15.1. Treatment of the American Express Brand.** Except as expressly permitted by applicable law, you must not:

- indicate or imply that you prefer, directly or indirectly, any other payment products over the Card,
- try to dissuade Cardholders from using the Card,
- criticize or mischaracterize the Card or any of American Express' services or programs,
- try to persuade or prompt Cardholders to use any other payment products or any other method of payment (e.g., payment by check),
- impose any restrictions, conditions, disadvantages or fees when the Card is accepted that are not imposed equally on all other payment products, except for electronic funds transfer, or cash and check,
- suggest or require Cardholders to waive their right to dispute any transaction,
- engage in activities that harm the American Express business or the American Express Brand (or both),
- promote any other payment products (except your own private label card that you issues for use solely at your establishments) more actively than you promote the Card, or
- convert the currency of the original sale transaction to another currency when requesting Authorization or submitting transactions (or both).

You may offer discounts or in-kind incentives from your regular prices for payments in cash, ACH funds transfer, check, Debit Card or Credit Card, provided that (to the extent required by applicable law): (i) you clearly and conspicuously disclose the terms of the discount or in-kind incentive to your customers, (ii) the discount or in-kind incentive is offered to all of your prospective customers, and (iii) the discount or in-kind incentive does not differentiate on the basis of the issuer or, except as expressly permitted by applicable law and Card Organization (e.g., Visa, Mastercard, Discover, JCB, American Express). The offering of discounts or in-kind incentives in compliance with the terms of this section will not constitute a violation of the provisions set forth in the above section "Treatment of the American Express Brand."

## 15.2. Treatment of the American Express Marks.

Whenever payment methods are communicated to customers, or when customers ask what payments are accepted, you must indicate your acceptance of the Card and display American Express' Marks (including any Card application forms provided to you) as prominently and in the same manner as any other payment products. You must not use the American Express Marks in any way that injures or diminishes the goodwill associated with the American Express Marks, nor (without prior written consent from Processor) indicate that American Express endorses your goods or services. You shall only use the American Express Marks as permitted by the Agreement and shall cease using American Express' Marks upon termination of the Agreement.

**15.3. Treatment of American Express Card Member Information.** Any and all Cardholder Information is confidential and the sole property of the Issuer, American Express or its Affiliates. Except as otherwise specified, you must not disclose Cardholder Information, nor use nor store it, other than to facilitate transactions at your Establishments in accordance with the Agreement.

**15.4. American Express Transaction Data.** The transaction data you collect to facilitate the Charge must be or have been provided directly

to you by the Cardholder. You must not accept or have accepted transaction data from, nor shall you provide or have provided transaction data to, any third parties other than your covered parties (as defined in the Data Security Requirements (DSR)). If you fail to comply with this requirement, in addition to other rights and remedies regarding "monitoring", you may be charged a fee as indicated on the Merchant Processing Application, we may suspend Card acceptance privileges at your establishments, or terminate the Agreement. Where Cardholders pay you using payment or "e-wallet" accounts (which Cardholders may have created by providing Card- member information when the account was established), the transaction data collected to facilitate the Card Not Present Charge has already been provided directly by the Cardholder. You are not required to have the Cardholder re-enter the transaction data. All information required by American Express evidencing one or more transactions, including information obtained at the point of sale, information obtained or generated during Authorization and Submission, and any Chargeback.

**15.5. Treatment of American Express Cardholder Information.** You acknowledge that any and all American Express Cardholder information is confidential and the sole property of the Issuer, American Express or any of its Affiliates. Except as otherwise specified in the Agreement, you must not disclose Cardholder information, nor use nor store it, other than to facilitate transactions at your establishments in accordance with the Agreement.

**15.6. Disclosure and Use of Data Collected Under Agreement.** We may disclose to American Express data and information that you provide on your Application and that we collect as part of performing American Express payment processing services or transaction related services including information about you. American Express may use the information that you provide in the Application at the time of setup to screen and monitor your American Express acceptance, to perform its responsibilities in connection with your American Express Card acceptance to respond to court orders and legal investigations, and to perform analytics and create reports for our and American Express's internal purposes, and for any other lawful business purposes, including marketing purposes. American Express may otherwise use and share your information for business purposes and as permitted by Applicable Law. American Express uses reasonable administrative, technical and physical security measures to protect Program Merchant information consistent with the sensitivity of the information.

**15.6.1. Consent for American Express to Contact You by Phone, eMail, Text or Facsimile.** American Express may use the information you provide in the Application (as such information may be updated) to call you or send you communications or materials via email, SMS, text or facsimile regarding American Express products, services and resources available to you. These messages may be sent to the mailing address, phone numbers, email addresses or fax numbers that you provide. You consent and agree to receive autodialed, automated and/or prerecorded calls and communications (which may include SMS or text messages) at the telephone number(s) you have provided. If you provide a fax number, you consent and agree to receiving fax communications from American Express. In connection with the foregoing, you understand that the calls made or communications sent to you by American Express may be subject to charges or fees by your telecommunications or other applicable service provider that are your responsibility to pay. You understand that your consent under this Section 15.6.1 is not a condition of purchasing or receiving any product or service or entering into this Agreement.

**15.6.2. Opt-Out:** You may opt-out of receiving marketing related communications and materials from American Express by calling Processor at the Customer Service number indicated in the Program Guide and indicating that you no longer want to receive marketing or

other communications from American Express, in which case Processor will disable your American Express acceptance services, and you will no longer be permitted to accept American Express payment cards under the Agreement.

**15.7. Conversion to a Direct Relationship with American Express.** You acknowledge and agree that upon written notice from us, you will be converted to a direct American Express Card acceptance relationship with American Express if and when the annual American Express Card charges that you submit under this Agreement are greater than \$1,000,000. You agree that, upon conversion, (i) you will be bound by American Express' then-current Card Acceptance Agreement with respect to American Express Transactions; (ii) American Express will set pricing and other fees payable by you for American Express Card acceptance; and (iii) you will no longer be able to submit American Express Card transactions under this Agreement, but this Agreement will continue in full force and effect with respect to other payments and services you elected to receive on your Application. If you need to receive American Express related services from us after you have been converted to a direct relationship with American Express, then you will need to contact our Customer Service at 1-800-451-5817 to request that your account be entitled for American Express acceptance and to acknowledge the new pricing terms for our services associated with your direct relationship with American Express.

**15.8. Reserved.**

**15.9. Third Party Beneficiary Rights.** American Express is a direct and intended third-party beneficiary of this Agreement, and may enforce any terms of this Agreement that apply to American Express, including American Express Card acceptance and transaction processing, directly against you.

**15.10. Your Right to Opt Out of American Express Card Acceptance.** You may opt out of accepting American Express Cards at any time without directly or indirectly affecting your rights to accept any other payment products. In order to opt out you must complete the Limited Acceptance Form. To obtain a copy of this form, call Processor at the Customer Service Number indicated in the Program Guide.

**15.11. Collections from American Express Cardholder.** You may not bill or collect from any American Express Cardholder for any purchase or payment on the American Express Card unless a Chargeback has been exercised, you have fully paid for such Charge, and you otherwise have the right to do so.

**15.12. American Express Key-Entered Charges.**

If a Card cannot be read electronically, in addition to the "Magnetic Stripe Card Charges" requirements, you must:

- Key-enter the data.

**15.13. Keyed No Imprint for American Express Transactions.**

- Your establishments may be eligible to participate in the American Express "Keyed No Imprint Program." The "Keyed No Imprint Program" allows you to submit in-person charges without taking an imprint of the Card if you meet the following Charge criteria:
- All Cards qualify for the "Keyed No Imprint Program."
- The Charge must be key-entered.
- The Charge Submission must include the appropriate indicator to reflect that the Card and the Cardholder were present at the point of sale.
- The Charge Submission must include a valid approval, and;
- The CID Number must be confirmed as a positive match. Under the "Keyed No Imprint Program," Chargebacks will not be exercised for such charges based solely on the establishment's failure to obtain

an imprint of the Card. If a disproportionate amount or number of disputed charges under the "Keyed No Imprint Program" occurs, you must cooperate to reduce the number of disputed charges. If such efforts fail, you may be placed in any of American Express' Chargeback programs or your participation in the "Keyed No Imprint Program" may be modified or terminated.

**15.14. Merchant Website Information Display Guidelines.**

- An accurate description of the goods/services offered, including the currency type for the transaction (e.g., U.S. Dollars). Transaction currency must be in U.S. Dollars.
- Your physical address in the U.S.
- An email address and a telephone number for customer service disputes.
- Return/refund policy.
- A description of your delivery policy (e.g., No COD, No overnight).
- A description of your security practices (e.g., information highlighting security practices you use to secure transactions conducted on the internet).
- A statement of known export restrictions, tariffs, and any other regulations.
- A privacy statement regarding the type of personal information collected and how the information is used. Additionally, you must provide to customers the option to decline being included in marketing campaigns or having their personal information included on lists sold to third parties.

**15.15. Aggregated Charges.**

If you are classified as an internet industry, you may process aggregated charges, provided the following criteria are met:

- Clearly disclose your intent and obtain written consent from the Cardholder that their purchases or refunds (or both) on the Card may be aggregated and combined with other purchases or refunds (or both) before you request an Authorization.
- Each individual purchase or refund (or both) that comprises the aggregated Charge must be incurred under the same merchant number and on the same Card.
- Obtain a pre-Authorization of no more than \$15
- Create a Sales Draft for the full amount of the aggregated Charge.
- The amount of the aggregated Charge must not exceed \$15 or the amount for which you obtained pre-Authorization.
- Submit each Sales Draft within our submission timeframe.
- Provide the Cardholder with an email containing the date, amount, and description of each individual purchase or refund (or both) that comprises the aggregated Charge, and the date and the amount of the aggregated Charge.

**15.16. American Express-Excessive Disputes.** You may be subject to various fees and assessments as set forth on the Application including fees for excessive disputes. Some fees and assessments are for special products or services, while others may be applied based upon non-compliance of American Express policies and procedures. Many non-compliance fees and assessments can be avoided by correcting the actions that are causing such non-compliance.

**15.17. American Express Right to Modify or Terminate Agreement.** American Express has the right to modify the Agreement with respect to American Express Card transactions or to terminate your acceptance of American Express Card transactions and to require Processor to investigate your activities with respect to American Express Card transactions.



## 15.18. Acceptance Procedures for American Express Travelers and Gift Cheques.

Procedures for accepting American Express Travelers and Gift Cheques:

- Watch Merchant's customer countersign in the lower left corner of the cheque, and compare the countersignature to the signature in the upper left corner for American Express Travelers Cheques and Gift Cheques. For Cheques for Two, the customer's countersignature must match either one of the two signatures on top.
- Obtain authorization - American Express recommends obtaining an authorization to reduce the chances of accepting fraudulent cheques. American Express offers a variety of authorization tools. Obtain online authorization at [www.americanexpress.com/verifyamextc](http://www.americanexpress.com/verifyamextc).

## 16. Glossary

As used in this Program Guide, the following terms mean as follows:

**Acquirer:** Bank in the case of Mastercard, Visa and certain debit transactions or Processor in the case of Discover and PayPal (in-store only) transactions that acquire Card sale transactions from merchants such as yourself.

**Address Verification:** A service provided through which the merchant verifies the Cardholder's address, in whole or in part. Primarily used by Mail / Telephone/Internet order merchants. Address verification is intended to deter fraudulent transactions, however, an AVS match does not guarantee that a transaction is valid. An AVS request should generally be submitted with an authorization request. The AVS response, if available, however will not impact whether any associated authorization request is approved or denied. You may be charged an AVS fee for any AVS request you submit even if we are not able to provide a response to the request.

**Affiliate:** "Affiliate" of a Person means another Person that, directly or indirectly, (i) owns or controls such Person or (ii) is under common ownership or control with such Person.

**Agreement:** The Agreements among Client, Processor and Bank contained in the Application, the Program Guide and the Schedules thereto and documents incorporated therein, each as amended from time to time, which collectively constitute the Agreement among the parties.

**Application:** See Merchant Processing Application.

**Authorization:** Approval by, or on behalf of, the Card Issuer to validate a transaction. An authorization indicates only the availability of the Cardholder's Credit Limit or funds at the time the Authorization is requested. An Authorization Fee (see Fee Schedule) can be charged for each Authorization, whether approved or declined.

**Authorization Approval Code:** A number issued to a participating merchant by the Authorization Center which confirms the authorization for a sale or service.

**Authorization and Capture:** Refers to the communication of instructions from your POS device or other systems to our computer systems, whether the communications are for authorization requests or any other capture of information. If your Service fee Schedule reflects an authorization and capture fee it may be applied to each communication you transmit to us.

**Authorization Center:** A department that electronically communicates a merchant's request for authorization on Credit Card transactions to the Cardholder's bank and transmits such authorization to the merchant via electronic equipment or by voice authorization.

**Authorization/EDC Fees:** A fee that applies to all Visa, Mastercard and Discover Card approvals (pre-authorizations, authorizations & authorization reversals), denials, batch inquiries, and batch entry transactions and includes any transaction fees and capture fees.

**Bank:** The bank identified on the Application signed by you.

**Bankruptcy Code:** Title 11 of the United States Code, as amended from time to time.

**Batch:** A single Submission to us of a group of transactions (sales and credits) for settlement. A Batch usually represents a day's worth of transactions.

**Business Day:** Monday through Friday, excluding Bank holidays.

**Buyer Initiated Payment (BIP):** A payment that occurs when a cardholding business approves an invoice (or invoices) and submits an electronic payment instruction causing funds to be deposited directly into a their supplier's merchant account.

**Card:** Means a Credit Card and/or a Debit Card.

**Cardholder:** Means the Person whose name is on a Card and any authorized user of such Card, including the Person that has entered into an agreement establishing a Card account with an Issuer. The words "Card Member" refer to Cardholder.

**Card General Terms:** Section of the Program Guide, including any amendments or modifications.

**Card Not Present Sale/Transaction:** A Transaction that occurs when the Card is not present at the point-of-sale, including Internet, mail-order and telephone-order Card sales.

**Card Organization:** Any entity formed to administer and promote Cards, including without limitation Mastercard Worldwide ("Mastercard"), Visa U.S.A., Inc. ("Visa"), DFS Services LLC ("Discover"), PayPal, Inc. ("PayPal"), American Express Company, Inc. ("American Express") and any applicable debit networks.

**Card Organization Rules:** The rules, regulations, standards, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBTs, the Quest Operating Rules).

**Card Verification:** A three-digit value printed in the signature panel of most Cards and a four-digit value printed in the front of an American Express Card. Visa's Card Verification Code is known as CVV2; Mastercard's Card Verification Code is known as CVC2; the Card Verification Codes for Discover, PayPal and American Express are known as a Card Identification Numbers (CID). Card Verification Codes are used to deter fraudulent use of an account number in a non-face-to-face environment, (e.g., mail orders, telephone orders and Internet orders).

**Card Verification Value (CVV) / Card Validation Code (CVC) / Card Identification Data (CID):** A unique value encoded on the Magnetic Stripe of a Card used to validate Card information during the Authorization process.

**Cardholder Verification Method (CVM):** A method used to confirm the identity of a Cardholder and to signify Cardholder acceptance of a transaction, such as signature, Offline PIN, and Online PIN.

**Cash Benefits:** An EBT account maintained by an Issuer that represents pre-funded or day-of-draw benefits, or both, administered by one or more government entities, and for which the Issuer has agreed to provide access under the EBT program. Multiple benefits may be combined in a single cash benefit account.

**Cash Over Transaction:** Dispensing of cash by a merchant in connection with a Card sale, other than a PIN Debit Card transaction, for the purchase of goods or services.

**Charge or Charges:** The total price, including all applicable taxes and gratuities, for the purchase of goods or services at a merchant for which a Cardholder has signed a Sales Draft or otherwise indicated intent to pay with a Card.

**Chargeback:** A Card transaction (or disputed portion) that is returned to us by the Issuer. Client is responsible for payment to us for all Chargebacks.

**Check Warranty:** A service provided through a merchant's POS equipment which guarantees payment up to a defined limit, provided the merchant follows proper steps in accepting the check.

**Check Verification:** A service provided in which a merchant accesses a national negative file database through its terminal/register to verify or authorize that a person has no outstanding bad check complaints at any of the member merchants. This is not a guarantee of payment to the merchant.

**Chip:** An integrated microchip embedded on a Card containing cardholder and account information.

**Chip Card:** A Card with an embedded EMV-compliant chip containing memory and interactive capabilities used to identify and store additional data about a Cardholder, an Account, or both.

**Claim:** Means any claim (including initial claims, counterclaims, cross-claims, and third party claims), dispute, or controversy between you and us arising from or relating to the Agreement or prior Card acceptance agreements, or the relationship resulting therefrom, whether based in contract, tort (including negligence, strict liability, fraud, or otherwise), statutes, regulations, or any other theory, including any question relating to the existence, validity, performance, construction, interpretation, enforcement, or termination of the Agreement or prior Card acceptance agreements or the relationship resulting therefrom.

**Client:** The party identified as "Client" on the Application. The words "Subscriber," "you," "your" and "Customer" refer to Client. Also, sometimes referred to as "Merchant."

**Contactless Payment:** payment performed in a Card-Present Environment with a Contactless card or Payment Device (e.g., Mobile phone) at the Point-of-Transaction.

**Credit:** A refund or price adjustment given for a previous purchase transaction.

**Credit Card:** A device bearing a valid Organization Mark of Visa, Mastercard, Discover, PayPal or American Express and authorizing the Cardholder to buy goods or services on Credit and, to the extent the Schedules so provide, a valid device authorizing the Cardholder to buy goods or services on Credit and issued by any other Card Organizations specified on such Schedules.

**Credit Draft:** A document evidencing the return of merchandise by a Cardholder to a Client, or other refund or price adjustment made by the Client to the Cardholder, whether electronic, paper or some other form, all of which must conform to Card Organization Rules and applicable law.

**Credit Limit:** The credit line set by the Issuer for the Cardholder's Credit Card account.

**Customer Activated Terminal (CAT):** A Magnetic Stripe terminal or chip-reading device (such as an automatic dispensing machine, Limited Amount Terminal, or Self-Service) that is not an ATM.

**Data Incident:** Any actual or potential unauthorized or fraudulent access to (or use, disclosure, or alteration of) transaction data, whether consisting of a single event, a continuous course of events, or a series of related events.

**Data Incident Expenses:** Means: (a) any obligations that you have to us arising from a Data Incident including EMV Upgrade Costs; (b) the costs of a security assessment conducted by a qualified security assessor approved by a Payments Organization or PCI to determine the cause and extent of a Data Incident; and (c) any reasonable fees and expenses incurred by us, or by you with our prior written consent, for any

Mitigation Services specifically approved by us in writing but only if the Mitigation Services are provided within one (1) year following discovery of the relevant Data Incident.

**Debit Card:** Means a PIN Debit Card and/or a Non-PIN Debit Card.

**Dial-Up Terminal:** An Authorization device which, like a telephone, dials an Authorization Center for validation of transactions.

**Discount Rate:** A percentage rate charged to merchants, as applicable, for processing Card transactions.

**Discover International Service Fee:** A fee assessed by Discover on the amount of Card Sales (excluding Cash Over) conducted at a Client location in the United States where the domicile of the Issuer of the Card used in the Card Sale is a country other than the United States. This fee is not applicable to Card Sales with JCB and China Union Pay cards.

**Electronic Benefit Transfer (EBT):** An Electronic Benefits Transfer system used to deliver certain government delivered benefits, including without limitation Cash Benefits and FNS, SNAP and WIC Benefits, to EBT customers.

**Electronic Draft Capture (EDC):** A process which allows a merchant's Dial-Up Terminal to receive Authorization and capture transactions, and electronically transmit them to the Processor. This eliminates the need to submit paper for processing.

**EMV:** Developed by Europay, Mastercard, and Visa. It is the global standard for chip based payments.

**EMV Upgrade Costs:** The costs you agree to incur to upgrade payment acceptance and processing hardware and software to enable you to accept and process EMV-enabled Cards in a manner compliant with the PCI DSS.

**Entity:** Means a corporation, partnership, sole proprietorship, trust, association, or any other legally recognized entity or organization.

**Factoring:** The submission of authorization requests and/or Sales Drafts by a merchant for Card sales or cash advances transacted by another business. Factoring is prohibited.

**Fraud Full Recourse:** One of American Express's Chargeback programs.

**Gross:** When referred to in connection with transaction amounts or fees, refers to the total amount of Card sales, without set-off for any refunds or Credits.

**Imprinter:** A manual or electric machine used to physically imprint the merchant's name and ID number as well as the Cardholder's name and Card number on Sales Drafts.

**Issuer:** The financial institution or Card Organization (or other Entity authorized by a Card Organization) which has issued a Card to a Person.

**Limited Amount Terminal:** A customer Activated Terminal that has data capture only capability, and accepts payment for items such as parking garage fees, road tolls, motion picture theater entrance, or magnetic stripe telephones.

**Magnetic Stripe:** A stripe of magnetic information affixed to the back of a plastic Credit or Debit Card. The Magnetic Stripe contains essential Cardholder and account information.

**Marks:** Names, logos, emblems, brands, service marks, trademarks, trade names, tag lines or other proprietary designations.

**Mastercard Account Status Inquiry Service Fee:** Zero dollar Account Status Inquiry Service requests (including AVS, CVC2 or both).

**Mastercard CVC2 Fee:** A fee assessed for transactions acquired in the U.S. Region with the CVC2 (Three digit code on the back of the Mastercard issued card) included in the transaction for authorization and where the CVC2 response value equals 'M' (Match) or 'N' (Invalid/did not match). The fee will not be applied to Account Status Inquiry (ASI) requests.

**Mastercard Digital Enablement Fee:** A fee assessed by Mastercard on select Card Not Present transactions.

**Media:** The documentation of monetary transactions (i.e., Sales Drafts, Credit Drafts, computer printouts, etc.)

**Merchant Identification Card:** A plastic embossed card supplied to each merchant to be used for imprinting information to be submitted with each batch of paper Sales Drafts. Embossed data includes Merchant Identification Number, name and sometimes merchant ID code and terminal number.

**Merchant Identification Number:** A number that numerically identifies each merchant location, outlet, or line of business to the Processor for accounting and billing purposes.

**Merchant Processing Application (“MPA”):** The Merchant Processing Application and Agreement executed by Client, which is one of the documents comprising the Agreement.

**Merchant Provider:** Any Person engaged by you to provide services to you involving or relating to (i) access to Cardholder data, transaction data or information related to either Cardholder data or transaction data or (ii) PIN encryption, including without limitation, Encryption Service Organizations (ESOs).

**Mitigation Service:** A service provided to a cardholder whose information is the subject of a Data Incident, where the primary purpose of the service is to mitigate the effects of the Data Incident, including identity theft education and assistance and credit monitoring.

**Non-Bank Services:** Products and/or Services for which Bank is not responsible, or a party to, including American Express EDC Transactions, PIN Debit Card, and Electronic Benefits Transfer Transactions, TeleCheck Check Services, Gift Card Services and Transactions involving Cards from other Non-Bank Card Organizations, such as Voyager Fleet Systems, Inc., WEX, Inc. and WEX Bank, Discover, PayPal, Leasing, TransArmor, Fraud Services, Wireless, Payeezy Gateway Services, and other items as may be indicated in this Program Guide.

**Non-PIN Debit Card:** A device with either a Visa, Mastercard or Discover Mark that is tied to a Cardholder’s bank account or a prepaid account and which is processed without the use of a PIN.

**Non-Qualified Interchange Fee:** The difference between the interchange fee associated with the anticipated interchange program and the interchange fee associated with the more costly interchange level at which the transaction actually was processed.

**Operating Procedures:** The information prepared by Processor, containing operational procedures, instructions and other directives relating to Card transactions. The current Operating Procedures are set forth in Part B of the Program Guide.

**PAN Truncation:** A procedure by which a Cardholder’s copy of a Sales Draft or Credit Draft, or as required by applicable law, the Sales Draft or Credit Draft that you retain, will only reflect the last four digits of the Card account number.

**Person:** A third party individual or Entity, other than the Client, Processor or Bank.

**PIN:** A Personal Identification Number entered by the Cardholder to submit a PIN Debit Card transaction.

**PIN Debit Card:** A device bearing the Marks of ATM networks (such as NYCE, Star) used at a merchant location by means of a Cardholder-entered PIN in the merchant PIN Pad.

**PIN Debit Banks:** The PIN Debit Bank(s) identified on the Application signed by you that is/ are the sponsoring or acquiring bank(s) for certain PIN Debit networks.

**PINless Transaction:** A PIN Debit transaction using a Debit Card that does not require the Cardholder to enter a PIN.

**Point of Sale (POS) Terminal:** A device placed in a merchant location which is connected to the Processor’s system via telephone lines and is designed to authorize, record and transmit settlement data by electronic means for all sales transactions with Processor.

**Processor:** The entity identified on the Application (other than the Bank) which provides certain services under the Agreement.

**Program Guide (also known as the Merchant Services Program Terms and Conditions):** The booklet which contains Operating Procedures, General Terms, Third Party Agreements, and Confirmation Page, which, together with the Application and the Schedules thereto and documents incorporated therein, constitute your Agreement with Processor and Bank.

**Recurring Payment Indicator:** A value used to identify transactions for which a Cardholder provides permission to a merchant to bill the Cardholder’s Card account at either a predetermined interval or as agreed by the Cardholder for recurring goods or services.

**Referral:** A message received from an Issuer when an attempt for Authorization requires a call to the Voice Authorization Center or Voice Response Unit (VRU).

**Reserve Account:** An account established and funded at our request or on behalf, pursuant to [Section 11](#) of the Agreement.

**Resubmission:** A transaction that the merchant originally processed as a Store and Forward transaction but received a soft denial from the respective debit network or Card Organization. The Resubmission transaction allows the merchant to attempt to obtain an approval for the soft denial, in which case Client assumes the risk that the transaction fails.

**Retrieval Request/Transaction Documentation Request:** A request for documentation related to a Card transaction such as a copy of a Sales Draft or other transaction source documents.

**Rules:** The rules, regulations, standards, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Card Organization and related authorities, including without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association (including, with respect to EBTs, the Quest Operating Rules).

**Sales/Credit Summary:** The identifying form used by a paper Submission merchant to indicate a Batch of Sales Drafts and Credit Drafts (usually one day’s work). Not a Batch header, which is used by electronic merchants.

**Sales Draft:** Evidence of a purchase, rental or lease of goods or Services by a Cardholder from, and other payments to, Client using a Card, including preauthorized orders and recurring transactions (unless the context requires otherwise); regardless of whether the form of such evidence is in paper or electronic form or otherwise, all of which must conform to Card Organization Rules and applicable law.

**Schedules:** The attachments, addenda and other documents, including revisions thereto, which may be incorporated into and made part of this Agreement concurrently with or after the date of this Agreement.

**Self Service Terminals:** A Customer Activated Terminal that accepts payment of goods or services such as prepaid cards or video rental, has electronic capability, and does not accept PIN’s.

**Servicers:** Bank and Processor collectively. The words “we,” “us” and “our” refer to Servicers, unless otherwise indicated in this Program Guide.

**Services:** The activities undertaken by Processor and/or Bank, as applicable to authorize, process and settle all United States Dollar denominated Visa, Mastercard, Discover, PayPal and American Express transactions undertaken by Cardholders at Client's location(s) in the United States, and all other activities necessary for Processor and Bank to perform the functions required by this Agreement for all other Cards covered by this Agreement. For the avoidance of doubt, and without limiting the foregoing, "Services" shall include any ancillary products or services provided to You by Processor and/or Bank in connection with this Agreement to the extent such products or services are not provided to you pursuant to a separate agreement with Processor and/or Bank.

**Settlement Account:** An account or account (s) at a financial institution designated by Client as the account to be debited and credited by Processor or Bank for Card transactions, fees, chargebacks and other amounts due under the Agreement or in connection with the Agreement.

**Signature Debit:** A transaction using a Debit Card that requires the Cardholder to provide a signature rather than a PIN.

**Split Dial:** A process which allows the authorization terminal to dial directly to different Card Processors (e.g., American Express) for Authorization. In this instance, the merchant cannot be both EDC and Split Dial. Split Dial is also utilized for Check Guarantee companies.

**Split Dial/Capture:** Process which allows the Authorization terminal to dial directly to different Card processors (e.g., American Express) for Authorization and Electronic Draft Capture.

**Store and Forward:** A transaction that has been authorized by a merchant when the merchant cannot obtain an authorization while the customer is present, typically due to a communications failure. The merchant will store the transaction electronically in their host system and retransmit the transaction when communications have been restored.

**Submission:** The process of sending Batch deposits to Processor for processing. This may be done electronically or by mail.

**Summary Adjustment:** An adjustment to your Submission and / or Settlement Accounts in order to correct errors. (See Sections 11.2. and 11.3.)

**Telecommunication Card Sales:** Individual local or long distance telephone calls, for which the telephone service provider is paid directly by use of a Card. These do not include, however, calls paid for with pre-paid telephone service cards. Telecommunication Card Sales are considered Card Not Present Sales.

**Transaction Fees:** Service costs charged to a merchant on a per transaction basis.

**Us, We and Our:** See Servicers.

**You, Your:** See Client.



