

OPERATING GUIDE FOR MERCHANT CARD PROCESSING

1. OPERATING PROCEDURES

a. Introduction.

This Operating Guide describes the procedures and methods for submitting Card Transactions for payment, obtaining Authorizations, responding to Chargebacks and media Retrieval Requests, and other aspects of the operations of our services. Processor is a full-service financial transaction processor, dedicated, among other processing services, to facilitating the passage of Merchant's Transaction Receipts back to the thousands of institutions that issue the MasterCard, Visa and Discover Cards carried by Merchant's customers. Capitalized terms used in this Operating Guide shall have the meanings given in either the Merchant Agreement or Section 2 of this Operating Guide.

The terms of this Operating Guide form a part of and are incorporated into the Merchant Agreement. Merchant Bank and Processor reserve the right to amend the terms of the Merchant Agreement and this Operating Guide as provided in the Merchant Agreement.

This Operating Guide focuses primarily on the MasterCard, Visa and Discover operating rules and regulations. If Bank provides Authorization, processing or Settlement of Transactions involving Cards other than MasterCard, Visa and Discover, Merchant should also consult those independent Card Issuers' proprietary rules and regulations.

If Merchant selects to accept Cards issued by any one or more of American Express, JCB or Diners Club as payment options, Merchant understands and acknowledges that the Card Program services for such payment options are provided by the Card Issuer involved, and not Bank, and Merchant understands that Merchant's acceptance of any of those payment options may require execution of a separate merchant card acceptance agreement with those individual Card Issuers, as applicable, and that agreement will govern the completion, processing, settlement and other procedures relating to Transactions with those Card Issuers. If Merchant experiences problems with transmission or delivery of those Card Issuers' Transactions, Merchant will be obligated to contact the appropriate service provider(s) for service. Bank has no obligations with respect to the completion, processing, settlement and other procedures relating to Transactions with those Card Issuers.

b. General Card Acceptance Guidelines.

(1) The following Card acceptance guidelines are general in nature, and the detailed requirements set forth for certain types of Visa, MasterCard and Discover Transaction as detailed in Sections 3, 4 and 5 of this Operating Guide, will control over these general guidelines.

(2) Visa has released the **Visa International Operating Regulations** which may be accessed at the www.visa.com web site. The provisions of the Visa International Operating Regulations are incorporated into this Operating Guide by reference.

(3) MasterCard has published a **March 2008 Merchant Rules Manual**, which is available at the MasterCard web site at the following URL: http://www.mastercard.com/us/wce/PDF/MasterCard_Rules_5_08.pdf. The MasterCard Merchant Rules Manual provides Merchants with MasterCard Standards applicable to Merchant acceptance of MasterCard Cards and Maestro Cards. A Merchant must at all times comply with MasterCard Standards. Bank may require a Merchant to adhere to additional and/or more stringent standards than MasterCard Standards require. The provisions of the MasterCard Merchant Rules Manual are incorporated into this Operating Guide by reference. Note, however, that the MasterCard Merchant Rules Manual does not reflect changes to the MasterCard Standards implemented since the date of publication of the manual. In the event the provisions of the MasterCard Merchant Rules Manual conflict with the provisions of the MasterCard Standards or the Merchant Agreement (including this Operating Guide), the provisions of the MasterCard Standards and/or the Merchant Agreement, in that order, shall control.

(4) Verification of Validity of Card. The first step in safely accepting a Card is to verify that the Card is valid. Merchant should examine every Card presented to verify that it has valid MasterCard, Visa or Discover card features.

(a) Visa.

- Card Account Number – The Account Number starts with the number 4. The first four digits match the BIN. Embossing extends into the hologram.
- Bank Identification Number (BIN) is printed under the embossed Account Number. Matches the first four digits of the account number.
- Signature Panel – “Visa” is repeated on the back of the Card. Account Number and the Card Verification Value (CVV2) are indent-printed on panel in reverse italic type.
- Hologram – Depicts a dove in flight. Should reflect light and change as Merchant rotates the Card.
- Visa Logo – Features taller letters and brighter gold and blue colors. Microprinting borders the logo.
- Security Character – Is embossed to the right of the valid dates. Product Symbol (“B” “C” or “P”) is embossed to the left of security character on some Cards.

(b) MasterCard.

- Card Account Number – The Account Number starts with the number 5. Embossing extends into the hologram.
- Signature Panel – “MasterCard” is repeated on the back of the Card. Account Number and Card Validation Code 2 (CVC2) are indent-printed on panel in reverse italic type.
- Hologram – Depicts three-dimensional globes. “MasterCard” is printed repeatedly in background. Should reflect light and change as Merchant rotates the Card.
- MasterCard Logo – Features larger letters, black outlines behind white letters, and fewer lines joining circles.

- Security Character – Is embossed to the right of the valid dates.

(c) Discover.

- Signature Panel – “Discover” is repeated on the back of the Card. The Account Number is followed by the Card Identification Data (CID).
- Hologram – Depending on the date of issuance, will feature either (i) a three-dimensional hologram, bearing a distinct circular shape and images of a globe pierced by an arrow, water, and stars on a repetitive pattern background on the front of the Card, or (ii) a three-dimensional holographic design that is incorporated into the magnetic stripe.
- Discover Logo – Features capitalized letters of either DISCOVER or DISCOVER NETWORK (depending on the date of issuance), in ultra-violet ink which will appear when held under ultraviolet light.

(5) Expiration date. Merchant must verify the effective date (valid from) and expiration date (valid to). Do not accept a Card before the effective date and after the expiration date. Otherwise, you may be subject to Chargebacks

(6) Signature on Card. Compare the signature on the Card to the signature on the Transaction Receipt. The signature on the Transaction Receipt must compare favorably to the signature on the back of the Card. If the signature panel on the Card is blank, in addition to requesting an Authorization, you must do all of the following:

- Review positive identification to determine that the customer is the Cardholder. The identification must consist of a current, official government identification document (such as a passport or driver license) that bears the Cardholder's signature;
- Write the positive identification (including any serial number and expiration date) on the Transaction Receipt; and
- Ask the Cardholder to sign the Card before completing the Transaction, and compare with the signature(s) on the Transaction Receipt and/or ID. If the Cardholder refuses to sign the Card, do not accept the Card and refer the Cardholder to the Issuer if he or she has questions.

(7) Authorizations. Once you have checked to verify that the Card is valid, the next stage is processing the Transaction. The first step in processing is receiving Authorization.

(a) All transactions must be authorized. Specific Authorization requirements for Visa, MasterCard and Discover Transactions are detailed in this Operating Guide. Failure to authorize a sales transaction may result in a Chargeback and, potentially, the termination of your Merchant Agreement.

(b) An Authorization only indicates the availability of the Cardholder's credit at the time the Authorization is requested. It does not warrant that the person presenting the card is the rightful Cardholder, nor is it an unconditional promise or guarantee that you will not receive a Chargeback or debit.

(c) Electronic Processing. This is the fastest, safest and most accurate way to process Card Transactions. The Merchant should retain the Card throughout the Authorization process. Follow these general procedures:

- Hold the Card in your hand until all steps are completed.
- Swipe the Card's Magnetic Stripe through the Terminal. Some Terminals may require you to key-enter the last four digits of the Account Number or place an electronic Card draft in the Terminal's printer. If the Terminal cannot read the Magnetic Stripe, key in the information embossed on the Card and, if the Card is present, make a Card imprint on a separate manual Transaction Receipt.
- If the Account Number displays on the Terminal screen, verify that it matches the Account Number embossed on the Card. If it doesn't match, retain the Card (see below for Recovering Card).
- “Decline” means the Transaction cannot be Authorized. Do not accept the Card. Return the Card to the Cardholder and discretely advise that the Card has been declined. If the Cardholder has questions, refer him or her to the Issuer of the Card.
- “Unknown Card” and similar messages usually mean the Card is of a type that there is a problem with the Card or Card account. Do not accept the Card without a telephone Authorization.
- Verify that all information is correct and legible on all copies of the Transaction Receipt. Do not circle the expiration date or obscure the Card or transaction information in any way.
- Watch the Cardholder sign the Transaction Receipt; compare the signature with the one on the back of the Card. If Merchant can't tell whether the signatures match, ask for a photo ID.
- Return the Card and Cardholder copy of the Transaction Receipt to the Cardholder.
- If Merchant has concerns that a Transaction may be fraudulent (even though the Merchant received Authorization) call for a Code 10, as described below.

(d) Telephone Authorization and Manual Processing. If Merchant does not have an electronic authorization Terminal, call the telephone authorization number as part of the manual processing procedure. Follow the steps outlined below, holding the Card in Merchant's hand until all steps are completed.

- If you are unable to obtain an Authorization Response with your equipment, call your designated voice authorization 800 number and enter Authorization information into the VRU using a touch tone phone for MasterCard, Visa or Discover:

- MasterCard, Visa and Discover Telephone Authorizations: 800-314-6888
- Call the following for other Card types:
 - American Express/Optima 800-528-5200
 - Diners Club/Carte Blanche 800-525-7376
 - JCB International 800-522-8788
 - Available: 24 hours/day, 7 days/week
- Make a card imprint on a manual Transaction Receipt using a Card imprinter.
- Fill in the Transaction information (item description, amount, etc.). Each Transaction must be processed on a single Transaction Receipt.
- Call for Authorization. When the operator answers, you may be asked to provide:
 - The Card Account Number, expiration date, Bank Identification Number and CVV2, CVC2 or CID.
 - Merchant Identification Number.
 - The amount of the Transaction.
- The operator will give you a Response Code or provide other instructions (if the Card is not Authorized). If the Transaction is approved, the Merchant must write the Response Code in the space provided on the Transaction Receipt.
- Verify all information is correct and legible on all copies of the Transaction Receipt. Do not circle the expiration date or obscure the Card or Transaction information in any way.
- Watch the Cardholder sign the Transaction Receipt; compare the signature with the one on the back of the Card. If you can't tell whether the signatures match, ask for a photo ID.
- Return the Card and Cardholder copy of the Transaction Receipt to the Cardholder.
- If you believe the Transaction may be fraudulent (even though Merchant received Authorization) call for a Code 10, as described below.

(8) Suspect Transactions.

(a) How to Identify a Fraudulent Card. In addition to checking for the Card features described in Section 1(b)(i), always inspect the Card for the following:

- Overall Appearance- Check for discoloration or uneven Card surfaces.
- Embossing - Card Account Number, valid dates, Cardholder name and security character should appear consistent in size and spacing and should not look "ghosted" (new characters re-embossed over originals).
- Valid Dates or Expiration Dates – Make sure the Card is not expired or being used before it's valid.
- Signature Panel – The panel should not show evidence of tampering. The panel should be signed and the signature should match Cardholder's signature on the Transaction Receipt.

(b) Other Signs of Fraud. One of the most common types of Card fraud is unauthorized use of a lost or stolen Card. Even if the Cardholder has not yet reported the Card missing, a Merchant can often prevent a fraudulent sale if the Merchant is alert to unusual Cardholder behavior. Consider calling your telephone authorization number for a Code 10 (see procedure below) if a Cardholder:

- Makes a purchase without regard to size, color, style, or price.
- Makes several individual purchases that approach, but do not exceed Merchant's Floor Limit on Card Transactions.
- Rushes, stalls, or attempts to distract the Merchant as the customer completes the Transaction.
- The Cardholder states that the Card's Magnetic Stripe is damaged or worn and/or claims the Card information must be manually entered on Merchant's electronic Terminal.
- Purchases a large item (e.g., a refrigerator) and insists on taking it immediately rather than have it delivered – even when delivery is included in the price.
- Pulls the Card from a pocket rather than a wallet.
- Signs the Transaction Receipt in a deliberate or unnatural manner.
- Appears too young to be making purchases with a Card.
- Buys clothing without trying it on – or declines alterations even if they are included in the price.
- Charges expensive items on a newly valid Card.
- Cannot or will not present a photo ID – or provides a temporary ID with no photo.

Any of these circumstances can occur in a legitimate transaction. Use your best judgment and call for a Code 10 if you are unsure.

(9) Code 10 Procedures. An Authorization procedure called "Code 10" is available if a Merchant is suspicious of a Transaction or has reasonable grounds to believe that the Card is fraudulent, counterfeit or stolen, or the Cardholder is not authorized. If any of the foregoing circumstances exist:

- Call the voice Authorization center and request a "Code 10" Authorization while the Merchant continues to hold the Card.
- An operator will lead the Merchant through a series of questions with "yes" or "no" answers that are specifically designed to help avoid any discomfort for the Merchant or for the Cardholder.
- If Authorization is not granted, refer the Cardholder to the Issuer of the Card.
- If Merchant is told to retain the Card, follow the operator's instructions, or the procedures outlined below in these Operating Rules. Avoid any embarrassing confrontation with the Cardholder. Merchant agrees that neither Merchant Bank nor Processor is liable for the results of any confrontation with the Cardholder.

(10) Recovering a Card. When seeking Authorization on a Card Transaction, a Merchant may be instructed not to return the Card to the Cardholder. This may mean that the Card has been reported lost or stolen, or that fraud has been detected. If Merchant is told to retain the Card or receive a "Pickup Card" message on its electronic terminal, the Merchant should retain the Card and discretely advise the Cardholder of the situation. Merchant must use its best judgment to avoid any confrontation. If Merchant retains a Card, the Merchant should promptly call the Merchant Bank or ask the telephone authorization center for instructions on how to turn in the Card. Do the following:

- Keep a record of the Card account number
- List the following information and turn it into Bank with the Card:
 - The account number;
 - Merchant's business name and address;
 - The person who recovered the Card; and
 - The reason for recovery (Code 10 or Authorization inquiry)

Merchant may receive a cash reward for properly recovering a Card. Rewards are offered by the Associations, Issuers, and some Merchants.

(11) Turning in Lost Cards. If Merchant finds a lost Card, or a customer turns one in, or leaves one behind, contact the Issuer for instructions on how to turn in the Card.

(12) Completing Sales Slips. Merchant must record each Transaction and Credit Transaction Receipt by following procedures specified in this Operating Guide. The copy of the Transaction Receipt given to the Cardholder must contain the information specified in this Operating Guide.

(13) Card-Absent Transactions. A Merchant may only accept Card-Absent Transactions if the Merchant has been authorized to do so in the Merchant Application or in writing by Bank. Card-Absent Transactions have substantially higher risk of Chargeback and fraud. Merchant assumes all risks associated with accepting Card-Absent Transactions. All Card-Absent Transaction must be processed in accordance with the provisions set forth in this Operating Guide. To assist Merchant in reducing the risk of fraud and/or Chargebacks on Card-Absent Transactions, Merchant must use Address Verification Service (AVS). For Internet Transactions, it is also recommended that Merchant utilize the Verified by Visa and MasterCard SecureCode Cardholder authentication services. More information about AVS, Verified by Visa and MasterCard SecureCode may be obtained from Processor.

(14) After the Sale.

(a) Closing Out Merchant's Electronic Terminal. For each Card Transaction that Merchant processes electronically, Merchant will complete a procedure called closing the batch to reconcile those Transactions and prevent balancing and deposit errors. A batch represents all Card Transactions processed during a given period of time. Merchant should close its batch daily. Follow the general guidelines below to close a batch.

- (i) Use a calculator to manually total the Transaction Receipts and Credit Transaction Receipts for the batch.
- (ii) Display Terminal totals by using the Display/Totals Batch Inquiry function.
- (iii) Compare Terminal totals with the calculator totals. If out of balance, print list of Terminal entries and compare the entries to the Transaction Receipts and make any necessary adjustments in the Terminal.
- (iv) For each batch transmitted, ensure that the Merchant Identification Number and all other information is included (i.e. date, amount, number of items, etc.).
- (v) The batch/deposit total must match to the settled/reconciled amount.
- (vi) If you use a Terminal with Electronic Capability, transmit the batch information. If your Terminal does not have Electronic Capability, include the electronic bank drafts with Merchant's manual deposit. Each time Merchant closes a batch, Merchant's Terminal begins a new batch with the next Transaction processed.

(b) Adjustments to Merchant's Account. Bank will make Transaction adjustments (debits or credits) to Merchant's Settlement Account if Bank notes a discrepancy between Merchant's batch header and the corresponding Transaction Receipts. Common reasons for adjustments include:

- (i) Total amounts shown on Transaction Receipts do not match total on batch header.
- (ii) Merchant's account was credited in error and has been debited to correct the error.
- (iii) Duplicated Transaction Receipts submitted.

- (iv) Card Account Number is incorrect/incomplete.
- (v) Transaction amount is unreadable/illegible.
- (vi) Cardholder Account Number is unreadable/illegible.

Bank will notify Merchant of any adjustments Bank makes to Merchant's Settlement Account.

(15) Retrieval Requests.

(a) Merchant is responsible for retaining and providing copies of Transaction Receipts for two years or longer if required by the Card Associations. From time to time Bank will ask Merchant to submit a copy of a Transaction Receipt or a Credit Transaction Receipt (a Retrieval Request). These Retrieval Requests assist Bank in responding on Merchant's behalf to Cardholder and Issuer questions about Transactions processed by Merchant.

(b) It is important that Merchant fulfill Retrieval Requests within the time specified on the request from Bank. If Merchant fails to do so, a Chargeback may result. Merchant is solely responsible for any deficiencies in Card Transaction data submitted to Bank.

(16) Chargebacks.

(a) A Cardholder or an Issuer has the right to question or dispute a Transaction. A Chargeback is the reversal of a Card Transaction. When a Chargeback occurs, the amount of the Transaction is debited (subtracted) from Merchant's Settlement Account. Reasons for Chargebacks, include, but are not limited to:

(i) The Transaction Record or any material information it contains as provided by Merchant (such as the Card Account Number, expiration date of the Card, merchant description, purchase amount, Transaction date and Authorization date) is illegible, incomplete, incorrect, or unsigned, or is not transmitted to Bank within the required time limits;

(ii) Merchant knew or, by following proper practices, should have known that the Card was not to be honored;

(iii) The Transaction was completed with a counterfeit or altered Card or before the valid date or after the expiration date of the Card;

(iv) Merchant did not obtain Authorization, or did not provide a correct and legible Authorization Approval Code on the Transaction Receipt;

(v) The Transaction Receipt is a duplicate of another Transaction Receipt, represents one of two or more Transactions arising from a single purchase, or the Transaction has been submitted to another merchant card processor;

(vi) The Cardholder disputes participating in or approving the Transaction, signing the Transaction Receipt, or the sale, delivery, quality or performance of the purchase; the Cardholder alleges that return of goods or a Credit Transaction Receipt was improperly refused; or the Cardholder alleges that a Credit Transaction Receipt issued by Merchant was not processed for the Cardholder Account;

(vii) The amount on the Transaction Record submitted to Bank differs from the amount on the copy required to be delivered to the Cardholder;

(viii) The Cardholder has asserted what the Cardholder believes is a good faith claim or defense against the Transaction;

(ix) The Charge is in violation of any law;

(x) Any other Card Transactions that Bank is or would be required to pay, repurchase or Chargeback by virtue of Operating Rules or otherwise, processed under this Agreement or any agreement with any Affiliated-merchant.

(xi) The Signature on Transaction Receipt is not a reasonable facsimile of signature on Card.

(xii) A Retrieval Request was not fulfilled within time allowed.

(xiii) The Transaction was fraudulent or the related purchase was not a bona fide purchase in Merchant's ordinary course of business, was subject to any claim of illegality, cancellation, avoidance, or offset for any reason, including, without limitation, negligence, fraud or dishonesty on the part of Merchant or Merchant's Agents

(xiv) A Cardholder dispute was filed regarding the Transaction.

(b) Bank will charge back to Merchant and Merchant will pay Bank, the amount of each Transaction which Merchant or a Affiliated-merchant submits to Bank for processing that is subject to Chargeback to Bank for any reason under the Operating Rules, or to the extent Merchant Bank receives claims regarding the Transactions from Cardholders under other provisions of law.

(c) Merchant may not enter into Interchange any Transaction that was previously charged back to the Merchant Bank and returned to Merchant, irrespective of Cardholder approval.

(d) If Bank determines that Merchant has or is reasonably likely to have a monthly ratio of Chargebacks to Transactions exceeding one percent (1%), Bank, may, but is not obligated to, notify Merchant of new procedures it should adopt and additional Processing Fees imposed for processing Chargebacks, and/or may terminate this Agreement, at Merchant Bank's discretion, without advance notice. Merchant must immediately reimburse Bank for the amount of any fines or fees imposed by a Card Association or Bank relating to Chargebacks to Merchant.

(e) The Card Associations have established guidelines, merchant monitoring programs and reports to track merchant activity such as, but not limited to excessive credits and Chargebacks, and increased deposit activity. In the event Merchant exceeds the guidelines or submits suspicious transactions as identified by a Card Association or any related program or reports, Merchant may be subject to: (i) operating procedure requirement modifications; (ii) incremental Chargebacks and/or fees; (iii)

settlement delay or withholding; (iv) termination of this Agreement; and/or (v) audit and imposition of fines, which fines are subject to reimbursement by Merchant. Merchant hereby releases Bank from any and all damages, liability, costs or expenses that Merchant may incur as a result of Bank's compliance with Card Association directives.

(f) Each Chargeback to Merchant is immediately due and payable by Merchant. Without limiting Bank's other remedies or Bank's security interest described in the Merchant Agreement, Merchant Bank may deduct, debit and withhold the amount of a Chargeback or anticipated Chargeback from the Settlement Account, Reserve Account, or any Merchant account at the Merchant Bank, or other property of Merchant held by Bank, or any Settlement Account or Reserve Account of an Affiliated-merchant. Bank will send Chargeback reports to Merchant as debits occur. To the extent funds are not available from the previously described accounts of the Merchant or Affiliated-merchant, Merchant irrevocably authorizes Merchant Bank to attach and initiate withdrawals of funds from Merchant's accounts at other financial institutions, by ACH entry, sight draft, preauthorized checks, reverse wires or otherwise to cover the Chargebacks, and Merchant hereby irrevocably authorizes the other financial institutions to withdraw the funds from Merchant's accounts and pay Bank the amount of the Chargebacks. Merchant Bank will release to Merchant any of Merchant's deposits, funds or property after Bank determines in its sole and absolute discretion that the deposits, funds or property are not likely to be needed to cover any Chargebacks.

(g) Although Bank is unable to notify Merchant before a Chargeback is initiated, in most cases, Merchant may challenge the Chargeback by filing a rebuttal within the time specified in the Chargeback notice. Merchant's failure to act within that time may not provide Bank with a reasonable number of days to evaluate Merchant's dispute of the Chargeback. Bank is not obligated to make a Representment except to the extent allowed by the Operating Rules and Merchant's timely dispute of the Chargeback. Bank does not engage in direct collection efforts against Cardholders on Merchant's behalf. In Merchant's rebuttal, Merchant must supply documentation substantiating that the Card and the Transaction were valid and that correct processing procedures were followed. Bank recommends that Merchant include a detailed rebuttal letter along with all pertinent documents. The more information Bank has at the time of the Chargeback, the better Bank may dispute the item on Merchant's behalf. If Merchant has any questions regarding Retrieval Requests, Chargebacks or Representments, please call Bank's Chargeback Processing Department.

- If your Merchant ID number begins with numeral 2, call 866-999-4374.
- If your Merchant ID number begins with numerals 3 or 4, call 800-654-9256.
- If your Merchant ID number begins with numeral 5, call 800-254-7171.

(17) Online Debit Card Transactions.

(a) Online Debit Card Transactions require customers to enter a PIN at the point of sale terminal and the amount of the Transaction is debited from the customer's checking account. Most but not all ATM/debit Cards can be accepted at the point of sale at participating locations. Examine the back of the Card to determine if the Card participates in a network that Merchant is authorized to accept. The Debit Network mark(s) will be printed on the back of the Debit Network Cards. If the Card is valid and issued by a Debit Network, and Merchant offers Online Debit Transactions, Merchant must follow the following procedures:

- Merchant shall display the logos of the Debit Networks wherever any other Acceptance Mark is displayed to inform the public that Debit Cards will be honored at Merchant's place of business.
- Merchant must honor all valid Debit Network Cards. Merchant may accept ATM/debit Cards and process Online Debit Card Transactions only at the locations approved by Bank.
- Merchant will comply with Regulation E, all applicable law, the Operating Rules and this Operating Guide in connection with each Online Debit Card Transaction.
- Merchant must treat Transactions by Cardholders from all Debit Card Issuers in the same manner.
- Merchant may not establish a minimum or maximum amount for the Transaction.
- The rules regarding assessing Surcharges on Debit Transactions vary between the Debit Networks. If Merchant wants to assess a surcharge for Debit Transactions, Merchant is required to obtain surcharge guidelines from Bank and abide by the specifications outlined for each Debit Network.
- Merchant may not require additional information, other than the PIN, for the completion of the Transaction unless specifically required by the Operating Rules for a particular type of Transaction, which typically will be for an exception procedure. Merchant may not require or request a Cardholder signature.
- Merchant may not complete a transaction without entry of the PIN by the Cardholder. The PIN must be entered into the PIN pad only by the Cardholder. Merchant cannot accept the PIN from the Cardholder verbally or in written form. The PIN pad must be situated in such a way that the Cardholder may enter a PIN without revealing the PIN to Merchant's employees or others. If Bank allows Merchant to conduct preauthorized Debit Card Transactions, Merchant does not have to obtain a PIN for each preauthorized Transaction after the initial request (or to complete a preauthorized Transaction) unless the Transaction would exceed the preauthorized amount. Merchant will instruct its employees not to ask Cardholders to disclose their PIN. Merchant is prohibited from disclosing or maintaining any record of Cardholder PINS.

(b) Merchant must obtain Authorization for each Online Debit Card Transaction before Merchant completes the Transaction. There is no voice Authorization or imprinter procedure for Online Debit Card Transactions. Merchant may not complete a transaction that has not been Authorized. If Merchant cannot obtain an Authorization, Merchant should request another

form of payment from the customer. Merchant may not manually enter the Account Number. The Account Number must be read electronically from the Magnetic Stripe. If the Magnetic Strip is unreadable, Merchant should request another form of payment from the customer.

(c) Merchant must issue a Transaction Receipt to the Cardholder upon the successful completion of a Transaction. The Transaction Receipt shall contain the following information: (i) amount of the Transaction; (ii) the Transaction date; (iii) the type of Transaction; (iv) the type of account; (v) only the last four digits of the Account Number must be printed on the Transaction Receipt; (vi) the location of the Terminal at which the Transaction was initiated; (vii) Merchant's name; and (viii) a trace number.

(d) Preauthorization requests may be initiated at or in proximity to the point of sale. All requests must be initiated through use of a PIN and a Magnetic Stripe reader and shall be for a specified dollar amount. Funds shall not be transferred until an Authorization is received for the actual dollar amount of the Transaction.

(e) At Merchant's option, Merchant may offer cash back to Cardholders ("Cashback"), provided Merchant transmits the Cardholder's requested Cashback amount request to the Card Issuer as part of the Authorization procedures and receives an Authorization for the Transaction. If Authorization is denied with a Decline Response that indicates the Cashback Transaction has been denied solely because the Cashback portion would cause the Cardholder to exceed a limit on cash withdrawals imposed by the Card Issuer, Merchant should inform the Cardholder that the Transaction was denied solely because of the cash withdrawal limit, but that a new Transaction in the amount of the purchase alone may be approved.

(f) Merchant may void a Transaction electronically, but only if the voiding Transaction is entered in accordance with the Operating Rules which typically require the voiding Transaction to occur before midnight of the calendar day on which the original Transaction was initiated, as well as Cardholder re-entry of the PIN used for the original Transaction, and Merchant's transmission of the trace number and exact dollar amount of the Transaction to be cancelled. Cancellations must be initiated at the same location as the original Transaction, but do not have to be at the same Terminal.

(g) A Credit Transaction request may be initiated only when the Debit Cardholder provides the written receipt from the original Debit Transaction. A Credit Transaction must be processed to the same Debit Card as the original Transaction within one year following the original transaction date. The Credit request must include the Transaction Date of the Debit Transaction and may not be for an amount that exceeds the original Transaction amount. The merchandise Credit Transaction must be initiated by the same Merchant identified on the Transaction Receipt, at which the original Debit Transaction was initiated, but need not be at the same terminal or Merchant location.

(h) Merchant will fully cooperate with the Debit Networks, their members and Bank in the resolution of Cardholder disputes. The Debit Networks and Bank may investigate Merchant's practices relating to Online Debit Card Transactions as permitted by the Operating Rules.

(i) Card Issuers may charge Online Debit Card Transactions back to Merchant through the Debit Networks and Bank when permitted by the Operating Rules and under the time limits imposed by the Operating Rules. Bank is not obligated to make Representments of Chargebacks, but at Bank's option, may assist Merchant in making Representments under the Operating Rules.

(18) EBT Transactions. Electronic Benefit Transfer (EBT) Transactions are similar to other electronic payment Transactions. EBT Transactions are PIN based, just like the Online Debit Card Transactions. An EBT Card is a magnetic striped Card that electronically delivers Federal and State funded Food Stamps and Cash Benefits to qualified EBT recipients. Bank must approve Merchant prior to issuing EBT benefits to qualified recipients.

(19) Displays and Advertising. If Merchant deals with the general public, Merchant must display advertising and promotional materials provided by Bank to inform the public which Cards will be honored by Merchant. Merchant must display the proprietary names and symbols associated with the Cards Merchant accept only in compliance with Operating Rules and while the Merchant Agreement is in effect, or until Bank or an applicable Card Association notifies Merchant to stop using them. Merchant will not indicate or suggest in any way that Bank or any Card Association endorses Merchant's products or services. Merchant may only display Visa and MasterCard approved decals, program marks and other advertising and promotional materials for the Card types Merchant selected on the Application. If Merchant has any questions concerning what materials Merchant may display, please contact Bank at the number provided in the application for Merchant Card Processing.

(20) Merchant Identification Number. Merchant is responsible for insuring its Merchant Identification Number ("MID") is kept confidential. When a change to a Merchant account is required, Merchant shall disclose its MID to the Bank representative as confirmation that the person requesting the change has authority. If the person requesting the change discloses the proper MID, Bank shall assume that person has the proper authority to make the change. Merchant shall be fully liable for any changes to its account after disclosure of the MID. Bank may request from Merchant additional information to further verify Merchant's identity.

2. DEFINITIONS

Acceptance: The process by which Merchant allows a Card or electronic debit or credit entry to be used by a Cardholder as a means of payment.

Acceptance Mark: A Visa-Owned Mark that denotes acceptance for Payment or Cash Disbursement.

Account Funding Transaction: An Electronic Commerce Transaction that meets the requirements specified in [Section 3\(u\)\(4\)](#) of this Operating Guide.

Account Number: An Issuer-assigned number that identifies a Cardholder's account.

Account Number Verification: An electronic process by which a Member or its authorizing processor determines if there is negative information on an Account Number in the Exception File.

Account-Number-Verifying Terminal: A Point-of-Transaction Terminal that: (a) may be required at specified High-Risk Locations, (b) reads the Account Number encoded on the Magnetic Stripe or Chip, (c) compares the last four digits of the encoded Account Number to the key-entered last four digits of the embossed or printed Account Number, and (d) transmits the full, unaltered contents of the Magnetic Stripe or Chip in the Authorization message.

ACH: The Automated Clearing House Network.

ACH Rules: Collectively, the National Automated Clearing House Association ("NACHA") Operating Rules and NACHA Operating Guidelines, as the same are amended from time to time.

Acquirer: A Member in the case of Visa/MasterCard Transactions or network acquirers in the case of Discover Transactions that acquire Transactions from Merchants, and directly or indirectly enters the resulting Transaction Receipt into Interchange.

Additional Commercial Card Data: Data contained in the Clearing Record for a Commercial Visa Product Transaction as specified in the Visa Operating Regulations.

Address: (i) For an individual, such individual's residential or business street address or, if the individual does not have a street address, a post office box number or a street address of the next of kin or another contact individual; and (ii) For a Person other than an individual, a principal place of business, local office, or other physical location.

Address Verification Service: A service provided through which a Merchant may verify a Cardholder's billing address, in whole or in part, prior to completing a Transaction. Primarily used in the Card Absent Environment or an Automated Fuel Dispenser Transaction.

Advance Payment Service: A Visa service that allows a Cardholder to use a Card for a partial or complete advance payment for recreational services or activities provided by an Advance Payment Service Merchant.

Advance Payment Service Merchant: A non-T&E Merchant participating in the Advance Payment Service, whose primary function is to provide recreational services related to tourism and travel, such as the purchase of provisions and transport equipment or hiring of staff prior to the scheduled services. These services include, but are not limited to: (a) fishing boat or scuba-diving charters, (b) hot-air balloon rides, and (c) whitewater rafting.

Advance Payment Service Transaction: A Transaction completed by an Advance Payment Service Merchant.

Affiliate: With respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, that Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

Affiliated-merchant: An entity that provides goods or services directly to a retail customer, is an affiliate of a Member or an Affinity Partner and honors any charge or credit card plan as a means of payment.

Affinity Card: A Visa Consumer Card bearing the Trade Name or Mark of an Affinity Partner, as specified in the Visa Operating Regulations.

Affinity Partner: A non-Member entity that is not eligible for membership in Visa U.S.A. and has a relationship with an Issuer for the issuance of Affinity Cards.

Aggregated Transactions: a Transaction completed by an Electronic Commerce Merchant, including an Internet Payment Service Provider, that combines multiple purchases into a single, larger Transaction before submitting it for payment processing. An Aggregated Transaction must be (i) from a single Merchant Outlet; (ii) made by the same Cardholder; and (iii) on the same Account Number.

Agent: An entity that acts as a VisaNet Processor, a Third Party, or both.

Airline: Either a passenger airline Merchant or its authorized agent that sells airline tickets on behalf of the airline.

Approval Response: An Authorization Response where the Transaction is approved.

Approved Currency: The currencies in which a Discover Transaction may be conducted.

ATM: An unattended Magnetic-Stripe or Chip-reading Terminal that has Electronic Capability, accepts PINs, and disburses currency or travelers cheques.

Authorization: A process where an Issuer or its agent validates a Transaction.

Authorization Approval Code: A code that an Issuer or its agent provides to indicate approval of a Transaction. The code is returned in the Authorization Response message and is usually recorded on the Transaction Receipt as proof of Authorization.

Authorization Request: A Merchant's request for an Authorization.

Authorization Response: An Issuer or its agent's reply to an Authorization Request or Account Number Verification. The Visa U.S.A. Inc. Operating Regulations refers to the following types of Authorization Response: (a) Approval Response, (b) Decline Response, (c) Pick-up Response, and (d) Referral Response.

Automated Dispensing Machine: A Cardholder-Activated Terminal that accepts payment for dispensed goods, has Electronic Capability, and accepts PINs.

Automated Fuel Dispenser: A Self-Service Terminal or Automated Dispensing Machine that dispenses fuel such as gasoline, diesel fuel, or propane.

Bands Design: A Visa-Owned Mark used only as a component of the Visa Flag Symbol, consisting of three horizontal bands in either: (a) blue, white, and gold or (b) black, white, and gray.

BASE I: A component of the V.I.P. System that provides Authorization-related services for Transactions that are subsequently cleared and settled through BASE II.

BASE II: A VisaNet system that provides Clearing and Settlement services to Members.

Bill Payment Transaction: A Transaction that results from an agreement between a Cardholder and a Merchant where the Cardholder is billed for goods or services within an ongoing service cycle that is known and agreed upon, in advance, by both the Merchant and the Cardholder. Transactions may occur monthly or on a periodic basis. Such Transactions include: (a) single payments by the Cardholder in either a Face-to-Face Environment or Card-Absent Environment; (b) Recurring Transactions; and (c) Installment Billing Transactions.

Billing Currency: The currency in which an Issuer bills a Cardholder for Transactions.

BIN: A six-digit number assigned by Visa and used to identify a Member or VisaNet Processor for Authorization, Clearing, or Settlement processing.

Biometric Card Transaction: A Discover Transaction where the Cardholder's identity is verified and the Discover Transaction is effected using the Cardholder's unique finger print or other unique physical or physiological characteristic, in addition to any other requirements applicable to the Discover Transaction.

Business Day: Monday through Friday excluding Merchant Bank holidays. Each Business Day ends at the cut-off time specified by Merchant Bank. Charges submitted for processing on a holiday, weekend, or after the cut-off time are treated as received the following Business Day.

Car Rental Company or Car Rental Merchant: A Merchant whose primary business is the rental of passenger vehicles at either a corporate or franchise location, or at locations of licensees bearing the name of the corporate entity.

Card: Any Visa-branded, MasterCard-branded credit or debit cards, Discover Card, private-label credit card, ATM/debit Card, or any other card issued by a Member which Merchant Bank may at any time specify in writing as an additional Card payment option available to a Merchant.

Card Association: Any entity formed to administer and promote Cards, including, without limitation, MasterCard International, Incorporated ("MasterCard"), Visa U.S.A. Inc. and Visa International (collectively, "Visa"), and DFS Services, LLC ("Discover"). In the case of On-line Debit Transactions, "Card Association" includes the Debit Networks.

Card-Absent Environment: An environment where a Transaction is completed under both of the following conditions: (a) the Cardholder is not present, and (b) the Card is not present. Transactions in this environment include Bill Payment Transactions, Deferred Payment Transactions, Electronic Commerce Transactions, Mail/Phone Order Transactions, Recurring Transactions, Telephone Service Transactions, Installment Billing Transactions, and Dynamic Currency Conversion Transactions in the T&E Express Service environment.

Card Identification Data or "CID": The three-digit value that follows the complete or truncated Discover Account Number in the signature panel or in a separate box directly to the right of the signature panel on the back of a Discover Card.

Card-Present Environment: An environment that comprises the conditions of either the Face-To-Face or Cardholder-Activated Terminal environment.

Card Program: One or more programs of financial service Cards honored by Merchants and financial institutions for presentment and collection of Cardholder indebtedness.

Card Verification Value: A unique check value encoded on the Magnetic Stripe and replicated in the Chip of a Card or the Magnetic Stripe of a Visa TravelMoney Card to validate Card information during the Authorization process. The Card Verification Value is calculated from the data encoded on the Magnetic Stripe or Chip using a secure cryptographic process.

Card Verification Value 2: A unique check value generated using a secure cryptographic process that is indent-printed on the back of a Visa Card, or provided to a Virtual Account-Holder.

Cardholder: An individual to whom a Card is issued, or who is authorized to use this Card.

Cardholder Access Device: A terminal, personal computer, or other device that a Cardholder uses to initiate an Electronic Commerce Transaction.

Cardholder-Activated Terminal (CAT): A Magnetic-Stripe Terminal or Chip-Reading Device (such as an Automated Dispensing Machine, Limited-Amount Terminal, or Self-Service Terminal) that is not an ATM.

Cardholder Certificate: An electronic document that authenticates a Cardholder in a Secure Electronic Commerce Transaction that meets the Secure Electronic Transaction Specification.

Cardholder Information Security Program (CISP): A program developed by Visa U.S.A. that defines the standard of due care and enforcement for protecting sensitive Cardholder information. Information regarding the Cardholder Information Security Program may be obtained from Merchant Bank or at: http://usa.visa.com/business/accepting_visa/ops_risk_management/cisp.html

Cardholder Verification: The process of validating a Cardholder's identity through verification of the Cardholder's signature or PIN, or other methods as required in the Visa Operating Regulations.

Cash Advance: The disbursement of currency, including foreign currency, to a Cardholder by a Cash Advance Merchant in connection with the presentation of a Discover Card at a branch location, excluding an ATM, in accordance with the terms of [Section 5\(q\)](#), but not including convenience checks, balance transfers, cash back points, quasi-cash or Cash Over.

Cash Advance Merchant: A Merchant that is a financial institution that has been authorized by Processor to dispense Cash Advances.

Cash Disbursement: Currency, including traveler's cheques, paid out to a Cardholder using a Card.

Cash Over: The dispensing of cash by a Merchant in connection with a Discover Transaction for the purchase of goods or services.

Central Reservation Service: An entity that acts as a reservations resource for various geographically contiguous lodging establishments.

Chargeback: A Transaction that an Issuer returns to an Acquirer.

Cheque: A traveler's cheque that a Member issues, and that bears the Visa-Owned Marks.

Chip: An electronic component designed to perform processing or memory functions.

Chip Card: A Card embedded with a Chip that communicates information to a Point-of-Transaction Terminal.

Chip-Reading Device: A Point-of-Transaction Terminal capable of reading, communicating, and processing Transaction data from a Chip Card. Such terminal may additionally include Contactless Payment capability.

Clearing: All of the functions necessary to collect a Clearing Record from an Acquirer in the Transaction Currency and deliver it to the Issuer, or to reverse this transaction, or to process a Fee Collection.

Clearing Record: A record of a Presentment, Chargeback, Representment, or Reversal in the format necessary to clear the Transaction.

Client Organization: A company or organization that sponsors a Commercial Visa Product program, such as Visa Business, Visa Corporate, Visa Purchasing (including Visa Fleet), and any other Commercial Card program combining the functionality of these Cards, wherein Cards are provided to users for business-related purchases. Such companies or organizations may include public or private-sector companies, including sole proprietors and self-employed individuals.

Commercial Visa Prepaid Product: A Commercial Visa Product, issued as a Visa Prepaid Card, which is designed to access funds in a Prepaid Account that is owned by a Client Organization, used solely to provide a means to pay for the acquisition of business-related goods and services.

Commercial Visa Product: A Visa Card that bears the Marks Area and the descriptive term "Business Card," "Corporate Card," "Purchasing Card," "Fleet Card," "Visa Commercial," or "Visa Signature Business" on the front of the Card.

Confidential Consumer Cardholder Information: An Account Number, Transaction Information, or other personally identifiable information relating to a Consumer Cardholder.

Consortium Merchant Negative File: The database, maintained by Discover, to which will be added the name of any Merchant whose Discover Card Acceptance or Merchant Agreement an acquirer or Discover terminates for one of the reasons specified in [Section 5\(r\)\(3\)\(b\)](#).

Consumer Cardholder: A Cardholder, other than the Cardholder of a Commercial Visa Product.

Contactless Card Transaction: A Discover Transaction in which the Discover Card (including an RFID-enabled Discover Card, a key fob, or Mobile Commerce Device) wirelessly transmits and the Merchant wirelessly captures Track Data (including DCVV Data) required for Authorization of the Discover Transaction and for creation of the related Sales Data.

Contactless Payment: A form of Visa payment conducted in the Card-Present Environment at the Point-of-Transaction through a Visa-approved wireless interface such as radio frequency or infrared technology.

Contactless Payment Terminal: A Point-of-Transaction Terminal that reads Magnetic-Stripe Data on a Contactless Payment chip through a Visa-approved wireless interface, and that includes Magnetic-Stripe reading capability.

Contactless Payment Transaction: A Transaction completed at a Point-of-Transaction Terminal through a Visa-approved wireless interface in the Card-Present Environment.

Convenience Fee: A fee charged by a Merchant for an added convenience to the Cardholder, as specified in [Section 3\(f\)](#) of this Operating Guide.

Copy Request: A request for a Transaction Receipt that is processed through the VisaNet Copy Request and Fulfillment Service.

Correction: An adjustment to Merchant's Settlement Account in order to correct an error in Settlement that resulted from an error contained in Transaction Receipts or with respect to Chargebacks, Representments, reimbursements, assessments or fees.

CPS/Small Ticket: A payment service for Visa Consumer Card Transactions that meet the applicable requirements as specified in [Section 3\(u\)\(6\)](#) of this Operating Guide.

Credit Slip: A Discover term relating to a Transaction Slip used by a Merchant when issuing a Credit Transaction to a Cardholder.

Credit Transaction: A Merchant's refund or price adjustment credited to a Cardholder account.

Credit Transaction Receipt: A Transaction Receipt evidencing a Merchant's refund or price adjustment to be credited to a Cardholder account.

Cruise Line Merchant: A Merchant whose primary business is the selling of recreational travel on water, including overnight accommodations, intended to provide leisure or vacation activities for individuals or groups.

Custom Payment Services (CPS): The component services provided by Visa designed to meet the special Card acceptance and operating procedures of different types of Merchants.

CVV Data: The Card Verification Value data encoded in the Track Data (including on the Magnetic Stripe) of each Discover Card. Including CVV Data in an Authorization Request indicates that the Discover Card was present at the time of the Discover Transaction.

Data Capture-Only Capability: Point-of-Transaction Capability where the Transaction Receipt data is electronically captured for Deposit purposes, but does not have capability to go Online.

Data Storage Entity (DSE). An entity other than a Member, Merchant, Independent Sales Organization (ISO), or Third Party Processor (TPP) that stores, transmits, and/or processes MasterCard account data for or on behalf of a Merchant or Member Service Provider.

Debit Card: Visa-branded or MasterCard-branded consumer Cards issued by U.S. Card Issuers or Discover Cards that when presented for payment, access, debit, hold or settle funds from a consumer's demand deposit, investment or other asset account.

Debit MasterCard Card: Any MasterCard-branded consumer device, program, or card issued by a Member, that when presented for payment in the United States, accesses, debits, holds, or settles funds from a consumer's demand deposit or asset account. "Debit" or "Debit MasterCard Card" shall include consumer signature debit programs, stored value programs, prepaid cards, payroll cards, electronic benefit transfer cards, and deferred debit cards that access, debit, hold, or settle funds from the user's demand deposit or asset account less than fourteen days after the date of purchase. "Debit" shall not include any point-of-sale device that accesses, debits, hold, or settles funds from the user's demand deposit or asset account fourteen or more days after the date of the purchase.

Debit Network: An online data processing system used to support PIN-based Card Transactions.

Decline Response: An Authorization Response indicating that the Transaction is declined and the Card is not to be honored.

Deferred Clearing Transaction: A Transaction that is: (a) authorized through a V.I.P. System message and subsequently cleared and settled in a separate message through either BASE II or the Single Message System, or (b) cleared and settled through either BASE II or the Single Message System without Authorization.

Deferred Payment Transaction: A Transaction completed in a Card-Absent Environment for which the Cardholder is billed once no more than 90 days after the first shipment of merchandise.

Delayed Delivery Transaction: A single Transaction where a Cardholder completes two separate Transaction Receipts. The first Transaction Receipt functions as a deposit (such as down payment) for goods or services; the second is to pay the balance due the Merchant.

Deposit: The submission of a Transaction Receipt by a Merchant-to-Merchant Bank, resulting in a credit or debit to the Merchant's Settlement Account.

Deposit Date: The date on which Merchant Bank receives a Transaction Receipt from a Merchant.

Digital Certificate: A digitally signed credential used to authenticate the owner of the credential or to ensure the integrity and confidentiality of the message it is signing.

Direct-Connect Merchant: A Merchant that directly enters Authorization Requests into the V.I.P. System.

Discover Acceptance Mark: The Program Mark(s) designated by Discover, as the same may be revised by Discover from time to time, that Merchants display in order to demonstrate Discover Card Acceptance and that Acquirer displays to demonstrate Acquirer's status as an Acquirer.

Discover Card: (i) A valid payment card bearing a Discover Acceptance Mark, Other Acceptance Mark, or such other mark as Discover may designate from time to time, or (ii) an access device approved by Discover to access a Discover Card Account, and/or (iii) the corresponding Discover Card Account for a Card-Absent Environment transaction.

Discover Card Acceptance: The acceptance by a Merchant of Discover Cards as the method of payment for goods or services, or in connection with Cash Advances.

Discover Card Account: The records maintained by Discover of Discover Transactions, payments and available balance or credit line for a given Discover Card.

Discover Program Marks: The brands, emblems, trademarks, and/or logos that identify Discover Cards, including without limitation the Discover Acceptance Mark.

Dispute: A Discover term relating to a Retrieval Request, request for a Chargeback, Chargeback, request for Representation of a Discover Transaction, or Representation of a Discover Transaction, as the context may require, by Processor or Discover, including

supporting information and documentation provided by Processor in connection with any of the foregoing, and Processor's process of resolving or effecting any of the foregoing.

Domestic Transaction: A Transaction where the Issuer of the Card is located in the Transaction Country.

Domestic Transaction Receipt: A Transaction Receipt evidencing a Domestic Transaction.

Dynamic Card Verification Value Data (DCVV): An encrypted calculated value in the Track Data generated by a Contactless Payment Device that is transmitted as part of an Authorization Request for a Discover Transaction conducted with a Contactless Payment Device.

Dynamic Currency Conversion: A conversion of the currency in which goods or services are normally priced into a different currency, as agreed upon by the Cardholder and Merchant.

Electronic Capability: Point-of-Transaction Capability where all of the following are true: (a) Transaction Authorization is required (or the terminal is capable of reading and acting upon the Service Code in the Magnetic Stripe or information provided in the Chip), (b) the Authorization Response is obtained Online, or as instructed by the Issuer, and (c) the Authorization Response and Transaction Receipt data are captured electronically.

Electronic Commerce Merchant: A Merchant that conducts the sale of goods or services electronically over the Internet and other networks.

Electronic Commerce Transaction: A Transaction conducted over the Internet or other network using a Cardholder Access Device.

Electronic Imprint: Reading and printing or capturing Card Magnetic Stripe information at a Magnetic-Stripe Terminal or Chip information at a Chip-Reading Device.

Electronic Mail Address: The electronic mailbox location of a Merchant that conducts the sale of goods or services over the Internet or other network.

Electronic Transaction Receipt: A Transaction Receipt where the terminal generates the required data that is printed on the Transaction Receipt.

Emergency Cheque Refund: An emergency Cash Disbursement or Cheque replacement that an emergency refund location provides to a Visa Cheque purchaser at the direction of the Visa Global Refund Service.

Enhanced Merchant-Level Data: Merchant-related data provided through Visa U.S.A. or Visa International to an Issuer in connection with a Commercial Visa Product program.

Enhanced Transaction-Level Data: Transaction-related data provided through Visa U.S.A. or Visa International to an Issuer in connection with a Commercial Visa Product.

Exception File: A VisaNet file of Account Numbers, for which the Issuer has predetermined an Authorization Response, that a Member accesses Online.

Expired Card: A Card on which the embossed, encoded, or printed expiration date has passed.

Face-To-Face Environment: An environment where a Transaction is completed under all of the following conditions: (a) the Card is present, (b) the Cardholder is present, and (c) an individual representing the Merchant completes the Transaction. Transactions in this environment include Retail Transactions, Manual Cash Disbursements and Bill Payment Transactions. Transactions in this environment exclude Electronic Commerce Transactions, Installment Billing Transactions, Mail/Phone Order Transactions, Recurring Transactions and Cardholder-Activated Terminal Transactions.

Factoring: A Merchant submitting Authorization Requests or Transaction Receipts on behalf of one or more other businesses that actually conducted the Transaction.

Fee Collection: A VisaNet transaction used by a Member or Visa to collect financial obligations of a Member.

Floor Limit: An amount designated in a Merchant Agreement as the amount below which the Merchant is not required to obtain Authorization for Transactions.

Foreign Currency: A currency other than local currency.

Fulfillment: A document image that the Acquirer supplies in response to a Copy Request or Retrieval Request, using the VisaNet Copy Request and Fulfillment Service.

Health Care Merchant: A Merchant, other than a pharmacy, whose primary business is providing health care services, and identified by certain Merchant Category Codes.

Health Care Eligibility Service: A VisaNet service through which a Health Care Merchant may verify an individual's health care coverage and co-payment amount, if applicable.

High-Risk Location: A Member or Merchant Outlet with abnormally high levels of risk-related activity, as specified in the Visa Operating Regulations.

Identity: With respect to any Person, such Person's (i) full name (including any operating and legal name), (ii) date of birth (if the Person is an individual), (iii) current and permanent Address, and (iv) a social security number (or taxpayer identification number if the Person is not an individual) or, for a non-U.S. Person, one or more of the following: a taxpayer identification number, a passport

number and country of issuance, alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Imprint: Cardholder data transferred from a Card to a Transaction Receipt to complete a Transaction. There are two kinds of imprints: (a) Electronic Imprint, and (b) Manual Imprint.

Inbound Teleservices: Audio-text services that a Cardholder accesses via fax or telephone, for the purchase of services or information including, but not limited to, pay-per-call services such as psychic readings, sports scores or stock market quotes.

Installment Billing Transaction: A single purchase of goods that is divided into two or more installment payment Transactions, originates at a Mail/Phone Order or Electronic Commerce Merchant and is authorized and processed as specified in [Section 3\(u\)\(1\)](#) of this Operating Guide.

Interchange: The exchange of Clearing Records between Members with respect to Visa/MasterCard Transactions or between a Member and Discover with respect to Discover Transactions.

International Transaction: A Transaction where the Issuer of the Card is not located in the Transaction Country.

International Transaction Receipt: A Transaction Receipt evidencing an International Transaction.

Internet Domain Name: A network name associated with an organization.

Internet Payment Service Provider: An online entity that contracts with an Acquirer to provide payment services to Sponsored Merchants.

Issuer: The Member or the Card Association (or an agent of the Card Association) that enters into the contractual relationship with the Cardholder for the issuance of one or more Cards. Visa and MasterCard only issue Cards through Members. Discover may issue Cards directly or through a financial institution.

Limited Acceptance: A term describing a Merchant's option to accept one category of Visa Cards and not another. Categories consist of: (a) Visa Credit and Business Category, and (b) Visa Debit Category.

Limited Acceptance Merchant: A category of Merchant that accepts either, but not both, of the following: (a) Visa Credit and Business Category Cards, or (b) Visa Debit Category Cards.

Limited-Amount Terminal: A Cardholder-Activated Terminal that has Data Capture-Only Capability, and accepts payment for items such as: (a) parking garage fees, (b) road tolls, (c) motion picture theater entrance, or (d) Magnetic-Stripe Telephones.

Limited-Amount Terminal Transaction: A Transaction that originated at a Limited-Amount Terminal through use of a Card encoded with a valid Service Code for the Transaction.

Location Code: A unique code identifying either a Point-of-Transaction Terminal or Merchant Outlet where a Transaction originates.

Lodging Merchant: A Merchant that sells overnight accommodations, intended for a limited period of time, at a fixed location.

Magnetic Stripe: The magnetic stripe on a Card that contains the necessary information to complete a Transaction.

Magnetic-Stripe Data: Data contained in the Magnetic Stripe and replicated in the Chip.

Magnetic-Stripe Telephone: A Limited-Amount Terminal that accepts a Visa Card as payment for a telephone call.

Magnetic-Stripe Terminal: A Point-of-Transaction Terminal that reads the Magnetic Stripe on a Card and that, additionally, may read Contactless Payment Card data via a wireless interface.

Mail/Phone Order Merchant: A Merchant that completes a Mail/Phone Order Transaction.

Mail/Phone Order Transaction: A Transaction where a Cardholder orders goods or services from a Merchant by telephone, mail, or other means of telecommunication, and neither the Card nor the Cardholder, or the Virtual Account-Holder, is present at the Merchant Outlet.

Mail/Telephone Order, Recurring, Installment Billing, or Electronic Commerce Transaction Indicator: A VisaNet code that identifies a Transaction as one of the following: (a) Mail order Transaction, (b) Electronic Commerce Transaction, (c) Phone order Transaction, (d) Recurring Transaction, (e) Installment Billing Transaction, or (f) Other Mail/Phone Order-type Transaction.

Manual Capability: A Point-of-Transaction Capability where a voice Authorization is obtained.

Manual Cash Disbursement: A Cash Disbursement or Emergency Cheque Refund obtained with a Visa Card in a Face-To-Face Environment.

Manual Imprint: An imprint of the embossed data on the front of the Card taken with a Manual Imprinter. A Manual Imprint must not consist of an impression taken from the Card using pencil, crayon, or other writing instrument.

Manual Imprinter: A mechanical device specifically designed to transfer the embossing on a Card and Merchant plate to a Sales Draft.

Mark: A word, name, design, symbol, or other device, or any combination thereof, that an entity adopts to identify its goods or services.

Marks Area: For Cards bearing the Visa Flag Symbol, the designated area on the front of a Visa Card, comprised of the Visa Flag Symbol positioned below the Dove Design hologram. For Cards issued bearing the Visa Brand Mark, the designated area on the lower front of a Visa Card, comprised of the Visa Brand Mark.

MasterCard Merchant Rules Manual: The MasterCard Merchant Rules Manual, as amended from time to time, which is available at the MasterCard web site at the following URL:

http://www.mastercard.com/us/wce/PDF/MasterCard_Rules_5_08.pdf

MasterCard Standards: The bylaws, rules and policies, and the operating regulations and procedures of MasterCard, as may be amended from time to time.

Member: An entity that is a member of Visa U.S.A. or MasterCard.

Merchant: An entity that contracts with an Acquirer to originate Transactions.

Merchant Bank: The Member specified in the Merchant Application.

Merchant Category Code: A code designating the principal trade, profession, or line of business of in which a Merchant is engaged.

Merchant Certificate: An electronic document used to authenticate a Merchant in an Electronic Commerce Transaction.

Merchant Direct Access Service: A service provided by Visa or its agent that allows a Merchant to directly access the Address Verification Service system via a toll-free number and a voice response unit or via a call to a subscribing Issuer.

Merchant Identification Number (MID): The identification number assigned to Merchant by Bank for the purposes of participation in Bank's Card program. Merchant may be assigned multiple MIDs.

Merchant Inquiry Service: An optional service that provides an automated voice response to Merchant inquiries about Issuer information and address verification services.

Merchant Outlet: The Merchant location at which a face-to-face Transaction, Mail/Phone Order Transaction, or Electronic Commerce Transaction is completed. For an Aggregated Transaction, the aggregated purchases must be from a single merchant brand of the direct seller to the Cardholder.

Merchant Servicer: A third-party agent that: (a) is engaged by a Merchant, (b) is not a Member of Visa U.S.A., (c) is not directly connected to VisaNet, (d) is party to the Authorization and/or Clearing message, and (e) has access to Cardholder data, or processes, stores, or transmits Transaction data.

Mobile Commerce Device: A device used to conduct Discover Transactions whereby Track Data is transmitted wirelessly by the Cardholder to the Merchant to effect Authorization and billing of the Discover Transaction to the Discover Card Account designated by the Cardholder.

Non-Secure Transaction: An Electronic Commerce Transaction that has no data protection.

Non-Service Terminal: A Point-of-Transaction Terminal other than a CAT, that is not attended by a representative of the Merchant, at which the Merchant is required to obtain a Cardholder signature for each Transaction.

No-Show Transaction: A Transaction resulting from a Cardholder's alleged failure to cancel or use the reservation completed by a Lodging Merchant participating in the Visa Reservation Service or Car Rental Company participating in the Visa Reservation Service.

Online: A method of requesting an Authorization through a communications network other than voice, to an Issuer or its agent.

Online Debit Card Transaction: A Card Transaction between the Merchant and the Cardholder that is initiated with a Card that is processed through a Debit Network, and that requires entry of a Cardholder's PIN during the Transaction process.

Online Address: The electronic sales location (domain name) of a Merchant that conducts the sale of goods or services over the Internet or other network.

Operating Guide: The then-current manual prepared by Bank, containing operational procedures, instructions and other directives relating to Card Transactions. A copy of the Operating Guide may be accessed at Processor's web site at:

<http://transfirst.com/regulations.html>

Operating Rules: are relevant portions of Visa Operating Regulations, the MasterCard Rules, and the operating rules, regulations, operating manuals, official rules, bulletins, notices, and similar documents issued by Card Associations, Debit Networks, Merchant Bank or Processor.

Order Form: A document bearing the Cardholder's signature, either written or electronic, authorizing goods or services to be charged to his/her account. An Order Form may be any of the following: (a) a mail order form, (b) a Recurring Transaction form, (c) a Preauthorized Healthcare Transaction form, or (d) E-mail or other electronic record that meets the requirements of applicable law.

Other Acceptance Mark: An acceptance mark other than the Discover Acceptance Mark that appears on a Discover Card, including without limitation, the China UnionPay Mark, as approved by Discover from time to time.

Other MasterCard Card: Any MasterCard-branded device, program, or card that is not defined as "debit" or "Debit MasterCard Card."

Outbound Telemarketing: Merchant-initiated contact with a Cardholder via a telephone call or a mailing (other than a catalog) that instructs the Cardholder to call the Merchant. These solicitations include, but are not limited to, discount buying clubs, discount travel clubs, membership clubs, credit card protection/registration services, cosmetics, health care products, and vitamins. This definition also includes "up sell" Merchants.

Partial Authorization Approval: An Authorization Response approving a Transaction in an amount other than the full amount of the Authorization Request.

Peak Time: The period of time, designated by a Car Rental Company, during which a Cardholder may use his/her Card to reserve a car that will be guaranteed under the Visa Reservation Service. The Peak Time may include any of the following: (a) legal holidays, including 3-day weekends, (b) resort rentals during seasons best suited for the resort's activities, and (c) special events that draw attendees from outside the local area.

Permanent Establishment: A fixed place of business through which an Electronic Commerce or Mail/Phone Order Merchant conducts its business, regardless of its Web site or server locations.

Person: Any individual or entity, including any natural person, corporation, partnership, joint venture, association, limited liability company, joint stock company, business trust, unincorporated organization, governmental entity or any other entity of any nature, kind and description whatsoever.

Pickup Response: An Authorization Response where the Transaction is declined and confiscation of the Card is requested.

PIN: A personal identification alpha or numeric code that identifies a Cardholder in an Authorization Request originating at a terminal with Electronic Capability.

POI: Point of Interaction. This MasterCard term relates to Point-of-Transaction.

Point-of-Transaction: One of the following: (a) in a Face-to-Face Environment, the physical location at which a Merchant completes a Transaction Receipt, (b) in a Card-Present Environment, where an individual representing the Merchant is not present, the physical location at which a Cardholder completes a Cardholder-Activated Terminal Transaction, or (c) at an Online Address, the checkout page(s) of a Merchant's Web Site at which a Cardholder completes a Transaction.

Point-of-Transaction Capability: The capability of a Merchant, Acquirer, or Cardholder-Activated Terminal to obtain an Authorization and process Transaction Receipt data. The Visa Operating Regulations refers to these Point-of-Transaction Capability types: (a) Authorization-Only Capability, (b) Data Capture-Only Capability, (c) Electronic Capability, (d) Manual Capability, and (e) Semi-Electronic Capability.

Point-of-Transaction Terminal: A device used at the Point-of-Transaction that has a corresponding Point-of-Transaction Capability. The Visa U.S.A. Inc. Operating Regulations refer to the following types of Point-of-Transaction Terminals: (a) Account-Number-Verifying Terminal, (b) ATM, (c) Automated Dispensing Machine, (d) Chip-Reading Device, (e) Contactless Payment Terminal, (f) Limited-Amount Terminal, (g) Magnetic-Stripe Telephone, (h) Magnetic-Stripe Terminal, and (i) Self-Service Terminal.

Preauthorized Health Care Transaction: A Transaction completed by a Health Care Merchant for which a Cardholder has provided written permission to the Merchant to charge the Cardholder's Visa account for services.

Preauthorized Payment Cancellation Service: A service that enables Visa Card Issuers to stop payment on Preauthorized Transactions.

Preauthorized Transaction: A Transaction for which a Cardholder has given advance permission to periodically charge his or her account. Preauthorized Transactions include, but are not limited to, Recurring Transactions, Installment Billing Transactions, and Preauthorized Health Care Transactions.

Prepaid Account: An account established by an Issuer with previously deposited funds, which will be decremented by a purchase Transaction, Cash Disbursement, or any applicable account fees.

Presentment: A Clearing Record that an Acquirer presents to an Issuer through Interchange, either initially (a first Presentment) or after a Chargeback (a Representation).

Priority Check-out Agreement: A written agreement that, when bearing a Cardholder's signature, authorizes a Lodging or Cruise Line Merchant participating in the Priority Check-out Service to deposit a Transaction Receipt without the Cardholder's signature for the total amount of his/her obligation.

Priority Check-out Service: A Visa service provided by Lodging and Cruise Line Merchants, that allows a Cardholder to authorize use of his/her Card for payment of the total obligation to the Lodging or Cruise Line Merchant, with or without prior knowledge of the total amount, by signing a completed Priority Check-out Agreement.

Priority Check-out Transaction: A Transaction that a Lodging or Cruise Line Merchant participating in the Priority Check-out Service completes.

Processing Fees: The fees payable by Merchant to Bank for the Card Program services Bank provides to Merchant in connection with the Merchant Agreement, as the same may be revised from time to time.

Processor: The TransFirst entity specified in the Merchant Application.

Prohibited Merchant Category: The list of activities and Merchants determined by Discover from time to time that disqualify an entity from eligibility to be a Merchant.

Quasi-Cash Transactions: A Transaction representing a Merchant's or Member's sale of items that are directly convertible to cash, such as:

- Gaming chips
- Money orders

- Deposits
- Wire Transfers
- Travelers cheques
- Visa TravelMoney Cards
- Foreign Currency

Radio Frequency Identification or “RFID”: A method of storing Cardholder and Discover Card information on a Discover Card or remotely and wirelessly capturing the Cardholder and Discover Card information (including Track Data) in connection with a Discover Transaction.

Recurring Payment Plan: A Discover term relating to an obligation, either of a fixed or variable amount, that is paid by a Cardholder with a series of charges to a Discover Card Account over a period time pursuant to an agreement between the Cardholder and the Merchant.

Recurring Services Merchant: A Merchant that provides services of an ongoing nature to a Visa Cardholder and completes Recurring Transactions to bill the Cardholder for these services.

Recurring Transaction: A Transaction for which a Cardholder provides permission, in either written or electronic format, to a Merchant to periodically charge his/her Account Number for recurring goods or services. These may include payment of recurring charges such as insurance premiums, subscriptions, Internet service provider monthly fees, membership fees, tuition, or utility charges.

Referral Response: An Authorization Response where the Merchant is instructed to perform an act (e.g., “pick up card”) or contact the Issuer for further instructions before completing the Transaction .

Regulation E: The regulations, together with all staff interpretations issued thereunder, published by the Federal Reserve Board to implement The Electronic Funds Transfer Act. “Regulation E” includes specific rules for all parties involved governing the issuance and use of Debit Cards and the processing of On-line Debit Card Transactions.

Representment: A Clearing Record that an Acquirer presents to an Issuer through Interchange after a Chargeback.

Requirements of Law: With respect to any Person, any law, ordinance, statute, treaty, rule, judgment, decree, regulation, official directive, consent, approval, authorization, order or other determination or finding of any governmental authority applicable to or binding upon such Person or to which such Person is subject, whether federal, state, county, local, foreign or otherwise, including state usury laws, the Truth-In-Lending Act, the Fair Debt Collection Practices Act, the Federal Equal Credit Opportunity Act, the Fair Credit Reporting Act as amended by the Fair and Accurate Credit Transactions Act, the National Bank Act, the Bank Secrecy Act as amended by the USA PATRIOT Act together with implementing federal regulations, the Trading With the Enemy Act, the International Emergency Economic Powers Act and the United Nations Participation Act and related Executive Orders and implementing U.S. Department of the Treasury regulations, the Electronic Funds Transfer Act, the Telephone Consumer Protection Act, the Gramm-Leach-Bliley Act, the Foreign Corrupt Practices Act, the Federal Trade Commission Act, the Sarbanes- Oxley Act and implementing federal regulations, and Regulations B, E, P and Z of the Board of Governors of the Federal Reserve System.

Retail Merchant: A Merchant that is not a Mail/Phone Order Merchant, a Recurring Services Merchant or a T&E Merchant.

Retail Transaction: A Transaction at a Retail Merchant Outlet.

Retrieval Request: An Issuer’s request for a Transaction Receipt, which could include a paper copy or facsimile, or an electronic version thereof.

Reversal: A transaction used to negate or cancel Settlement of Transaction Receipts that should not have been processed for Settlement.

Sales Data: A Discover term relating to the evidence of Discover Transactions (including Cash Advances and Credit Transactions) in electronic format that is captured, prepared and transmitted for Settlement.

Sales Draft: A paper record evidencing the purchase of goods or services from a Merchant by a Cardholder using a Visa Card or Visa Electron Card.

Sales Slip: A Discover term relating to a form used by a Merchant to capture Discover Transaction information in transactions where a Point-of-Transaction Terminal is not used, one copy of which is provided to the Cardholder and one copy of which is submitted to Processor for Settlement of the Discover Transaction with the Merchant.

Sanctioned Person: A Person whose property is “blocked” and cannot be dealt in, or who or which is otherwise identified as the subject of U.S. economic sanctions administered by OFAC, for example, by being listed on OFAC’s SDN List, or by being organized in or operating in or on behalf of a country, territory or government that is the subject of sanctions administered by OFAC. Such countries include (as of 9/2006) Burma (Myanmar), Cuba, Iran, Sudan and, for some purposes, Syria.

Scrip: A two-part paper receipt dispensed by a Scrip Terminal that is redeemable at a Merchant Outlet for goods, services, or cash.

Scrip Terminal: A Cardholder-Activated Terminal that prints Scrip.

Secure Electronic Commerce Transaction: An Electronic Commerce Transaction that has been authenticated using an Authentication Method.

SDN List: OFAC's frequently-updated list of Specially Designated Nationals and Blocked Persons maintained on the OFAC website at: www.treas.gov/offices/enforcement/ofac/index.html.

Secure Electronic Transaction™ Specification: A software protocol that enables end-to-end, secure processing of Transactions over the Internet and other networks.

Secure Sockets Layer (SSL): A protocol that uses public key encryption for the secure processing of Transactions over the Internet and other networks.

Security Requirements: A Discover term relating to (i) The Payment Card Industry Data Security Standard located at www.discovernetwork.com and/or www.pcidatasecuritystandards.org (as the same may be amended and supplemented from time to time), and all related compliance requirements and (ii) any additional security requirements and all related compliance requirements promulgated by Discover from time to time.

Self-Service Terminal: A Cardholder-Activated Terminal that accepts payment for goods or services such as Visa Prepaid Cards or video rental, has Electronic Capability, and does not accept PINs.

Self-Service Terminal Transaction: A Transaction that originates at a Self-Service Terminal.

Semi-Electronic Capability: Point-of-Transaction Capability where both of the following are true: (a) an Authorization Response, when required, is obtained Online, and (b) a Transaction Receipt data is captured electronically.

Service Code: A sequence of digits encoded in the Magnetic Stripe and replicated in a Chip that identifies the circumstances under which the Card is valid (e.g., International Transactions, Domestic Transactions, restricted Card use) and defines requirements for processing a Transaction with the Card (e.g., Chip-enabled, Cardholder Verification, Online Authorization).

Settlement: The reporting and transfer of Settlement Amounts owed by one Member to another, or to a Card Association, as a result of Clearing.

Settlement Account: Checking account or other acceptable deposit account Merchant maintains at a depository institution acceptable to Bank for credit of Transactions and debit of Credit Transaction Receipts, Chargebacks, Processing Fees and reimbursement of any fines or fees assessed by Card Associations or other governmental agency or entity having authority.

Settlement Amount: The daily net amount resulting from Clearing.

Single Message System: A component of the V.I.P. System that processes Online Financial and Deferred Clearing Transactions.

Site Data Protection Program (SDP): A program developed by MasterCard Intl. that defines the standard of due care and enforcement for protecting sensitive Cardholder information. Information regarding the SDP Program may be obtained from Merchant Bank or at: www.mastercard.com/sdp.

Specialized Vehicle: A unique class of rental vehicle not in a Car Rental Company's main rental fleet (for example, mini-vans, four-wheel drive vehicles, selected sports models, or luxury and vintage vehicles), that does not constitute more than 5 percent of the Merchant's total US-based rental fleet.

Sponsored Merchant: An Electronic Commerce Merchant that contracts with an Internet Payment Service Provider to obtain payment services.

Status Check: An Authorization Request for \$1.

Status Check Procedure: A procedure where: (a) a Lodging or Automated Fuel Dispenser Merchant requests an Authorization for \$1, as specified in [Section 3\(u\)\(14\)](#) of this Operating Guide, or (b) a Merchant requests an Authorization for \$1, for the purpose of account verification only, for a Deferred Payment Transaction, as specified in [Section 3\(u\)\(13\)](#) of this Operating Guide.

Store and Forward Transaction: An Online Check Card Transaction that has been electronically stored by a Point-of-Transaction Terminal when the Merchant's or Acquirer's link to the Single Message System is inoperative. Stored Transactions must be forwarded as soon as the Single Message System connection is reestablished.

Supplementary Data Record: A record containing additional data relating to a Discover Transaction that may be included by Merchant in Sales Data submitted to Processor for Settlement.

T&E: An abbreviation for Travel and Entertainment.

T&E Advance Deposit Service: A service that a Lodging Merchant, Cruise Line Merchant, or Car Rental Company provides to a Cardholder, allowing use of a Visa Card to pay an advance deposit required to reserve accommodations or a vehicle.

T&E Advance Deposit Transaction: A Transaction that a Lodging Merchant, Cruise Line Merchant, or Car Rental Company completes as a result of a Cardholder's agreement to use a Visa Card to pay for an advance deposit to reserve accommodations or a vehicle.

T&E Chargeback: The Chargeback of a T&E Transaction.

T&E Document: A photocopy of all documents pertinent to a T&E Transaction, such as a Guest Folio or car rental agreement that (a) evidences a Cardholder's participation in a lodging, cruise line, or car rental Transaction, (b) contains a Card Imprint and signature, if either or both was obtained, and (c) is supplied in response to a Retrieval Request

T&E Express Service: A service offered by a Lodging or Car Rental Merchant to a Cardholder that agrees to a Dynamic Currency Conversion Transaction. To expedite hotel check-out or car rental return, the service allows a customer to bypass the typical face-

to-face hotel check-out or car rental return process, without receiving a Transaction Receipt. As part of the service, the Merchant mails the Transaction Receipt for the T&E Transaction to the Cardholder within 3 business days.

T&E Merchant: A Merchant whose primary function is to provide travel-related services as specified in the Visa Operating Regulations.

T&E Services: Travel-related services provided to Eligible Cardholders, including: (a) Priority Check-out Service, (b) T&E Advance Deposit Service, and (c) Visa Reservation Service.

T&E Transaction: A Transaction at a T&E Merchant Outlet.

Telephone Service Transaction: A Transaction in which a Cardholder uses a Visa Card to purchase a telephone call. These Transactions include, but are not limited to, Magnetic-Stripe Telephone Transactions.

TID: Transaction Information Document. MasterCard term, which relates to a Transaction Receipt.

Track Data: The data that is contained on the Magnetic Stripe and/or wireless transmitter of a Discover Card (including CVV Data, and, for Contactless Devices, DCVV Data), which is capable of being captured by a Point-of-Transaction Terminal.

Trade Name: A name used to identify a business and to distinguish its activities from those of other businesses.

Trade Secret: Any formula, pattern, device, or compilation of information that is used in one's business, and that gives one an opportunity to obtain an advantage over competitors who do not know or use it.

Transaction: The act between a Cardholder and a Merchant involving a Card (including without limitation a Cash Advance) that results in the generation of a Transaction Receipt.

Transaction Certificate: A Cryptogram generated by a Chip Card at the end of all offline and Online approved Transactions. The Transaction Certificate provides information about the actual steps and processes executed by the Card, Chip-Reading Device, and Merchant during a given Transaction and can be used during dispute processing.

Transaction Country: The Country in which the Merchant Outlet is located, regardless of the Cardholder's location when a Transaction occurs. For Transactions completed aboard an aircraft, the Transaction Country is that in which the Merchant deposits the Transaction Receipt.

Transaction Currency: The currency in which a Transaction is originally completed.

Transaction Date: The date on which a Transaction between a Cardholder and a Merchant occurs.

Transaction Documentation: Collectively, Transaction Receipts, Credit Transaction Receipts and Transaction Slips.

Transaction Information: Any Transaction information or data that is contained in the Authorization message or Clearing Record.

Transaction Receipt: An electronic or paper record of a Transaction (or a copy, including microfilm), generated at the Point-of-Transaction.

Transaction Record: A paper record issued by, or in connection with, a Point-of-Transaction Terminal.

Transaction Region: The region in which the Merchant Outlet is located, regardless of the Cardholder's location when a Transaction occurs. For Transactions completed aboard an aircraft, the Transaction Region is that in which the Merchant deposits the Transaction Receipt.

Transaction Slip: A form used by a Merchant to capture Discover Transaction data in transactions where a Point-of-Transaction Terminal is not used, one copy of which is provided to the Cardholder and one copy of which is provided to Processor for Settlement of the Discover Transaction, including a Sales Slip or a Credit Slip, as applicable or appropriate under the circumstances.

Vehicle-Specific Fleet Card: A Visa Purchasing Card enhanced with Fleet Service and assigned to a specific vehicle. The Card is embossed with the vehicle license number or other unique identification and any driver can sign for the Transaction. For control purposes, Vehicle-Specific Cards are blocked by Merchant Category Code so that they may only be used at fuel and vehicle maintenance Merchants.

Verified by Visa Mark: A Mark used in conjunction with the 3-D Secure Authenticated Payment Program. One of the Visa-owned Marks.

V.I.P. System: VisaNet Integrated Payment System. The VisaNet Authorization, Clearing, and Settlement services provided to Members. The V.I.P. System consists of both BASE I and the Single Message System.

Virtual Account: A Visa account provided with no corresponding plastic and intended primarily for Electronic Commerce Transactions.

Virtual Account-Holder: An individual or commercial entity to whom a Virtual Account is provided or who is authorized to use a Virtual Account.

Visa Cash Back Service: A service whereby cash is obtained from a qualified Merchant through the use of a Visa Check Card II Card and processed in accordance with the Visa Operating Regulations. The amount of cash back is always less than the total Transaction amount.

Visa Consumer Card: A Visa Card other than a Commercial Visa Product Card.

Visa Consumer Credit Card: A Visa Consumer Card other than Visa Debit Card that includes the following: (a) Visa Traditional, (b) Visa Signature, and (c) Visa Signature Preferred.

Visa Credit and Business Category: A Card category that consists of the following: (a) Visa Consumer Card, other than a Visa Debit Card, issued by a U.S. Issuer, (b) Commercial Visa Product, and (c) Visa Card issued by a non-U.S. Issuer.

Visa Debit Card: A Visa Consumer Card that accesses a deposit, investment, or other asset of a consumer, including a fiduciary account, but not including a Consumer Visa Deferred Debit Card. A Visa Debit Card includes the following: (a) Visa Buxx, (b) Consumer Visa Check Card, (c) Visa Check Card II, (d) Visa Gift Card, (e) Visa Incentive Card (f) Visa Payroll, and (g) Visa Prepaid Card.

Visa Debit Category: A Card category that consists of the following: (a) Visa Debit Card issued by a U.S. Issuer, and (b) Visa Card issued by a non-U.S. Issuer.

Visa Electron Card: A Card that bears the Visa Electron Symbol, but not the Visa Flag Symbol, and is issued as specified in the Visa International Operating Regulations.

Visa Electron Symbol: A Visa-Owned Mark consisting of the Visa Wordmark, comet design, and name, "Electron."

Visa Flag Symbol: A Visa-Owned Mark consisting of the Bands Design with the Visa Logotype centered in the middle band.

Visa Fleet Card: A Visa Purchasing Card used only for the purchase of fuel and vehicle maintenance services.

Visa Fleet Service: An enhancement to Visa Purchasing that provides company vehicle fleet managers with information to track vehicle fuel and maintenance expenses.

Visa Fleet Service Merchant: A Merchant whose primary business is providing fuel or vehicle maintenance services. A Visa Fleet Service Merchant is identified by the following Merchant Category Codes: 4468, 4582, 5511, 5532, 5533, 5541, 5542, 5599, 7531, 7534, 7535, 7538, 7542, 7549, and 7699.

Visa Logotype: The Visa Wordmark depicted in stylized lettering.

Visa Mini Card: A small-size Visa Consumer or Commercial Visa Product Card issued in conjunction with a corresponding full-sized Visa Card.

Visa-Owned Marks: The Marks owned by Visa.

Visa Prepaid Card: A Card used to access funds in a (a) Prepaid Account or (b) Card where monetary value is stored on a Chip.

Visa Program: A program through which a Member provides payment services to Visa Cardholders or Merchants by acting as an Issuer, an Acquirer, or both.

Visa Program Marks: The Marks used in connection with the Visa Program.

Visa Purchasing: A Visa Purchasing Card issued as specified in the Visa Operating Regulations.

Visa Reservation Service: Visa services provided by a: (a) Lodging Merchant to guarantee accommodations, or (b) Car Rental Company to guarantee a Specialized Vehicle or Peak-Time reservation.

Visa Secure Electronic Commerce: A payment service that provides payment information security over the Internet and other networks for Cardholders using a Card and Cardholder Access Device to complete an Electronic Commerce Transaction.

Visa TravelMoney Card: A prepaid card that may be purchased and used worldwide to obtain local currency at Visa ATM Network or Plus ATM locations.

Visa Wordmark: A Visa-Owned Mark consisting of the word "Visa."

VisaNet: The systems and services through which Visa delivers Authorization, Clearing, and Settlement services to Members.

VisaNet Access Point: Visa equipment and software that a Member uses to access the VisaNet systems through a router and switch configuration.

VisaNet Copy Request and Fulfillment Service: An automated process for transmitting Copy Requests, Retrieval Requests, and Fulfillments and monitoring the integrity and quality of the service through Visa Resolve Online.

VisaNet Documentation Automation Service: An automated process for transmitting documentation supporting Chargebacks and Representments and monitoring the integrity and quality of the through Visa Resolve Online.

3. VISA PROGRAM REQUIREMENTS.

a. Required Information.

- (1) The Visa Operating Regulations require that a Merchant provide the following information to Merchant Bank:
 - (a) Merchant's "Doing Business As" (DBA) name;
 - (b) Merchant's legal name;
 - (c) Merchant's Merchant Outlet location(s), including street address, city, state and nine-digit ZIP code;
 - (d) Merchant's Federal Taxpayer Identification Number, and identification of the number as either a Federal Employer Identification Number (FEIN) or Social Security Number (SSN);
 - (e) Merchant's entity status (for example, corporation, partnership, sole proprietor, nonprofit, or other);

- (f) the full first and last name, including middle initial, for the Merchant if the Merchant is a sole proprietor;
- (g) the Merchant Category Code and, if applicable, any secondary Merchant Category Code(s);
- (h) an indication if the Merchant is a small and/or disadvantaged business; and
- (i) the termination date and reason for termination if the Acquirer/Merchant relationship is terminated.

(2) In addition to the requirements specified above, Merchant Bank is required to collect the following information from each Electronic Commerce Merchant that uses a Merchant Certificate:

- (a) the name of the Merchant Certificate issuer;
- (b) the Merchant Certificate number;
- (c) the Merchant Certificate expiration date; and
- (d) the ownership status of Merchant Certificate - shared or individual.

b. Internet Payment Service Providers.

(1) An Internet Payment Service Provider has financial liability for Transactions entered into Interchange on behalf of Sponsored Merchants, as well as responsibility for any disputed Transactions, credits, or customer service-related expenses. The acts and omissions caused by a Sponsored Merchant shall be treated as those of the Internet Payment Service Provider. An Internet Payment Service Provider is liable for all acts and omissions caused by its Sponsored Merchants including, but not limited to: (a) Chargebacks; (b) failure to provide service; and (c) related legal costs.

(2) An Internet Payment Service Provider may not provide payment services to the following merchant types: (a) buyers clubs / membership clubs; (b) credit counseling or credit repair services; (c) credit protection / identity theft protection; (d) direct marketing—subscription merchants; (e) infomercial merchants; (f) Internet pharmacies; (g) Internet pharmacy referral sites; (h) multi-level marketing businesses; (i) outbound telemarketers; (j) prepaid phone cards; (k) prepaid phone services; (l) rebate-based businesses; or (m) “Up-Sell” merchants. These merchant types may be classified with Merchant Category Codes 4814, 5912, 5962, 5966, 5968, and 5969, and are ineligible for Sponsored Merchant status.

(3) An Internet Payment Service Provider: (a) must not transfer or attempt to transfer its financial liability by asking or requiring a Cardholder to waive his or her dispute rights; (b) must not permit a Sponsored Merchant to transfer or attempt to transfer its financial liability by asking or requiring a Cardholder to waive his or her dispute rights; and (c) must not deposit Transactions on behalf of another Internet Payment Service Provider, as specified in Section 3(b)(4).

(4) An Internet Payment Service Provider (IPSP) must: (a) not contract with another IPSP; (b) display the appropriate Visa-Owned Marks to indicate which Cards are accepted for payment on its Sponsored Merchants' Websites; (c) report Sponsored Merchant and Transaction Information to its Acquirer and, upon request, to Visa; (d) use the appropriate Merchant Category Code or other required indicators to identify Merchant or Transaction type; (e) include the payment acceptance requirements specified in the Visa International Operating Regulations in its contracts with its Sponsored Merchant and ensure compliance by the Sponsored Merchant; (f) immediately terminate a Sponsored Merchant if required by the Acquirer or Visa; and (g) ensure that a terminated Merchant is not permitted to be a Sponsored Merchant. An Internet Payment Service Provider (IPSP) may contract and process Transactions with multiple Acquirers.

(5) An Internet Payment Service Provider may not: (a) operate as a Sponsored Merchant of another Internet Payment Service Provider; or (b) deposit Transactions on behalf of another Internet Payment Service Provider.

(6) Each Sponsored Merchant contract with an Internet Payment Service Provider must contain contract requirements which comply with the applicable requirements on Merchants set forth in the Visa Operating Regulations and this Operating Guide.

(7) An Internet Payment Service Provider must provide comprehensive lists, including names of principals and country of domicile, for all of its Sponsored Merchants and Transaction reports to Merchant Bank, and upon request to Visa.

(8) An Internet Payment Service Provider may only deposit Transactions from Sponsored Merchants within the Member's Bank's jurisdiction. The location of the Sponsored Merchant determines where a Transaction takes place, not the country of the Internet Payment Service Provider. The Merchant country code included in the Authorization and Clearing Records must contain the country code for the Sponsored Merchant.

(9) A Merchant or Internet Payment Service Provider (IPSP) must not deposit a Transaction Receipt until one of the following occurs: (a) the Transaction is completed; (b) the goods or services are shipped or provided, except as specified below; (c) the purchased service is performed; or (d) Cardholder consent is obtained for a Recurring Transaction. A Merchant or IPSP may deposit a Transaction Receipt before shipping or providing the goods or services only if the Cardholder has agreed to either: (a) a Delayed Delivery Transaction; or (b) an Advance Deposit Transaction.

(10) Merchant Bank may:

(a) immediately terminate an Internet Payment Service Provider for good cause, including, but not limited to:

- (i) Fraudulent activity;
- (ii) Presenting Transaction Receipts that do not result from an act between the Cardholder and the Internet Service Provider/Sponsored Merchant (laundering);
- (iii) Entering into a Merchant Agreement under a new name with the intent to circumvent the provisions of the Visa Merchant Chargeback program;

- (iv) Activity that causes Merchant Bank to repeatedly violate the Visa U.S.A. Inc. Operating Regulations; or
- (v) Any other activity that may result in undue economic hardship or damage to the goodwill of the Visa system.

(b) Require an Internet Payment Service Provider to immediately terminate a Sponsored Merchant for fraudulent activity or other activities specified in Section 3(b)(8)(a) of this Operating Guide.

(11) The Internet Payment Service Provider's name may appear alone in the Clearing Record if: (a) the Cardholder accesses the Internet Payment Service Provider Web Site directly; and (b) the Internet Payment Service Provider name is visible to the Cardholder during the selection, order, and payment processing services. If the Cardholder accesses a Sponsored Merchant's Web Site and is then linked to the Internet Payment Service Provider Web Site for payment, the Internet Payment Service Provider name must appear in the Clearing Record in conjunction with the Sponsored Merchant's name.

c. Display of Marks and Acceptance Signage.

(1) General Requirements. Merchant must comply with the requirements for usage of the Visa Marks set forth in the Visa Operating Regulations. Merchant must display the Visa Marks to indicate which Visa Cards it accepts for payment. A Merchant that accepts Visa Cards may choose Limited Acceptance. A Limited Acceptance Merchant must display only the Visa-approved signage representing the Limited Acceptance Category it has selected. Merchant is not required to display the Visa Marks if it does not deal with the general public.

(2) A Merchant, an Internet Payment Service Provider (IPSP), or a Sponsored Merchant that displays a Visa-Owned Mark on its Website must not accept Cards for the purchase or trade of photographs, video imagery, computer-generated images, cartoons, simulation, or any other media or activities including, but not limited to: (a) child pornography; (b) bestiality; (c) rape (or any other non-consensual sexual behavior); or (d) non-consensual mutilation of a person or body part.

(3) Use of Verified by Visa Mark. Merchant must display the appropriate Verified by Visa Mark to indicate its participation in the 3-D Secure Authenticated Payment Program. An Electronic Commerce Merchant must not use the Verified by Visa Mark unless the Merchant is a 3-D Secure participant. A 3-D Secure-capable Electronic Commerce Merchant that displays the Verified by Visa Mark must not use the Mark: (a) in a way that implies endorsement of any other product or service; or (b) as an Acceptance Mark in any application.

(4) Merchant Web Sites.

(a) A Merchant Web Site must display at the point of payment choice, either the (i) Visa Flag Symbol or Visa Brand Mark in full color, if it accepts all Visa Cards for payment or (ii) Visa-approved signage representing the Limited Acceptance category it has selected.

(b) A Merchant that accepts all Visa Cards may use the Visa Wordmark to indicate acceptance of Visa-branded payment products only when a visual representation of an acceptance mark is not possible at the Merchant Web Site.

(c) The Visa Mark used must not be smaller than any other acceptance mark displayed by the Merchant.

(5) Mail/Phone Order Merchants. A Mail/Phone Order Merchant must:

(a) Advise the Cardholder, during the payment process, that it accepts all Visa Cards for payment or that it accepts Visa Cards that are in the Limited Acceptance category it has selected; and

(b) Display, in its catalog, or other selling material, either the: (i) Visa Flag Symbol or Visa Brand Mark in full color, if it accepts all Visa Cards for payment, or (ii) Visa-approved signage representing the Limited Acceptance category it has selected.

(6) Automated Fuel Dispenser Merchants. An Automated Fuel Dispenser Merchant must display the appropriate Visa-Owned Marks on or near the Automated Fuel Dispenser to indicate which Cards it accepts for payment.

(7) Promotional Material.

(a) Merchant may not use any Visa-Owned Mark for promotional or advertising purposes in any media, unless all of the following are true: (i) Merchant Bank's name and city appear on the material, (ii) Merchant Bank distributes the material, and (iii) the Merchant must comply with the applicable sections of all of the following: (A) Visa U.S.A. Inc. Operating Regulations; (B) Visa International Operating Regulations, Volume I—General Rules; (C) Visa International Card and Marks Specifications (for Cards bearing the Visa Flag Symbol); and (D) Visa Product Brand Standards (for Cards bearing the Visa Brand Mark), available through Visa Online.

(b) Merchant may: (i) indicate in a single advertisement, display, or notice that Visa Card services are available, and (ii) use the Visa-Owned Marks or, if Merchant has selected Limited Acceptance, the signage associated with the Limited Acceptance category it has selected, on promotional, printed, or broadcast materials only to indicate the types of Visa Cards it accepts for payment.

(c) Merchant must not: (i) indicate or imply that Visa or Merchant Bank endorses any Merchant goods or services; (ii) refer to Visa in stating eligibility for its products, services, or membership; (iii) use the Visa-Owned Marks for any purpose other than those permitted in the Visa U.S.A. Inc. Operating Regulations or without written permission from Visa; or (iv) use the signage associated with the Limited Acceptance Category it has selected for any purpose other than those permitted in the Visa U.S.A. Inc. Operating Regulations or without written permission from Visa.

(8) Affinity Card Program.

(a) Visa-Owned Marks must be at least equal in size and prominence to the Affinity Partner identification and any other payment system Marks.

(b) Merchant must not display a reproduction of an Affinity Card as part of a decal at the Point-of-Transaction.

(c) Visa U.S.A. may require modification of any display of the Affinity Partner's Trade Name or Mark at a Merchant Outlet if the display adversely affects the Visa brand.

(d) An Affiliated-merchant must display the Visa-Owned Marks independently from any identification of the Affinity Partner.

d. Honoring Cards.

(1) Selection of Payment Systems.

(a) A Merchant that wishes to accept Visa Cards must accept any valid Visa Card in its category of acceptance that a Cardholder properly presents for payment. This means that Merchant must permit the Cardholder to choose whether he or she pays for a transaction with that Visa Card or with some other means of payment accepted by Merchant. Merchant may request or encourage a Cardholder to use a means of payment other than a Visa Card. A Merchant that accepts all Visa Cards, or a Limited Acceptance category of Visa Cards, must accept any valid Visa Card issued by a non-U.S. Issuer.

(b) If a Cardholder presents a Visa Card that is in the Merchant's category of acceptance and that bears a Mark representing another payment service:

(i) Merchant must honor the Cardholder's request if the Cardholder indicates that the transaction is to be processed as a Visa Transaction.

(ii) Merchant may process the Transaction as something other than a Visa Transaction despite an initial indication by the Cardholder that the Transaction is to be processed as a Visa Transaction, but only if the Cardholder agrees that the Transaction may be processed as something other than a Visa Transaction. Merchant may not mislead the Cardholder concerning what payment service or system will be used. If Merchant provides any information on this topic, that information must be accurate.

(iii) Merchant may offer a non-monetary benefit to a Cardholder as an inducement for the Cardholder to use a means of payment other than a Visa Card. Merchant may offer a monetary benefit in the form of a discount, as provided in the Visa Operating Regulations, as an inducement for the Cardholder to use a means of payment other than a Visa Card.

(iv) Merchant may accept Visa Electron Cards. If Merchant accepts Visa Electron Cards, it must: (a) accept all Visa Electron Cards properly presented for payment, and (b) process all Transactions resulting from Visa Electron Cards as Visa Electron Program Transactions, as specified in the Visa International Operating Regulations.

(v) If Merchant does not deal with the public (for example, a private club), it complies with Section 3(d)(1)(b)(iv) if it accepts Visa Cards and Visa Electron Cards from its members.

(2) Visa Affinity Cards. A Merchant that wants to accept Visa Affinity Cards, including an Affiliated-merchant that is affiliated with an Affinity Partner, must also accept all Visa Cards in the Merchant's category of acceptance. Merchant must not use a Visa Affinity Card to debit any credit, charge, or asset account other than the Visa account maintained by the Issuer in connection with the Visa Affinity Card.

(3) Visa Mini Cards. A Merchant that accepts a Visa Card and has a Magnetic Stripe Terminal must attempt to accept the Visa Mini Card if the Visa Mini Card is within the Merchant's category of Card acceptance. Merchant must request the corresponding full-sized Visa Card if the Merchant's Terminal is unable to read the Magnetic Stripe on the back of the Visa Mini Card.

(4) Uniform Services.

(a) Merchant must process Transactions with Merchant Bank's Cardholders and other Visa Member's Cardholders in exactly the same manner. Merchant's normal discount rates, controls, regulations, and procedures apply.

(b) Merchant must not require a Cardholder, as a condition for honoring a Visa Card or Visa Electron Card, to sign a statement that waives the Cardholder's right to dispute the Transaction with the Issuer.

(5) Expired or Invalid Cards. Merchant must not accept an Expired Card unless an Authorization is obtained. Merchant must not accept a Card prior to the embossed "valid from" date. When a Card is embossed or printed with a "valid from" date, the Card is considered valid on the date specified as follows:

(a) If the "valid from" date format is month/year, the Card Validity Date is the first day of the embossed or printed month and year.

(b) If the "valid from" date format is month/day/year, the Card Validity Date is the embossed or printed date.

(6) Affiliated-Merchant. An Affiliated-merchant may not offer preferential treatment to the Visa, and Visa Electron Cardholders of a Member.

e. Discounts at Point of Sale.

(1) Advertised Price. Any purchase price advertised or otherwise disclosed by Merchant must be the price associated with the use of a Visa Card or Visa Electron Card.

(2) Discounts. Merchant may offer a discount as an inducement for a Cardholder to use a means of payment that Merchant prefers, provided that the discount is: (a) clearly disclosed as a discount from the standard price, and (b) non-discriminatory as between Cardholders who pay with comparable cards. A "comparable card" is any other branded, general purpose payment card that uses the cardholder's signature as the primary means of cardholder authorization. Thus, any discount made available to cardholders who pay with "comparable cards" must also be made available to Cardholders who wish to pay with Visa Cards. Any discount made available to a Cardholder who pays with a Visa Card need not be offered to cardholders who pay with "comparable cards."

(3) Discounts on Purchases Made With Affinity Cards. When presented with an Affinity Card, a Merchant or Affiliated-merchant must not provide a discount to the Cardholder, unless: (a) the discount such as a credit on the Cardholder statement, rebate, etc., is provided subsequent to the time of the Transaction, or (b) the Cardholder presents a coupon or voucher in addition to the Affinity Card. A Merchant or Affiliated-merchant must not promote at the Point-of-Transaction the availability of discounts on purchases made with an Affinity Card.

f. Convenience Fees and Surcharges.

(1) A Merchant that charges a Convenience Fee must ensure that the fee is:

(a) Charged for a bona fide convenience in the form of an alternative payment channel outside the Merchant's customary payment channels;

(b) Disclosed to the Cardholder as a charge for the alternative payment channel convenience;

(c) Added only to a non face-to-face Transaction (e.g., the requirement for an alternate payment channel means that Mail/Telephone Order and Electronic Commerce Merchants whose payment channels are exclusively non face-to-face may not impose a Convenience Fee);

(d) A flat or fixed amount, regardless of the value of the payment due;

(e) Applicable to all forms of payment accepted in the alternative payment channel;

(f) Disclosed prior to the completion of the Transaction and the Cardholder is given the opportunity to cancel; and

(g) Included as a part of the total amount of the Transaction.

(2) A Convenience Fee may only be charged by the Merchant that actually provides goods or services to the Cardholder. A Convenience Fee may not be charged by any third-party. A Convenience Fee must not be added to a Recurring Transaction.

g. Prohibitions. Merchant must not:

(1) Accept Cardholder payments for previous Visa Card or Visa Electron Card charges incurred at the Merchant location.

(2) Establish a minimum or maximum Transaction amount as a condition for honoring a Visa Card or Visa Electron Card.

(3) Require a Cardholder to complete a postcard or similar device that includes the Cardholder's Account Number, Card expiration date, signature, or any other Card account data in plain view when mailed.

(4) Add any surcharge to Visa Card Transactions (travelers cheque and Foreign Currency fees and commissions are not considered surcharges).

(5) Add any tax to Transactions, unless applicable law expressly requires that a Merchant be permitted to impose a tax. Any tax amount, if allowed, must be included in the Transaction amount and not collected separately.

(6) Enter into Interchange any Transaction Receipt for a Transaction that was previously charged back to Merchant Bank and subsequently returned to Merchant, irrespective of Cardholder approval. Merchant may pursue payment from the customer outside the Visa system.

(7) Request or use an Account Number for any purpose other than as payment for its goods or services, except to support the Health Care Eligibility Service or the Visa ReadyLink.

(8) Disburse funds in the form of travelers cheques, if the sole purpose is to allow the Cardholder to make a cash purchase of goods or services from that Merchant.

(9) Disburse funds in the form of cash, unless:

(a) Merchant is dispensing funds in the form of traveler's cheques, Visa TravelMoney Cards, or Foreign Currency. In this case, the Transaction amount is limited to the value of the travelers cheques, Visa TravelMoney Card, or Foreign Currency plus any commission or fee charged by the Merchant, or

(b) Merchant is participating in the Visa Cash Back Service.

(10) Accept a Visa Card or Visa Electron Card for the purchase of Scrip.

(11) Accept a Visa Electron Card for a Manual Cash Disbursement.

(12) Accept a Visa TravelMoney Card for a Manual Cash Disbursement.

(13) Accept a Card to collect or refinance an existing debt that has been deemed uncollectible by the Merchant providing the associated goods or services. A Visa Card Transaction that represents a payment on an existing obligation must be identified by the appropriate indicator in the Authorization Request and Clearing Record.

(14) Enter into Interchange a Transaction that represents collection of a dishonored check.

(15) Deposit a Transaction Receipt that does not result from an act between the Cardholder and the Merchant or the Cardholder and its Sponsored Merchant (laundering).

h. Chip Card Acceptance. If a Chip-initiated Transaction is declined by the Issuer, the Transaction must not be completed by any other means. If the Chip or Chip-Reading Device is inoperable, Merchant must obtain an Online Authorization using the Magnetic Stripe. If the Magnetic Stripe cannot be read, or if Online Authorization is not available, existing Card acceptance and Transaction processing procedures apply.

i. Use and Disclosure of BIN Information. A Merchant, Agent or Merchant Servicer that receives BIN information from Merchant Bank must not use such information for any reason other than to identify Visa Debit Category products at the point of sale, unless authorized by Visa U.S.A. Visa BIN information is proprietary and confidential information belonging to Visa U.S.A. A Merchant, Agent or Merchant Servicer must not disclose Visa BIN information to any third party without prior written permission from Visa U.S.A. A Merchant which uses an Agent or Merchant Servicer must include the foregoing provisions in its agreement or contract with such Agent or Merchant Servicer and must ensure that the Agent or Merchant Servicer complies with the substance of this section.

j. Disclosure and Storage of Transaction Information.

(1) Except as specified in [Section 3\(j\)\(2\)](#), Merchant and any Merchant agent must not disclose a Cardholder Account Number, personal information, or other Transaction Information to third parties other than to the Merchant Servicers, Merchant Bank, or Merchant Bank's agent(s) for the sole purpose of: (a) assisting Merchant in completing the Transaction, or (b) as specifically required by law.

(2) Merchant may only disclose Transaction Information to third parties, approved by Visa, for the sole purpose of: (a) supporting a loyalty program, or (b) providing fraud control services. Procedures for approval of third parties are available from Visa U.S.A. Risk Management upon request.

(3) A Merchant and any agent or Merchant Servicer engaged by a Merchant, must not, in the event of its failure, including bankruptcy, insolvency, or other suspension of business operations, sell, transfer, or disclose any materials that contain Cardholder Account Numbers, personal information, or Visa Transaction Information to third parties. Merchant must, and must cause its agents and Merchant Servicers, to: (a) return this information to Merchant Bank, or (b) provide acceptable proof of destruction of this information to Merchant Bank.

(4) Storage.

(a) A Merchant, its Agent and Merchant Servicers must: (i) store all material containing Cardholder Account Numbers or imprints (such as Transaction Receipts, car rental agreements, and carbons) in an area limited to selected personnel and (ii) render all data unreadable prior to discarding.

(b) The Merchant, its Agent or Merchant Servicers must not retain or store Magnetic-Stripe Data, or equivalent data on the Contactless Payment chip, subsequent to Authorization of a Transaction.

(c) The Merchant, its Agent or Merchant Servicers must not retain or store Card Verification Value 2 data subsequent to Authorization of a Transaction, and must not request Card Verification Value 2 data on any paper Order Form.

(5) Additional Merchant Security Requirements.

(a) Merchant must comply with the following security requirements:

(i) Implement and maintain all of the security requirements, as specified in the Cardholder Information Security Program. Merchant is responsible for demonstrating compliance, by its Agents and Merchant Servicers, with the requirements of the Cardholder Information Security Program.

(ii) Immediately notify Merchant Bank of the use of a Merchant Servicer.

(iii) Ensure that its Merchant Servicers implement and maintain all of the security requirements, as specified in the Cardholder Information Security Program. Merchant must have a written contract between Merchant and its Agent or between the Merchant and the Merchant Servicer that stipulates adherence to the provisions of the Cardholder Information Security Program.

(iv) Immediately notify Merchant Bank of any suspected or confirmed loss or theft of material or records that contain account information and both:

(a) Demonstrate its ability to prevent future loss or theft of account or Transaction information, consistent with the requirements of the Cardholder Information Security Program.

(b) Allow Visa U.S.A., or an independent third party acceptable to Visa, to verify this ability by conducting a security review, at the Merchant's own expense.

(v) Visa U.S.A. may inspect a Merchant Outlet, or premises of Merchant's agent, at any time. Visa U.S.A. may assess a reasonable fee for an inspection.

(vi) If a Merchant, or its agent does not comply with the security requirements, or fails to rectify a security issue, Visa may: (a) impose restrictions on the Merchant, or (b) permanently prohibit Merchant from participating in Visa Programs.

(vii) If undergoing a forensic investigation at the time the Merchant Agreement is signed, Merchant must fully cooperate with the investigation until it is completed.

(b) Merchant Bank may immediately terminate Merchant for any significant circumstances that create harm or loss of goodwill to the Visa system. Merchant acknowledges and understands the importance of compliance with Visa security requirements, such as those relating to Transaction information, storage, and disclosure. Merchant must notify Merchant Bank of its use of any Agent that will have any access to Cardholder data.

k. Cardholder Identification.

(1) Identification Validation.

(a) A Merchant must validate the Cardholder's identity in a Face-To-Face Environment, as specified in Table 1:

Table 1. Identification Validation

DESCRIPTION	RETAIL & T&E TRANSACTIONS	MANUAL CASH DISBURSEMENTS	QUASI-CASH DISBURSEMENTS
Review positive identification (such as an unexpired passport or driver's license) to validate the Cardholder's identify		√	√
Indicate the positive identification on the Transaction Receipt, ¹ including: <ul style="list-style-type: none"> • Description of identification, including any serial number and expiration date, and • Cardholder name (if different than the embossed or printed name) and address 		√	√
Verify both of the following: ^{2,3} <ul style="list-style-type: none"> • Signature on the Card or Visa Electron Card matches the signature on the Transaction Receipt and identification presented. This signature may be different from the name embossed or printed on the Card. • Cardholder resembles the person described, or depicted in any photograph intended for identification on the Card. 	√	√	√
Visa Cards - Compare the first four digits of the embossed or printed Account Number to the four digits printed above or below the Account Number		√	√
Record the printed four digits on the Transaction Receipt as follows: <ul style="list-style-type: none"> • Write the digits in the space provided on the Transaction Receipt or • Key enter and electronically print the digits on the Cash Disbursement Transaction Record in the designated space, if using a Point-of-Transaction Terminal capable of printing key-entered numbers • If the numbers do not match, attempt to recover the Visa Card or Visa Electron Card as set forth in Section 3(q) of this Operating Guide 		√	√
When using an Account-Number-Verifying Terminal, if the embossed Account Number does not match the encoded Account Number: <ul style="list-style-type: none"> • Decline the Transaction and attempt to recover the Card by reasonable and peaceful means • Note the physical description of the Cardholder 	√	√	√

(b) Merchant must not require a Cardholder to provide any supplementary Cardholder information as a condition for honoring a Visa Card or Visa Electron Card, unless it is required or permitted elsewhere in this Operating Guide or the Visa Operating Regulations. Such supplementary Cardholder information includes, but it not limited to: (i) Social Security Number (or any part thereof); (ii) fingerprint; (iii) home or business address or telephone number; (iv) driver's license number; (v) photocopy of a driver's license; (vi) photocopy of the Visa Card or Visa Electron Card; or (vii) other credit cards.

(c) Merchant may perform Address Verification Service (ZIP inquiry only) in a Face-to-Face Environment if all the following apply: (i) Merchant has been certified as a CISP Level 1 compliant merchant; (ii) Merchant has maintained a face-to-face

¹ Unless a violation of applicable law.

² This requirement does not apply to Transactions under \$25 completed at a Point-of-Transaction Terminal with Contactless Payment capability, or any Transactions completed with a Visa Micro Tag.

³ This requirement does not apply to Vehicle-Specific Fleet Card Transactions, Small Ticket Transactions, or No Signature Required Transactions.

fraud-related Chargeback rate below 0.02%⁴; and (iii) Merchant Bank has received written certification from Visa approving the use of Address Verification Service by its Merchants. If Merchant elects to use the Address Verification Service, Merchant may not require the Cardholder's ZIP code as a condition of honoring the Card.

(d) The fact that Merchant has obtained Authorization for the Transaction does not eliminate Merchant's requirement to complete Cardholder identification procedures. A Merchant that uses a Point-of-Transaction Terminal with Electronic Capability may accept a Cardholder's PIN. The PIN must be processed as specified in all of the following: (i) PIN Management Requirements Documents; (ii) EMV '96 Integrated Circuit Card Specifications for Payment Systems; and (iii) Visa Integrated Circuit Card Specifications.

(2) Uncertain Identification. If identification or the Card's validity is uncertain, Merchant must contact Merchant Bank for instructions. If Merchant Bank instructs Merchant to recover the Card, the Merchant must comply with the Card Recovery procedures set forth in [Section 3\(q\)](#) of this Operating Guide.

(3) Blank Signature Panel.

(a) If the signature panel on the Card is blank, in addition to requesting an Authorization, a Merchant must do all of the following:

(i) Review positive identification bearing the Cardholder's signature (such as an unexpired passport or driver's license) to validate the Cardholder's identity.

(ii) Indicate the positive identification, including any serial number and expiration date, on the Transaction Receipt.

(iii) Require the Cardholder to sign the signature panel of the Card prior to completing the Transaction.

(b) A signature panel with the words "See I.D." or equivalent language is considered to be blank.

(c) The requirements of this section do not apply to Transactions resulting from the use of a Vehicle-Specific Fleet Card.

(4) Missing Imprint or Expired Card.

(a) Unless Merchant has obtained independent evidence of the Cardholder's identity and noted it on the Transaction Receipt, Merchant must validate the Cardholder's identity, as specified in [Section 3\(k\)\(1\)](#) of this Operating Guide, if the: (i) Card cannot be imprinted on the Transaction Receipt; or (ii) a Cardholder presents an Expired Card.

(b) The foregoing requirement does not apply to: (i) Transactions originating at Magnetic-Stripe Terminals that provide Transaction Receipts, (ii) Limited-Amount Terminal Transactions, (iii) Transactions under \$25 completed at a Point-of-Transaction Terminal with Contactless Payment capability, (iv) Transactions completed with a Visa Micro Tag, (v) Small Ticket Transactions, and (vi) No Signature Required Transactions.

(5) Key-Entered Transactions in a Face-to-Face Environment.

(a) If Merchant is certified by Visa, Merchant may validate the Card Verification Value 2 on the Card when the Magnetic Stripe cannot be read. A Card Verification Value 2 result code "M" is considered an Imprint for the purposes of the "Fraudulent Transaction—Card-Present Environment" (Reason Code 81) Chargeback.

(b) Merchant may request certification from Visa if all the following requirements are met: (i) Merchant has been certified as a CISP Level 1 compliant and a report of compliance is on file with Member Bank; (ii) Merchant has maintained a face-to-face fraud-related Chargeback rate below 0.02%⁵; and (iii) Merchant has a key-entered Transaction rate below 3.5% of total Transactions.

I. Authorizations.

(1) General.

(a) Merchant must request Authorization for every Transaction, unless specified otherwise, prior to completing the Transaction.

(b) Merchant must request Authorization for the total amount of the Transaction prior to completing the Transaction, unless specified otherwise in [Section 3\(l\)](#).

(c) Merchant must not use an arbitrary or estimated amount to obtain Authorization, except as specifically permitted in the Visa U.S.A. Operating Regulations

(d) Merchant must obtain Authorization on the Transaction Date unless the Merchant/Transaction is one of the following: (i) Lodging Merchant, Cruise Line Merchant, or a Car Rental Company Transaction as specified in [Section 3\(l\)\(4\)](#); (ii) Mail/Phone Order Merchant or an Electronic Commerce Transaction as specified in [Section 3\(l\)\(7\)](#); (iii) Automated Fuel Dispenser Transaction as specified in [Section 3\(l\)\(14\)](#); and (iv) Aggregated Transaction as specified in [Section 3\(l\)\(8\)](#).

⁴ The face-to-face fraud-related Chargeback rate is the number of "Fraudulent Transaction—Card Present Environment" (Reason Code 81) Chargebacks received as a percentage of all face-to-face Transaction Receipts processed.

⁵ The face-to-face fraud-related Chargeback rate is the number of "Fraudulent Transaction—Card Present Environment" (Reason Code 81) Chargebacks received as a percentage of all face-to-face Transaction Receipts processed.

(e) Merchant 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.

(f) Merchant must not use multiple Transaction Receipts to avoid making an Authorization Request for a single Transaction.

(g) An Authorization Approval Code must appear on the Transaction Receipt.

(2) Other Required Authorizations.

(a) Merchant must obtain Authorization if any of the following is true:

(i) A Transaction is a partial payment of a single purchase, regardless of the Floor Limit.

(ii) A Cardholder requests a Cash Disbursement, regardless of the Transaction amount.

(iii) A Merchant is suspicious of a proposed Transaction.

(iv) A Transaction exceeds the Floor Limit.

(v) The Transaction occurs in a Card-Absent Environment.

(vi) Merchant accepts a Card for payment on an existing obligation that has not been deemed uncollectible by the Merchant providing the associated goods or services.

(vii) A Cardholder neglects to bring his/her Card.

(viii) A Card signature panel is blank.

(ix) A Cardholder presents an Expired Card. If the Cardholder presents an Expired Card at a Point-of-Transaction Terminal that is not capable of capturing the Card expiration date, Merchant must telephone Merchant Bank.

(x) A Cardholder presents a Visa Electron Card.

(xi) A Chip or Chip-Reading Device is inoperative at a Chip-enabled Merchant.

(xii) A Transaction is not a Mail/Phone Order Transaction and involves a handwritten Sales Draft that does not contain the imprint of the Merchant plate or the Card.

When requesting Authorization in these circumstances, Merchant must advise Merchant Bank of the specific reason for the Authorization Request.

(b) Merchant must comply with all additional authorization requirements and procedures for Transactions at Magnetic-Stripe Terminals as specified in the appropriate VisaNet User's Manual.

(3) Visa Electron Transactions. An Authorization Request for a Visa Electron Transaction must originate at an ATM or Point-of-Transaction Terminal and include the entire unaltered contents of track 1 or track 2 of the Magnetic Stripe or Chip. A Point-of-Transaction Terminal that does not have Online capability regardless of whether the terminal is Chip-enabled, must not display the Visa Electron Symbol or Visa Brand Mark with the Electron Identifier.

(4) Lodging Merchant, Cruise Line Merchant, and Car Rental Company Transactions. This section governs special Authorization procedures for Lodging Merchants, Cruise Line Merchants, and Car Rental Companies.

(a) A Lodging Merchant must estimate Transaction amounts for Authorization based on the following:

(i) Cardholder's intended length of stay at check-in time.

(ii) Room rate.

(iii) Applicable tax.

(iv) Service charge rates.

(v) Merchant's procedure for estimating additional ancillary charges.

(vi) Other allowed charges, as specified in Section 3(o)(5) of this Operating Guide.

After completing the estimate, a Lodging Merchant must obtain an Authorization and include the date, amount, and Authorization Approval Code on the Transaction Receipt.

(b) A Cruise Line Merchant may estimate Transaction amounts for Authorization as follows:

(i) Merchant must base the initial Authorization Request on the Cardholder's signed statement of intent to purchase goods or services aboard ship for a Cardholder-specified amount.

(ii) Merchant may obtain additional amounts at any time on or between the Cardholder's embarkation date and disembarkation date, and must disclose any additional Authorization to the Cardholder.

(c) A Car Rental Company must estimate Transaction amounts for Authorization based on the following:

(i) Cardholder's intended car rental period.

(ii) Rental rate.

(iii) Applicable tax.

(iv) Mileage rates.

(v) Other allowed charges.

When the Cardholder waives insurance at the time of the rental, the estimated Transaction amount must not include charges that cover potential vehicle damages or the insurance deductible amount. After completing the estimate, a Car Rental Merchant must obtain Authorization and include the date, amount, and Authorization Approval Code on the Transaction Receipt.

(d) If Authorization is obtained for the estimated amount of a Car Rental Transaction, Merchant must disclose the authorized amount to the Cardholder on the rental date. If the estimated Transaction exceeds the Floor Limit, obtain an Authorization and include the date, amount, and Authorization Approval Code on the Transaction Receipt.

(e) Merchant may obtain an Authorization for a new estimated Transaction amount and must include the date, amount, and Authorization Approval Code on the Transaction Receipt the Merchant subsequently estimates that based on the Cardholder's actual charges, the Transaction amount will exceed the previously authorized amount.

(f) Merchant may obtain and must record Authorizations for additional amounts above any amount already authorized any time: (i) on the check-in/embarkation date or the car rental pick-up date, or (ii) prior to the check-out/disembarkation date or rental return date.

(g) Merchant must record each additional Authorization, date, and amount.

(h) Merchant must obtain a final Authorization and include the date, amount, and Authorization Approval Code on the Transaction Receipt if the actual amount exceeds the sum of the authorized amounts plus 15 percent.

(i) A final or additional Authorization is not required if the Transaction amount does not exceed the sum of the authorized amounts plus 15 percent of the sum of the authorized amounts.

(j) The provisions in Section 3(l)(4) and Section 3(l)(4)(i) do not apply if the last Authorization obtained was a Partial Authorization.

(5) Airline and Railway Transactions. When a Cardholder purchases multiple Airline or railway tickets at the same time on the same Account Number, Merchant may obtain Authorization for each ticket individually.

(6) Suspicious Transactions. If Merchant is suspicious of a Transaction, Merchant must:

(a) Contact the Issuer at the telephone number listed in the Association's Interchange Directory using an In or Out WATS line, if available, or a collect call.

(b) Ensure that its employees are familiar with "Code 10" procedures (available from Visa upon request).

(c) Request a "Code 10" Authorization.

(d) If the Issuer is not available, process a normal Authorization Request.

(7) Mail/Phone Order and Electronic Commerce Transactions.

(a) A Mail/Phone Order Merchant must attempt to obtain the Visa Card expiration date and forward it as part of the Authorization Request.

(b) A Chip-initiated Electronic Commerce Transaction must be sent Online for Authorization.

(c) An Electronic Commerce Merchant must attempt to obtain the Visa Card expiration date and forward it as part of the Authorization Request for Non-Secure and Non-Authenticated Security Transactions.

(d) The Floor Limit for an Electronic Commerce Transaction is zero.

(e) The Merchant must obtain Authorization for each Installment Billing Transaction. This option is only available for goods from Mail/Phone Order or Electronic Commerce Merchants, as specified in Section 3(u)(1) of this Operating Guide.

(f) For goods to be shipped, a Mail/Phone Order or Electronic Commerce Merchant may obtain Authorization on any day up to 7 calendar days prior to the Transaction Date. This Authorization is valid if the Transaction amount is within 15 percent of the authorized amount, provided that the additional amount represents shipping costs. This provision does not apply if the last Authorization obtained was a Partial Authorization. The shipment date is considered to be the Transaction Date.

(8) Aggregated Transactions

(a) A Merchant assigned one of the Merchant Category Codes monitored in the High Risk Chargeback Monitoring Program specified in Section 2.2.G must not aggregate Transactions.

(b) An Electronic Commerce Merchant, including an Internet Payment Service Provider, that aggregates Transactions must do all of the following:

(i) Obtain an Authorization of no more than \$15 at the start of each aggregation session

(ii) Complete the aggregation session within 3 calendar days

(iii) Aggregate Transactions from a single Merchant Outlet in each aggregation session

(iv) Support Partial Authorization

(v) Submit a Sales Draft for the actual purchase amount

(vi) At the check-out screen, inform the Cardholder of all of the following: (A) That transactions are aggregated; (B) The terms of aggregation, including the maximum number of calendar days, aggregated Transaction value, and that the Issuer may hold available funds up to \$15 for 3 calendar days; (C) How details of Aggregated Transactions can be obtained.

(vii) Provide a Transaction Receipt, via e-mail, that captures the details of individual purchases during the aggregation session as follows: (A) Goods or services purchased; (b) Amount and date of each individual purchase; (C) Total Transaction Amount charged; (D) Transaction Date (for Aggregated Transactions, the Transaction Date is the date the Merchant submits the Sales Draft to Merchant Bank).

(viii) If requested, provide Cardholder purchase history for 120 calendar days after purchase.

(9) Transactions At Merchant Outlets Accepting Tips.

(a) Except as specified otherwise in Section 3(l)(9)(b) an Authorization obtained by a Merchant for a Transaction amount that is equal to the Authorization amount plus or minus 20 percent is valid if the Transaction originates at a Merchant Outlet assigned one of the following Merchant Category Codes: (i) Restaurants (5812, 5814), (ii) Taxicabs and Limousines (4121), (iii) Bars and Taverns (5813), (iv) Beauty and Barber Shops (7230), (v) Health and Beauty Spas (7298).

(b) An Authorization obtained by a Merchant that accepts Partial Authorizations is valid only for the Transaction amount that is equal to the amount approved in the Partial Authorization Response.

(10) Partial Authorizations

(a) Except as otherwise specified in this Operating Guide, a Merchant accepting Partial Authorizations must support Partial Authorization for all Visa Card types and must

(i) Include the Partial Authorization indicator in the Authorization Request message, as specified in the appropriate V.I.P. System User's Manual.

(ii) Submit an Authorization reversal if the Cardholder elects not to complete the purchase.

(iii) Submit a Clearing Transaction for no more than the amount approved in the Partial Authorization Response.

(11) Preauthorized Transaction Authorization Requests.

(a) Except as specified in Section 3(l)(12) of this Operating Guide, a Preauthorized Transaction that receives a Decline Response may be resubmitted for Authorization up to four times within 16 calendar days from the date of the original Decline Response, in an attempt to receive approval, if the Decline Response is one of the following: (i) Authorization declined (Response Code "05"); (ii) insufficient funds (Response code "51"); (iii) exceeds approval amount limit (Response code "61"); or (iv) exceeds withdrawal frequency limit (Response code. "65").

(b) If an Approval Response is not received within the time frame specified in Section 3(l)(11)(a) of this Operating Guide, Merchant must not deposit the Transaction.

(12) Preauthorized Payment Cancellation Service Decline Response.

(a) Merchant must not resubmit an Authorization Request for a Preauthorized Transaction if it had received a Decline Response Reason Code of "R0" (stop payment order).

(b) If Merchant receives a Decline Response of "R1" (revocation of authorization) or "R3" (revocation of all authorizations) for a Preauthorized Transaction, Merchant must: (i) not resubmit the Authorization Request; and (ii) not submit an Authorization Request or deposit a Transaction Receipt for any future Transaction unless: (a) instructed otherwise by the Cardholder; and (b) Merchant verifies with the Cardholder that the Cardholder has cancelled the revocation of authorization with the Issuer.

(13) Deferred Payment Transactions.

(a) Merchant may use the Status Check Procedure for a Deferred Payment Transaction, to serve only as account verification, at the time an order is placed.

(b) Merchant must: (i) request Authorization for a Deferred Payment Transaction on the date the Cardholder is billed, which must be no later than 90 days from the initial shipment date; and (ii) include disclosure of the deferred payment process, including the exact date of the billing, with the initial shipment to the Cardholder.

(c) The billing date is considered to be the Transaction Date.

(14) Automated Fuel Dispenser Transactions.

(a) An Automated Fuel Dispenser Merchant must:

(i) Obtain an Authorization for the exact amount of the Transaction;

(ii) Use the Status Check Procedure; or

(iii) For an Online Check Card Transaction, obtain an Authorization for an amount based on the estimated Transaction amount, not to exceed \$50.

(b) Merchant may use the Status Check Procedure if the the Transaction amount is as follows: (i) For a Visa Fleet Card Transaction, not more than \$150; and (ii) For all other Cards, not more than \$75.

(c) An Automated Fuel Dispenser Merchant may request a Cardholder's ZIP code and perform an Address Verification Service inquiry for its Automated Fuel Dispenser Transactions.

(d) A Merchant that participates in the Partial Authorization service must:

(i) Include the Partial Authorization indicator in the Status Check message, as specified in the appropriate V.I.P. System User's Manual;

(ii) Be able to set the Automated Fuel Dispenser terminal to only dispense fuel up to whichever is lower: (a) The amount approved in the Partial Authorization Response by the Issuer or (b) The Status Check approval amount allowed by the appropriate Card type (for a Visa Fleet Card, \$150; for all other Visa Cards, \$75).

(iii) Submit an Authorization reversal for either: (a) The difference between the amount approved in the Partial Authorization Response and the final Transaction amount of the Cardholder's purchase or (b) The full amount of the Partial Authorization Response if the Cardholder does not continue with the Transaction;

(iv) Submit a Clearing Transaction only for the amount of fuel dispensed and approved.

(15) Store and Forward Transactions.

(a) Merchant must attempt to obtain Authorization for a Store and Forward Transaction as soon as its link to the Single Message System is re-established.

(b) A Store and Forward Transaction that receives a Decline Response to an Authorization Request may be resubmitted if the Decline Response is one of the following: (i) insufficient funds (Response code "51"), (ii) exceeds approval amount limit (Response code "61"), or (iii) exceeds withdrawal frequency limit (Response code "65").

(c) Transactions resubmitted as specified in Section 3(l)(15)(b): (i) must not contain the PIN or the full contents of any track on the Magnetic Stripe or equivalent data from the Contactless Payment chip; and (ii) may be resubmitted once each day for up to 9 calendar days after the original Transaction Date until an Approval Response is obtained.

(16) Fleet Service Merchants.

(a) A Visa Fleet Service Merchant must comply with all of the following:

(i) Use a Point-of-Transaction Terminal capable of:

(a) Reading the data on track 1 or track 2 of the Magnetic Stripe or Chip that identifies the Card as a Visa Fleet Card;

(b) Displaying the appropriate prompts; and

(c) Capturing the appropriate responses.

(ii) Establish procedures for its employees or the Cardholder to enter required data on the terminal keypad.

(b) Additional Commercial Card Data for a fuel purchase Transaction completed with a Visa Fleet Card consists of: (i) sales tax; (ii) local tax; (iii) local tax included indicator; (iv) accounting code (i.e., customer code); (v) fuel type; (vi) unit of measure; (vii) quantity; and (viii) gross fuel price.

m. VisaNet Copy Request and Fulfillment Service.

(1) Proprietary Interest. No Direct-Connect Merchant will have any property or other right, claim, or interest, including any patent right, Trade Secret right, or copyright interest, in the V.I.P. System, BASE II, or in any systems, processes, equipment, software, data, or materials that Visa U.S.A. or its subsidiaries use with the V.I.P. System, BASE II, or in connection with a Visa Program, except for Merchant-supplied data or equipment.

(2) Confidentiality.

(a) The V.I.P. System and BASE II consist of confidential and proprietary information belonging to Visa. Each Direct-Connect Merchant must take appropriate action, by agreement or otherwise, to ensure that its employees or agents with access to the V.I.P. System or BASE II or related documentation:

(i) Are advised of the confidential and proprietary nature of these systems and documentation.

(ii) Are prohibited from:

(a) Providing access to or disclosing these systems and documentation to any third party; and

(b) Using these systems and documentation for any purpose not authorized in the Visa Operating Regulations.

(iii) Use their best efforts to protect the VisaNet Access Points.

(b) A Direct-Connect Merchant must not disclose any confidential information of Visa International, Visa U.S.A., or their subsidiaries to a nonmember.

(3) Non-Assignable Right. A Direct-Connect Merchant's right to use the V.I.P. System or BASE II is not assignable and its duties are non-delegable without prior written consent from Visa. However, a Direct-Connect Merchant may use a nonmember processing organization that has executed and delivered a VisaNet Letter of Agreement to Visa. Merchant must submit a VisaNet Letter Agreement in such cases.

(4) Restricted Use. Each Direct-Connect Merchant must restrict its use of the V.I.P. System or BASE II to purposes specifically approved by Visa.

(5) VisaNet Access Point Modification. A Direct-Connect Merchant must not make or attempt to make any repair, adjustment, alteration, or modification to a VisaNet Access Point, except as expressly authorized by Visa.

(6) VisaNet Access Point Security. A Direct-Connect Merchant must provide the same level of security for its VisaNet Access Points that it provides to its other proprietary systems.

(7) Modifications or Enhancements. A Direct-Connect Merchant must not modify or enhance Visa-owned software without the prior written consent of Visa U.S.A.

(8) Support. Each participating Direct-Connect Merchant must provide, without cost to Visa, reasonable support requested by Visa for installing the V.I.P. System or BASE II, including:

- (a) Providing a location that meets the requirements of Visa for installing one or more VisaNet Access Point on the Direct-Connect Merchant's premises;
- (b) Providing a sufficient number of qualified personnel that the Direct-Connect Merchant will train to meet Visa specifications;
- (c) Maintaining V.I.P. System and BASE II records, documents, and logs required by Visa and providing them at the request of Visa;
- (d) Providing access to its premises and cooperating with Visa and its authorized agents in conjunction with the installation, service, repair, or inspection of the VisaNet Access Points;
- (e) Notifying Visa promptly of any failure of a VisaNet Access Point to operate properly on its premises or the premises of its Agent or independent contractor; and
- (f) Providing computer time and a sufficient number of qualified personnel required to ensure prompt and efficient installation and use of the V.I.P. System or BASE II Edit Package software supplied by Visa.

n. Account-Number-Verifying Terminal. A Merchant that is required to install and authorize Transactions via and Account-Number-Verifying Terminal must comply with all of the following:

- (a) When the embossed or printed Account Number does not match the encoded Account Number: (i) Decline the Transaction and attempt to retain the Card by reasonable and peaceful means, (ii) Note the physical description of the Cardholder, and (iii) handle any recovered card as specified in Section 3(n) of this Operating Guide;
- (b) When the encoded Account Number cannot be read from the Magnetic Stripe or Chip follow normal Authorization procedures and complete the approved Transaction using a manual imprinter;
- (c) When the embossed or printed Account Number is the same as the encoded Account Number, follow normal Authorization procedures; and
- (d) Notify the Acquirer if a Card is retained.

o. Card Recovery.

- (1) Merchant should attempt to recover a Visa Card or Visa Electron Card by reasonable, peaceful means and not complete a Transaction for any of the following reasons: (a) the printed four digits below the embossed or printed Account Number do not match the first four digits of the Account Number; (b) Merchant Bank or the Authorizing Member requests its retention; or (c) Merchant has reasonable grounds to believe that the Visa Card or Visa Electron Card is counterfeit, fraudulent, or stolen.
- (2) A Merchant that recovers a Visa Card or Visa Electron Card must: (a) Cut the Visa Card or Visa Electron Card horizontally so as not to damage the Magnetic Stripe, Chip, hologram (if applicable), embossed, or printed Account Number (if applicable), and (b) Immediately send it to Merchant Bank or A VisaNet Interchange Center, if Visa U.S.A. is designated as the Merchant's Authorizing Processor.
- (3) If the recovered Visa Card or Visa Electron Card was retained by a law enforcement agency, the Merchant must provide a legible copy of the front and back of the Visa Card or Visa Electron Card to Merchant Bank or a VisaNet Interchange Center, as applicable.
- (4) For a Non-Reloadable Visa Prepaid Card recovered without a Pickup Response or a specific request from the Issuer, the Merchant or the Acquirer must cut the Card and render it non-usable.

p. Transaction Receipt Completion.

- (1) This section applies to both electronically and manually produced Transaction Receipts.
- (2) Transaction Receipt Information.
 - (a) A Transaction Receipt, if required or requested by the Cardholder, must legibly contain the information specified in Exhibit 1 to this Operating Guide.
 - (b) A Merchant must enter the following information on the Transaction Receipt: (i) a brief description of the goods or services sold; and (ii) the currency symbol or words denoting Transaction Currency as part of the Transaction amount.
 - (c) If a currency symbol or identification is not included on the Transaction Receipt, the Transaction Currency defaults to the local currency of the country where the Transaction occurred.
 - (d) If the encoded Account Number on a Visa Card cannot be read from the Magnetic Stripe, Merchant must follow normal Authorization procedures and complete the Transaction using a Manual Imprinter, unless Merchant qualifies to use the Card Verification Value 2 result code as a substitute for a Manual Imprint, as specified in Section 3(k)(5).
 - (e) For Chip-initiated Transactions, the Magnetic Stripe may be read only if the Chip is not EMV- or VIS-Compliant, or the Chip or Chip-Reading Device is inoperable.
 - (f) If the encoded Account Number on a Visa Electron Card cannot be read from the Magnetic Stripe, Merchant must request another means of payment.
 - (g) Merchant must notify Merchant Bank when it changes the information on its Merchant plate.
 - (h) The Transaction Receipt must include all of the following:
 - (i) Transaction Date

- (ii) Brief description of the goods or services sold, returned, or cancelled
- (iii) Price of the goods or services, including applicable taxes, or amount of adjustment or credit
- (iv) Imprint of the embossed legends from the Card and Merchant plate. If the legends cannot be imprinted,

Merchant must include at least the Cardholder name or generic consumer identifier, if one is printed or embossed on the Card, and Account Number, Merchant name, and place of business.

(i) If the Transaction is from a U.S. embassy or consulate on foreign territory, the currency used to complete the Transaction must be disclosed on the Transaction Receipt.

(j) For a Dynamic Currency Conversion Transaction, the Transaction Receipt must include the disclosures and Transaction-related information specified in Section 3(u)(9) of this Operating Guide.

(3) Cardholder Signature. Merchant must not require the Cardholder to sign a Transaction Receipt until the final Transaction amount is entered on the Transaction Receipt.

(4) Multiple Transaction Receipts and Partial Payments.

(a) Merchant must include the total amount of goods and services purchased at the same time on a single Transaction Receipt. A Transaction must not be divided by using two or more Transaction Receipts.

(b) The only exceptions to this requirement are:

- (i) Purchases in separate departments of a multiple-department store.
- (ii) Individual Airline, passenger railway, or Cruise Line tickets issued to each passenger if required by carrier policy.

(iii) Partial amount paid by the Cardholder in cash, check, or both at the time of sale.

(iv) Delayed Delivery Transaction, as specified in Section 3(u)(2) of this Operating Guide.

(v) T&E Advance Deposit Transaction, as specified in Section 3(u)(13) of this Operating Guide.

(vi) Installment Billing Transactions by a Mail/Phone Order or Electronic Commerce Merchant, as specified in Section 3(u)(1) of this Operating Guide.

(5) Delayed or Amended Charges.

(a) Merchant may process delayed or amended charges if the Cardholder has consented to be liable for delayed or amended charges for a T&E Transaction. All delayed or amended charges must be processed to the Cardholder's account within 90 calendar days of either: (i) check-out, disembarkation, or car return date; or (ii) for a parking ticket or traffic violation, date of notification to the Merchant by the civil authority.

(b) These charges may include costs for room, food or beverage charges, taxes, mileage charges, fuel, insurance, rental fees, parking tickets and other traffic violations, and must not include charges for loss, theft, or damage.

(c) If the charge is for a parking ticket or traffic violation: (i) the incident must have occurred while the Cardholder was in possession of the vehicle and (ii) Merchant must support the charge with documentation from the appropriate civil authority, including the license number of the rental vehicle, date, time, and location of the violation, statute violated, and amount of the penalty.

(d) If a T&E Express Service Transaction involves Dynamic Currency Conversion, a Merchant must process delayed or amended charges at the same currency conversion rate as the original Dynamic Currency Conversion Transaction.

(e) The Merchant may deposit the Transaction Receipt without a Cardholder signature if the Merchant has the Cardholder signature on file and: (i) includes the words "Signature on File" on the signature line; and (ii) sends a copy to the Cardholder at the address shown on the rental contract or folio.

(6) Other Transactions. For the indicated Transaction type, a Merchant must write the following letters or words on the signature line of the Transaction Receipt:

TRANSACTION TYPE	SIGNATURE LINE PRINTING
Telephone Order	TO
Mail Order	MO
No Show	No Show
T&E Advance Deposit	Advance Deposit
Priority Check-out	Priority Check-Out
Recurring	Recurring Transaction
Advance Payment Service	Advance Payment

q. Transaction Receipt Delivery to Cardholder.

(1) Transaction Receipts.

(a) A Merchant must provide a completed copy of the Transaction Receipt to the Cardholder as follows:

(i) At the time that the purchased goods are delivered or services are performed, except for any of the following: (a) A Transaction under \$25 completed at a Point-of-Transaction Terminal with Contactless Payment capability; (b) A Small Ticket Transaction; (c) No Signature Required Transaction; (d) A T&E Express Service Transaction involving Dynamic Currency Conversion.

(ii) At the time of billing, for a Deferred Payment Transaction.

(iii) Upon Cardholder Request, for a Small Ticket Transaction or a No Signature Required Transaction.

(iv) At the time of the Transaction, for a Transaction completed at a Point-of-Transaction Terminal.

(b) The Merchant must provide a completed copy of a Credit Transaction Receipt at the time of the Transaction.

(c) If a T&E Express Service Transaction involves Dynamic Currency Conversion, a Lodging Merchant or Car Rental Company must send the Cardholder a copy of the Transaction Receipt through the postal service within 3 business days, as specified in Section 3(u)(13)(g) of this Operating Guide.

(2) Amended Transaction Receipts. A Lodging Merchant, Cruise Line Merchant, or Car Rental Company must send the Cardholder a copy of any amended or additional charges added to a Transaction Receipt.

r. Transaction Receipt Deposit.

(1) Deposit Requirements and Restrictions.

(a) Except as permitted in Section 3(q)(1)(b) of this Operating Guide, a Merchant must deposit only Transaction Receipts that directly result from Cardholder Transactions with that Merchant.

(b) An Internet Payment Service Provider may deposit Transaction Receipts on behalf of a Sponsored Merchant, as specified in Section 3(b) of this Operating Guide.

(c) A Merchant must not deposit a Transaction Receipt until it does one of the following:

(i) Completes the Transaction.

(ii) Ships or provides the goods, except as specified in Section 3(q)(1)(e) and Section 3(u)(2) of this Operating Guide.

(iii) Performs the purchased service.

(iv) Obtains the Cardholder's consent for a Recurring Transaction.

(d) A Merchant must not deposit a Transaction Receipt that it knows or should have known to be either fraudulent or not authorized by the Cardholder. The Merchant is responsible for its employees' actions while in its employ.

(e) The Merchant may deposit a prepayment, within the time limits specified in Section 3(q)(2) of this Operating Guide, if the Merchant advises the Cardholder of the immediate billing at the time of the Transaction, for: (i) prepayment of services, excluding estimates for services to be provided, and (ii) full prepayment of custom-ordered merchandise, manufactured to the Cardholder's specifications. For prepayment of services, the Transaction Date is considered to be the date of Cardholder prepayment.

(f) An Advance Payment Service Merchant may deposit a Transaction Receipt representing a partial or complete advance payment, as specified in Section 3(u)(16) of this Operating Guide.

(g) A Merchant with multiple Merchant Outlets must ensure that Merchant Bank is able to: (i) identify the location of each Transaction on the Transaction Receipt; and (ii) include this identification in the Clearing Record.

(2) Deposit Time Limits (Each time period specified in this Section 3(q)(2) includes the Transaction Date and the receipt date).

(a) A Merchant must deposit Visa Transaction Receipts to Merchant Bank or its designated Agent within 5 calendar days of the Transaction Date, except as specified in Section 3(q)(2)(b) and Section 3(q)(2)(c) of this Operating Guide.

(b) A Merchant must deposit Transaction Receipts for Delayed Delivery Transactions within 5 calendar days of the date of both the Deposit and final payment.

(c) A Merchant with multiple Merchant Outlets must deposit Transaction Receipts related to Visa Cards as follows:

(i) Transaction Receipts, within 20 calendar days of the Transaction Date.

(ii) Credit Transaction Receipts, within 9 calendar days of the Transaction Date, if accumulated at a central office or facility

(d) Section 3(q)(2)(c) applies to the following Merchant types:

(i) Transaction companies subject to federal or foreign regulations.

(ii) Oil companies.

(iii) Car Rental Companies.

(iv) Hotels, motels, and restaurant chains.

(v) Other Merchant categories specified by Visa.

(e) Visa may extend the maximum time for delivery.

s. Credit Refunds.

(1) Restrictions. Merchant must not: (a) accept payment from a Cardholder for the purpose of depositing funds to the Cardholder's account (The loading of value to a Visa Prepaid Card that has been designated for participation in Visa ReadyLink by the Issuer is excluded from this restriction); or (b) process a Credit Transaction Receipt without having completed a previous retail Transaction with the same Cardholder, except as specified in Section 3(s) of this Operating Guide.

(2) Credit Transaction Receipt. Merchant may, at its discretion, prepare a Credit Transaction Receipt when a valid Transaction Receipt was previously processed and the Cardholder either cancelled the Transaction later or returned the goods. Merchant then must prepare a Credit Transaction Receipt that: (a) includes the Credit Transaction Receipt date; (b) describes the merchandise returned, services cancelled, or adjustment made; and (c) identifies the original Transaction.

t. Returned Merchandise, Cancellation, and Adjustments.

(1) Merchant Responsibilities.

(a) A Merchant must provide a credit refund or price adjustment by delivering a Credit Transaction Receipt to the Member that received the related Transaction Receipt representing the original purchase. The only exception is an Airline or other carrier, if required by law or applicable tariff.

(b) Merchant may provide the following alternate forms of credit: (i) cash refund to the Cardholder, for a Small Ticket Transaction; (ii) cash refund to the Cardholder, for a No Signature Required Transaction; (iii) Cash refund, Credit Transaction Receipt, or other appropriate form of credit to the recipient of a gift purchased as a Mail/Phone Order Transaction, instead of to the Cardholder; or (iv) Cash refund or in-store credit for a Visa Prepaid Card Transaction if the Cardholder states that the Visa Prepaid Card has been discarded.

(c) The refund or adjustment must not exceed the original Transaction amount.

(d) Merchant may limit its acceptance of returned merchandise or establish a policy to make price adjustments, if the Merchant: (i) makes proper disclosure, as specified in Section 3(s)(2) of this Operating Guide; and (ii) in a Face-to-Face Environment, delivers the purchased goods or services to the Cardholder at the time of the Transaction.

(2) Refund Policy Disclosure.

(a) The following words or similar wording must be legibly printed on all copies of the Transaction Receipt or invoice, in letters approximately 0.25 inches high, near the Cardholder signature area:

TRANSACTION RECEIPT WORDING	FOR THE FOLLOWING TYPES OF REFUND POLICY:
"No Refund"	Merchant that does not: <ul style="list-style-type: none"> • Accept merchandise in return or exchange • Issue a refund to a Cardholder
"Exchange Only"	Merchant that only accepts merchandise in immediate exchange for similar merchandise of price equal to the original Transaction amount
"In-Store Credit Only"	Merchant that only accepts merchandise in return and delivers an in-store credit that: <ul style="list-style-type: none"> • Equals the value of the returned merchandise • Must be used at the Merchant's place of business
Note: Absence of the above wording does not necessarily mean that proper disclosure has not been provided.	

(b) Proper disclosure must not include a statement that waives a Cardholder's right to dispute the Transaction with the Issuer.

(3) Refund Policy Disclosure for a Mail Order Merchant. A mail order Merchant must include disclosure of its refund policy on the Order Form, invoice, or contract, as specified in Section 3(s)(2) of this Operating Guide.

(4) Refund Policy Disclosure for an Electronic Commerce Merchant. An Electronic Commerce Merchant Web Site must communicate its refund policy to the Cardholder during the order process and require the Cardholder to select a "click to accept" or other affirmative button to acknowledge the policy. The terms and conditions of the purchase must be displayed: (a) on the same screen view as the checkout screen used to present the total purchase amount; or (b) within the sequence of Web pages the Cardholder accesses during the checkout process.

(5) Special Circumstances. A Merchant may, with Cardholder approval and if permitted by local law, identify terms for special circumstances (such as late delivery, delivery charges). The Merchant must print any special terms on the Transaction Receipt.

u. Electronic Commerce.

(1) Authorization and Clearing Requirements.

(a) All Transactions.

(i) An Electronic Commerce Transaction must be identified in both the Authorization Request and Clearing Record with the appropriate Electronic Commerce Transaction indicator values.

(b) Authentication Requests.

(i) A Merchant must not submit an Authorization Request for an Electronic Commerce Transaction that failed a 3-D Secure Authentication Request

(ii) In an Authorization Request, a Merchant must not transmit Authentication Data specific to one Transaction with another Transaction, except in the following cases: (a) Two Transactions are related due to delayed delivery or (b) All items of an order cannot be shipped at the same time.

(iii) The original Authentication Data may be used if a subsequent Authorization Request is initiated as a result of a delayed delivery or split shipment, as specified in Section 3(t)(1)(b). The original Authentication Data is valid for up to 90 calendar days from the date it was first received.

(c) Recurring Transactions. If the Order Form is provided to the Merchant in an electronic format, the initial Transaction must be processed with the appropriate Electronic Commerce Transaction indicator values. Subsequent Recurring Transactions must be processed as Recurring Transactions, as specified in Section 3(u)(3) of this Operating Guide.

(d) Merchant Outlet Country. Data indicating a Merchant Outlet's country must be transmitted in the Clearing Record of an Electronic Commerce Transaction.

(2) Merchant Web Site Requirements.

(a) Web Site Information. A Web Site operated by a Merchant, Sponsored Merchant, or Internet Payment Service Provider must contain all of the following information:

(i) A complete description of the goods or services offered.

(ii) Merchant's returned merchandise and refund policy, as specified in Section 3(s)(4) of this Operating Guide.

(iii) The Merchant's Customer service contact, including Electronic Mail Addresses and/or telephone number.

(iv) The Transaction currency.

(v) Any export or legal restrictions (if known).

(vi) Merchant's delivery policy.

(vii) The address of the Merchant Outlet's Permanent Establishment, including the Merchant Outlet country (the country code for this country must be transmitted in the Clearing Record): (a) on the same screen view as the checkout screen used to present the total purchase amount; or (b) within the sequence of Web pages the Cardholder accesses during the checkout process.

(viii) The Merchant's consumer data privacy policy.

(ix) The security method for the transmission of payment data.

(b) Display of Marks. A Web Site operated by a Merchant, Sponsored Merchant, or Internet Payment Service Provider must display the Visa Marks as specified in Section 3(c)(3) of this Operating Guide. A 3-D Secure-capable Electronic Commerce Merchant that displays the Verified by Visa Mark, as specified in Section 3(c)(2), must not use the Mark: (a) In a way that implies endorsement of any other product or service or (b) As an Acceptance Mark in any application.

(c) (i) Electronic Commerce Merchants must offer Cardholders a secure Transaction method, such as: (a) Secure Socket Layer (SSL), or (b) 3-D Secure.

(d) Internet Payment Service Provider Customer Support. An Internet Payment Service Provider: (i) must provide customer service through its Web Site if the Cardholder accesses the Internet Payment Service Provider's Web Site directly and (ii) may provide customer service either: (a) directly, or (b) through its Sponsored Merchants.

(3) Transaction Receipt Data Requirements.

(a) General. In addition to the requirements specified elsewhere in this Operating Guide, a Transaction Receipt completed for an Electronic Commerce Transaction must include:

(i) Merchant name most recognizable to the Cardholder, such as:

(a) Merchant "doing business as" name (DBA).

(b) Merchant "universal resource locator" (URL).

(c) Merchant name used in the VisaNet Clearing Record.

(ii) Customer service contact, including telephone number. If a Merchant delivers goods or services internationally, both local and internationally accessible telephone numbers must be included.

(iii) Terms and conditions of sale, if restricted.

(iv) Exact date free trial period ends, if offered.

(v) Cancellation policies.

(b) Internet Payment Service Providers.

(i) For a Transaction Receipt completed by an Internet Payment Services Provider, if the Cardholder accesses a Sponsored Merchant's Web Site and is then linked to the Internet Payment Service Provider Web Site for payment, the Internet Payment Service Provider Name must appear on the Transaction Receipt in conjunction with the Sponsored Merchant's name.

(ii) The Internet Payment Service Provider name may appear alone on the Transaction Receipt if: (a) the Cardholder accesses the Internet Payment Service Provider Web Site directly, and (b) the Internet Payment Service Provider name is visible to the Cardholder during the selection, order, and payment processing services.

(iii) If the Internet Payment Service Provider name appears alone on the Transaction Receipt as specified in Section 3(t)(3)(b)(ii), Visa may require that the Sponsored Merchant name be included on the Transaction Receipt if the Internet Payment Service Provider or its Sponsored Merchants cause undue economic hardship to the Visa system, including, but not limited to: (a) qualifying for the Global Merchant Chargeback Monitoring Program or the Merchant Chargeback Monitoring Program; or (b) generating excessive Copy Requests.

(c) Delivery to Cardholder.

(i) A Merchant must provide a completed copy of the Transaction Receipt to the Cardholder, as specified in Section 3(p) of this Operating Guide. An Electronic Commerce Merchant may deliver the Transaction Receipt in either of the following formats: (a) electronic (e.g., e-mail or fax); or (b) paper (e.g., hand-written or terminal-generated).

(ii) An Electronic Commerce Merchant must not transmit the Account Number to the Cardholder.

v. Special Merchant Card Acceptance Services.

(1) Installment Billing Transactions.

(a) General Requirements. A Mail/Phone Order or Electronic Commerce Merchant may offer Cardholders an Installment Billing Transaction option under the following conditions:

(i) If it offers an Installment Billing Transaction option, the Merchant must:

- (a) Disclose, in writing, the terms, including but not limited to, whether the installment terms are limited to certain goods that a Cardholder may purchase. The written disclosure must also include the shipping and handling charges and any applicable tax.
- (b) Inform a Cardholder not billed in the Transaction Currency of the Merchant that each Installment Billing Transaction amount may vary due to Currency Conversion Rate fluctuations.
- (c) Ensure that the sum of the Installment Billing Transactions does not include any finance charge or exceed the total price of the goods.
- (d) Authorize all Transactions.

(ii) The Merchant must not add finance charges to an Installment Billing Transaction.

(b) Transaction Receipt Deposits. A Merchant must not deposit the first installment Billing Transaction with Merchant Bank until the shipment date of the goods. The Merchant must deposit subsequent Installment Billing Transaction Receipts at either of the following intervals: (i) 30 calendar days or more, or (ii) monthly anniversary of the shipment date (same day of each month).

(2) Delayed Delivery Transactions

(a) Authorization. A Merchant completing a Delayed Delivery Transaction must obtain Authorization for each Transaction Receipt on each Transaction Date.

(b) Transaction Receipt Deposits

(i) The Merchant must:

- (a) Assign a separate Authorization number for each Transaction Receipt; and
- (b) Write the following information on the appropriate Transaction Receipt:
 1. Words "Delayed Delivery."
 2. Word "Deposit" or "Balance," as appropriate.
 3. Authorization date and Authorization Approval Code, if applicable.

(ii) The Merchant must deposit the Transaction Receipt for a T&E Advance Deposit Transaction or Installment Billing Transaction, as specified in Section 3(q) of this Operating Guide.

(iii) The Merchant may deposit the Transaction Receipt for the delayed delivery deposit before delivery of the goods or service.

(iv) The Merchant must not deposit the Transaction Receipt for the balance before delivery of the goods or service.

(c) For Delayed Delivery Transactions, the Merchant may retain the deposit if the: (a) Merchant received a Decline Response for the balance; (b) the balance was not paid by other means; and (c) the Transaction Receipt states that the deposit is non-refundable

(3) Recurring Transactions.

(a) Merchant Requirements.

(i) A Recurring Services Merchant must:

- (a) Obtain Cardholder permission to periodically charge for recurring services, in a format including, but not limited to: (1) E-mail or other electronic record; (2) hard copy correspondence
- (b) Retain this permission for the duration of the recurring services and provide it upon Issuer request

- (c) Provide a simple and easily accessible online cancellation procedure if the Cardholder request for goods or services was initially accepted online
- (ii) For a Recurring Services Transaction, a Merchant must:
- (a) Obtain an Authorization
 - (b) Write "Recurring Transaction" on the signature line of the Transaction Receipt
 - (c) For a recurring Electronic Commerce Transaction, include on the Transaction Receipt the frequency and duration of the Recurring Transactions, as agreed to by the Cardholder
 - (d) procedure, if the Cardholder request for goods or services was initially accepted online.
- (iii) A Recurring Services Merchant must not:
- (a) Include partial payment for goods or services purchased in a single Transaction, except as specified in Section 3(o)(4) of this Operating Guide.
 - (b) Include additional finance charges on a Recurring Transaction.
 - (c) Complete a Recurring Transaction if it receives a Negative Response or a cancellation notice from the Cardholder or Merchant Bank.
- (b) Notification Requirements. For Recurring Transactions of varying amounts, all of the following apply:
- (i) The Order Form must allow the Cardholder to specify a minimum and maximum Transaction amount to be charged, unless the Cardholder will be notified of the amount and date of each charge, as specified in the remainder of this section.
 - (ii) The Merchant must inform the Cardholder of his/her right to receive, at least 10 calendar days prior to each scheduled Transaction Date, written notification of the amount and date of the next charge.
 - (iii) The Cardholder may choose to receive the notification in any of the following ways:
 - (a) For every charge.
 - (b) When the Transaction amount does not fall within the range of amounts specified on the Order Form.
 - (c) When the Transaction amount will differ from the most recent charge by more than an agreed-upon amount.
- (4) Account Funding Transactions. An Account Funding Transaction must:
- (a) Be processed as a "purchase" Transaction.
 - (b) Include the transmission of the Electronic Commerce Transaction indicator.
 - (c) Include the transmission of the Account Funding Transaction indicator.
- (5) Small Ticket Transactions.
- (a) General Requirements. A Visa Consumer Card or Commercial Visa Product Transaction of \$15 or less, as specified in this Section 3(u)(5) of this Operating Guide, may qualify as a Small Ticket Transaction.
- (b) Merchant Requirements. A Transaction must be processed by a Merchant assigned one of the following Visa Merchant Category Codes to qualify as a Small Ticket Transaction:
- (i) Local Commuter Passenger Transportation (4111)
 - (ii) Taxicabs and Limousines (4121)
 - (iii) Bus Lines (4131)
 - (iv) Toll and Bridge Fees (4784)
 - (v) Eating Places and Restaurants (5812)
 - (vi) Fast Food Restaurants (5814)
 - (vii) News Dealers, Newsstands (5994)
 - (viii) Laundries — Family, Commercial (7211)
 - (ix) Dry Cleaners (7216)
 - (x) Quick Copy, Reproduction, and Blueprinting Services (7338)
 - (xi) Parking Lots and Garages (7523)
 - (xii) Car Washes (7542)
 - (xiii) Motion Picture Theaters (7832)
 - (xiv) Video Tape Rental Stores (7841)
- (c) Transaction Processing Requirements
- (i) If the Transaction is \$15 or under, the Merchant is not required to: (a) obtain the Cardholder signature; or (b) provide a Transaction Receipt, unless the Cardholder requests one.
 - (ii) A Merchant must obtain Authorization for a Small Ticket Transaction.
 - (iii) The Point-of-Transaction Terminal must read and transmit track 1 or 2 of the Magnetic Stripe or unaltered Chip data, as specified in the appropriate VisaNet User's Manual.

(iv) The Transaction must occur: (a) in a Face-to-Face environment, or (b) At a Self Service Terminal or (c) At an Automated Dispensing Machine.

(v) The Transaction must not be processed as a Small Ticket Transaction if Dynamic Currency Conversion is performed.

(vi) Interchange Reimbursement Fee. Any applicable Interchange Reimbursement Fee may apply to a Small Ticket Transaction. A Small Ticket Transaction must satisfy the requirements specified in Section 3(u)(6) to qualify for CPS/Small Ticket Interchange Reimbursement Fee.

(6) CPS/Small Ticket.

(a) CPS/Small Ticket is a payment service that permits certain Merchant Outlets to: (i) Process Visa Consumer Card Transactions as specified in this section and (ii) Qualify for the CPS/Small Ticket Interchange Reimbursement Fee.

(b) The following Merchant Category Codes may qualify for the CPS/Small Ticket program:

- (i) Local Commuter Passenger Transportation (4111)
- (ii) Taxicabs and Limousines (4121)
- (iii) Bus Lines (4131)
- (iv) Toll and Bridge Fees (4784)
- (v) Eating Places and Restaurants (5812)
- (vi) Fast Food Restaurants (5814)
- (vii) News Dealers, Newsstands (5994)
- (viii) Laundries — Family, Commercial (7211)
- (ix) Dry Cleaners (7216)
- (x) Quick Copy, Reproduction, and Blueprinting Services (7338)
- (xi) Parking Lots and Garages (7523)
- (xii) Car Washes (7542)
- (xiii) Motion Picture Theaters (7832)
- (xiv) Video Tape Rental Stores (7841)

(c) Transaction Processing Requirements.

(i) If the Transaction is \$15 or under, the Merchant is not required to: (a) Obtain the Cardholder signature or (b) Provide a Transaction Receipt, unless the Cardholder requests one.

(ii) A Merchant must obtain Authorization for a CPS/Small Ticket Transaction

(iii) The Point-of-Transaction Terminal must read and transmit track 1 or 2 of the Magnetic Stripe or unaltered Chip data, as specified in the appropriate VisaNet User's Manual.

(iv) The Transaction must occur: (a) in a Face-to-Face environment, or (b) At a Self Service Terminal or (c) At an Automated Dispensing Machine.

(v) The Merchant name and location must be included in the Authorization Request, as specified in the Required Data for Authorization Requests and Responses (Exhibit OO).

(d) Interchange Reimbursement Fee. A CPS/Small Ticket Transaction qualifies for an Interchange Reimbursement Fee.

(e) Transaction Date. The Acquirer's Processing Date for CPS/Small Ticket Program Transactions processed at eligible Merchant Outlets must be within 2 calendar days (excluding Sundays and the U.S. holidays listed below) of the Transaction Date.

- (i) New Year's Day
- (ii) Martin Luther King, Jr. Day
- (iii) Washington's Birthday (Observed)
- (iv) Good Friday
- (v) Memorial Day (Observed)
- (vi) Independence Day
- (vii) Labor Day
- (viii) Columbus Day (Observed)
- (ix) Veterans Day
- (x) Thanksgiving Day
- (xi) Christmas Day

(7) No Signature Required Transactions.

(a) Description. For all Visa Card Transactions under \$25, a No Signature Required Merchant is not required to: (i) Obtain the Cardholder signature or (ii) Provide a Transaction Receipt, unless the Cardholder requests one.

(b) Requirements. In addition to the Small Ticket requirements specified in Section 3(u)(5), a No Signature Required Transaction must be a Transaction initiated from a Merchant assigned one of the Merchant Category Codes in Section 3(u)(5)(b) or one of the following Merchant Category Codes:

- (i) Convenience Stores (5499)
- (ii) Filling Stations — Automotive Gasoline (5541)
- (iii) Drug Stores, Pharmacies (5912)
- (iv) Hardware Stores (5251)
- (v) Variety Stores (5331)
- (vi) Grocery and Supermarket (5411)
- (vii) Candy Stores (5441)
- (viii) Dairy and Ice Cream Stores (5451)
- (ix) Bakeries (5462)
- (x) Bookstores (5942)
- (xi) Gift, Card, and Novelty (5947)

(c) Restrictions. The Transaction must not be processed as a No Signature Required Transaction if Dynamic Currency Conversion is performed.

(d) Interchange Reimbursement Fee. Any applicable Interchange Reimbursement Fee may apply to a No Signature Required Transaction.

(8) Contactless Payment Terminal Transactions.

(a) Acceptance Procedures.

(i) For Transactions under \$25 completed at a Point-of-Transaction Terminal with Contactless Payment Capability, Merchant is not required to (i) obtain the Cardholder signature, or (ii) provide a Transaction receipt, unless the Cardholder requests one.

(ii) The acceptance procedures specified in Section 3(u)(8)(a)(ii) apply to all Transaction types, including Magnetic-Stripe, Contactless Payment, and Chip Card Transactions.

(iii) The Transaction must not be processed as a Contactless Payment Transaction if Dynamic Currency Conversion is performed.

(b) Interchange Reimbursement Fee. Any applicable Interchange Reimbursement Fee may apply to Transactions under \$25 completed at a Point-of-Transaction Terminal with Contactless Payment capability.

(9) Dynamic Currency Conversion Transactions.

(a) General Requirements.

(i) A Merchant that offers Dynamic Currency Conversion services must comply with the substance of all applicable operating requirements specified in the Visa U.S.A. Inc. Operating Regulations, including but not limited to this Section 3(u)(9).

(ii) A Merchant must not represent, either explicitly or implicitly, that its Dynamic Currency Conversion service is a Visa service.

(iii) A Merchant may offer Cardholders a Dynamic Currency Conversion Transaction option under the following conditions:

- (a) Disclosure. The Merchant must fully inform the Cardholder that: 1) Dynamic Currency Conversion Transaction is optional, and 2) the Cardholder need not do anything additional to have the Transaction processed in the local currency.
- (b) Before initiating a Dynamic Currency Conversion Transaction in the Card-Absent Environment, Merchant must disclose specified Transaction-related information, as detailed in Table 3.
- (c) A Cardholder must expressly agree to a Dynamic Currency Conversion Transaction. A Merchant is prohibited from using any customer service procedure that results in a Cardholder choosing a Dynamic Currency Conversion Transaction by default, as specified in Section 3(u)(9)(c) of this Operating Guide.
- (d) If the Cardholder accepts the Dynamic Currency Conversion option, the Merchant must: 1) complete the Transaction in the defined manner for each Transaction environment, as specified in Section 3(u)(9)(d) of this Operating Guide; and 2) include the required information on the Transaction Receipt, as detailed in Section 3(u)(9)(d) of this Operating Guide.

(b) T&E Express Service Transactions.

(i) A Car Rental Merchant or Lodging Merchant that offers T&E Express Services may establish an agreement with a Cardholder, in advance of hotel checkout or car rental return, that the currency conversion rate will be determined by the Merchant at a later time, without further consulting the Cardholder. The operating requirements specified in Table 4 apply.

(ii) For a T&E Express Service Transaction, a Merchant must:

- (a) send the Cardholder a copy of the Transaction Receipt through the postal service within three business days of completing the Transaction; and
- (b) process any delayed or amended charges at the same currency conversion rate as the original Dynamic Currency Conversion Transaction.

(c) Restrictions. A Merchant must not:

- (i) use any contractual language or procedures that result in the Cardholder choosing Dynamic Currency Conversion Transaction by default;
- (ii) convert a Transaction amount in a local currency into an amount in a Cardholder's billing currency, after the Transaction has been completed but not yet entered into Interchange; or
- (iii) Perform Dynamic Currency Conversion on any of the following Transaction types:
 - (a) Contactless Payment Transactions
 - (b) No Signature Required Transactions
 - (c) Small Ticket Transactions
- (d) Operating Requirements. For a Dynamic Currency Conversion Transaction, a Merchant must comply with operating requirements specific to each Transaction environment, as specified in:
 - (i) Table 2, Face-to-Face Transactions.
 - (ii) Table 3, Mail/Phone Order or Electronic Commerce Transactions.
 - (iii) Table 4, T&E Express Service Transactions.

Table 2: Dynamic Currency Conversion – Face-to-Face Transactions

TRANSACTION ENVIRONMENT	OPERATING REQUIREMENTS
Face-to-Face	<p><u>Transaction Receipt</u></p> <p>In addition to the Transaction Receipt requirements specified in Electronic and Manual Transaction Receipts (Exhibit 1 to this Operating Guide), a Transaction Receipt for a Face-to-Face Dynamic Currency Conversion Transaction must include the following information:</p> <ul style="list-style-type: none"> • Price of the goods or services in the Merchant's local currency accompanied by the currency symbol next to the amount • Total price in the Transaction Currency accompanied by the words "Transaction Currency" and the currency symbol next to the amount • Exchange rate used • Any additional mark up, commission, or fee for the Dynamic Currency Conversion service • A statement in an area easily seen by the Cardholder that: <ul style="list-style-type: none"> - The Cardholder was offered a choice of payment in the Merchant's local currency - The choice of currency is final - Either the currency conversion will not be conducted by Visa or the Merchant or Merchant Bank, as applicable, is providing the currency conversion service <p>Each of the above data elements must be show separately.</p>

Table 3: Dynamic Currency Conversion – Mail/Phone Order or Electronic Commerce Transactions

TRANSACTION ENVIRONMENT	OPERATING REQUIREMENTS
Mail/Phone Order or Electronic Commerce	<p><u>Disclosure</u></p> <p>Before initiating a Dynamic Currency Conversion Transaction in the Mail/Phone Order or Electronic Commerce environment, the Merchant must notify the Cardholder of the following:</p> <ul style="list-style-type: none"> • Price of the goods or services in the Merchant's local currency • Exchange rate, including any commission • Total price in the Transaction Currency • That the Cardholder has a choice of currencies, including the Merchant's local currency • That the choice of currency is final <p>For an Electronic Commerce Transaction, the Cardholder must confirm receipt of the above information by clicking on an "accept" or other affirmative button to ensure proper disclosure.</p> <p><u>Transaction Receipt</u></p> <p>In addition to the Transaction Receipt requirements specified in Electronic and Manual Transaction Receipts (Exhibit 1 to this Operating Guide), a Transaction Receipt must include the following information:</p> <ul style="list-style-type: none"> • Price of the goods or services in the Merchant's local currency accompanied by the currency symbol next to the amount • Total price in the Transaction Currency accompanied by the words "Transaction Currency" and the currency symbol next to the amount

	<ul style="list-style-type: none">• Exchange rate used• Any additional mark up, commission, or fee for the Dynamic Currency Conversion service• A statement in an area easily seen by the Cardholder that:<ul style="list-style-type: none">- The Cardholder was offered a choice of payment in the Merchant's local currency- The choice of currency is final- Either the currency conversion will not be conducted by Visa or the Merchant or Merchant Bank, as applicable, is providing the currency conversion service. <p>Each of the above data elements must be show separately.</p>
--	---

Table 4: Dynamic Currency Conversion – T&E Express Service Transactions

TRANSACTION ENVIRONMENT	OPERATING REQUIREMENTS
<p>T&E Express Service Transactions – Hotel Checkout or Car Rental Return</p>	<p>Documentation</p> <p>For a T&E Express Service Transaction, the Merchant must document the terms of the Dynamic Currency Conversion in a written agreement. The agreement must be signed by the Cardholder in advance of a hotel checkout or car rental return.</p> <p>The written agreement must document:</p> <ul style="list-style-type: none"> • The specific currency in which the conversion will take place • That the Cardholder has been offered a choice of currencies, including the Merchant's local currency • That the Cardholder understands that a Dynamic Currency Conversion Transaction will take place • The currency choice is final • That the currency conversion rate will be determined at a later time without further Cardholder consultation <p><u>Transaction Receipt</u></p> <p>In addition to the Transaction Receipt requirements specified in Electronic and Manual Transaction Receipts (Exhibit 1 to this Operating Guide), a Transaction Receipt must include the following information:</p> <ul style="list-style-type: none"> • Price of the goods or services in the Merchant's local currency accompanied by the currency symbol next to the amount • Total price in the Transaction Currency accompanied by the words "Transaction Currency" and the currency symbol next to the amount • Exchange rate used • Any additional mark up, commission, or fee for the Dynamic Currency Conversion service • A statement in an area easily seen by the Cardholder that: <ul style="list-style-type: none"> - The Cardholder was offered a choice of payment in the Merchant's local currency - The choice of currency is final - Either the currency conversion will not be conducted by Visa or the Merchant or Merchant Bank, as applicable, is providing the currency conversion service. <p>Each of the above data elements must be show separately.</p> <p>The Merchant must also send the Cardholder a copy of the Transaction Receipt through the postal service (or by email if selected by the Cardholder) within 3 business days.</p> <p><u>Delayed or Amended Charges</u></p> <p>For any delayed or amended charges, as specified in <u>Section 3(o)(5)</u> of this Operating Guide, the Merchant must process such charges at the same currency conversion rate as the original Dynamic Currency Conversation Transaction</p>

(10) Travel & Entertainment Services. If indicated in the Merchant Application, a T&E Merchant may participate in any of the following Visa T&E Services: (a) Visa Reservation Service; (b) T&E Advance Deposit Service; and (c) Priority Check-out Service.

(11) Visa Reservation Service for Lodging.

(a) General Requirements.

(i) A Lodging Merchant must participate in the Visa Reservation Service if it accepts Visa Cards to guarantee hotel reservations.

(ii) A participating Lodging Merchant must accept all Visa Cards in its category of acceptance, as specified in Section 3(d)(1)(a), for reservations under the Visa Reservation Service.

(b) Billing Information. The Lodging Merchant must obtain the Cardholder name, Account Number, and expiration date displayed on the Card.

(c) Accommodation Information.

(i) The Lodging Merchant must quote the reserved accommodation rate and the exact name and physical address of the establishment.

(ii) The Lodging Merchant must inform the Cardholder that one night's lodging will be billed if the Cardholder has not: (a) registered by check-out time the day following the scheduled arrival date; or (b) properly cancelled the reservation, as specified in Section 3(u)(11)(e) of this Operating Guide.

(d) Reservation Confirmation.

(i) The Lodging Merchant must provide a confirmation code and advise the Cardholder to retain it.

(ii) The Lodging Merchant must provide this information verbally and, if requested, must provide to the Cardholder a written confirmation with the following information:

(a) Cardholder name provided by the Cardholder, Account Number, and Card expiration date displayed on the Card.

(b) Confirmation code.

(c) Name and exact physical address of the establishment.

(d) Visa Reservation Service provisions relating to the Cardholder's obligation.

(e) Rate.

(f) Any other reservation details.

(e) Cancellation Period.

(i) A Lodging Merchant must accept all cancellations prior to the specified time.

(ii) The Lodging Merchant must not require more than 72 hours cancellation notification prior to the scheduled arrival date.

(iii) If the Cardholder makes the reservation within 72 hours of the scheduled arrival date, the cancellation deadline must be no earlier than 6:00 p.m. Merchant Outlet time on the arrival date or date guaranteed.

(iv) If a Lodging Merchant requires that a Cardholder cancel before 6:00 p.m. Merchant Outlet time on the date guaranteed, the Lodging Merchant must mail the cancellation policy, including the date and time that cancellation privileges expire, to the Cardholder.

(f) Cancellation Confirmation.

(i) The Lodging Merchant must provide a cancellation code (if the reservation is properly cancelled) and advise the Cardholder to retain it in case of dispute.

(ii) If requested by the Cardholder, the Lodging Merchant must mail a confirmation of cancellation. The confirmation must include the following:

(a) Cardholder name, Account Number, and Card expiration date displayed on the Card.

(b) Cancellation code.

(c) Details related to the cancelled reservation.

(g) Unclaimed Accommodations.

(i) If the Cardholder has not claimed or cancelled the Visa Reservation Service accommodations by the specified time, the Lodging Merchant must hold the rooms available according to the reservation until check-out time the following day.

(ii) The Lodging Merchant may then complete a Transaction Receipt which must contain the following information:

(a) Amount of one night's lodging plus applicable tax.

(b) Cardholder name displayed on the Card, Account Number, and Card expiration date.

(c) The words "No-Show" on the signature line of the Transaction Receipt.

(iii) The Lodging Merchant must obtain an Authorization Approval Code for the No-Show Transaction.

(h) Alternate Accommodations. If the Visa Reservation Service guaranteed accommodations are unavailable, the Lodging Merchant must provide the Cardholder with the following services at no charge: (i) comparable accommodations for one night at another establishment; (ii) if requested, a 3-minute telephone call and message forwarding to the alternate establishment's location; and (iii) transportation to the alternate establishment's location.

(12) Visa Reservation Service for Car Rentals.

(a) General Requirements.

(i) This section governs Transactions involving a Car Rental Company in the Visa U.S.A. Region that accepts Visa Cards to guarantee Peak Time reservations and reservations for Specialized Vehicles.

(ii) A participating Car Rental Company must accept all Visa Cards in its category of acceptance, as specified in Section 3(d)(1)(a), for reservations under the Visa Reservation Service.

(b) Peak Time Reservation Information.

(i) If a Cardholder reserves a vehicle during Peak Time, the Car Rental Company must inform the Cardholder that the reservation: (a) is within a Peak Time period and explain the meaning of Peak Time; and (b) may be cancelled without penalty anytime up to 8 hours before the scheduled rental time.

(ii) If a Cardholder is traveling to a car rental location by Airline and the flight is cancelled or the airport is closed, the Cardholder may cancel the Peak Time reservation without penalty up to one hour before the scheduled rental time.

(iii) The Car Rental Company must advise the Cardholder that a "no-show" fee (not to exceed one day's rental plus the applicable tax) may be billed if the Cardholder has not: (a) rented the vehicle by the end of the guarantee period; or (b) properly cancelled the reservation, as required in Section 3(u)(12)(f) of this Operating Guide.

(c) Billing Information. The Car Rental Company must obtain the Cardholder name, Account Number, and expiration date as displayed on the Visa Card.

(d) Specialized Vehicle Reservation Information.

(i) If a Cardholder reserves a Specialized Vehicle, the Car Rental Company must inform the Cardholder that the reservation:

(a) Will be held until the scheduled pick-up time, unless cancelled.

(b) May be cancelled without penalty anytime up to 72 hours before the scheduled rental time.

(c) If the reservation is made within 72 hours of the scheduled rental time, may be cancelled without penalty anytime up to 8 hours before the scheduled rental time.

(ii) The Car Rental Company must advise the Cardholder that a "no-show" fee (not to exceed 2 days' rental) may be billed if the Cardholder has not: (a) rented the Specialized Vehicle by the end of the guarantee period; or (b) properly cancelled the reservation, as required in Section 3(u)(12)(f) of this Operating Guide.

(e) Reservation Confirmation.

(i) For a reservation made with at least 72 hours' notice, the Car Rental Company must send the Cardholder a written confirmation containing all of the following information:

(a) Cardholder name, Account Number, and expiration date as displayed on the Visa Card.

(b) Name and exact street address of the Merchant Outlet.

(c) Confirmation code.

(d) Rate.

(e) Cardholder obligations.

(f) Cancellation and any other service details.

(ii) For reservations made with less than 72 hours' notice, the Car Rental Company must mail a confirmation only on Cardholder request.

(f) Cancellation Period. A Car Rental Company in the U.S. Region must not require more than 72 hours' reservation cancellation notification before the scheduled rental date of a Specialized Vehicle. If the Cardholder makes the reservation within 72 hours of the scheduled rental date, the cancellation deadline must be 12 hours before the scheduled rental time on the scheduled pick-up date.

(g) Cancellation Confirmation.

(i) The Car Rental Company must provide a cancellation code and advise the Cardholder to retain it in case of dispute.

(ii) If requested, the Car Rental Company must provide the Cardholder with a written confirmation that contains the following information:

(a) Cardholder name, Account Number, and Card expiration date as displayed on the Visa Card.

(b) Cancellation code

(c) Cancellation details

(h) Unclaimed Vehicles

(i) The Car Rental Company must hold the reserved vehicle according to the reservation if the Cardholder has not claimed or properly canceled the reservation by the specified time.

(ii) The Car Rental Company may then prepare a Transaction Receipt with the following information:

(a) No-Show Transaction fee plus tax, as applicable. The amount of the No-Show Transaction must not exceed the value of: 1) 2 days' rental, including tax, for a Specialized Vehicle reservation; or 2) one day's rental, including tax, for a Peak Time reservation.

(b) Cardholder name, Account Number, and expiration date as displayed on the Card.

(c) The words "No-Show" on the signature line of the Transaction Receipt.

(iii) The Car Rental Company must obtain an Authorization Approval Code for the No-Show Transaction.

(i) Alternate Specialized Vehicles. If the Specialized Vehicle is unavailable, the Car Rental Company must provide the following services at no charge to the Cardholder: (i) a comparable vehicle at another car rental establishment for the reservation period; and (ii) transportation to the alternate car rental establishment.

(j) Alternate Peak Time Reservation Vehicles.

(i) If the vehicle guaranteed as a Peak Time reservation is unavailable, the Car Rental Company must provide the Cardholder with a comparable vehicle no later than one hour from the scheduled rental time.

(ii) If a comparable vehicle cannot be provided within one hour, the Car Rental Company must provide the following services at no charge to the Cardholder: (a) transportation to the Cardholder's destination; (b) delivery of a comparable

vehicle to the Cardholder's destination within 8 hours from the scheduled rental time; and (c) transportation, vehicle delivery, and one day's car rental.

(13) T&E Advance Deposit Service.

(a) General Requirements. A Lodging Merchant, Cruise Line Merchant, or Car Rental Company participating in the T&E Advance Deposit Service must: (i) Accept all Visa Cards in its category of acceptance, as specified in Section 3(b), for an advance deposit if the Cardholder agrees to the service, and (ii) Hold a valid T&E Advance Deposit Service contract with an Acquirer, either as part of the Merchant Agreement or as a separate contract.

(b) Billing Information.

- (i) The Merchant must obtain the following information from the Cardholder:
 - (a) Cardholder name, Account Number, and expiration date as displayed on the Visa Card.
 - (b) Telephone number and mailing address.
 - (c) Scheduled date of arrival (for a Lodging Merchant), embarkation (for a Cruise Line), or rental (for a Car Rental Company).
 - (d) Intended length of stay (for a Lodging Merchant) or term or rental (for a Car Rental Company).
- (ii) The Merchant must determine the T&E Advance Deposit Transaction amount, not to exceed the following:
 - (a) For lodging accommodations, the cost of the intended length of stay, not to exceed 14 nights' lodging.
 - (b) Cost of the cruise.
 - (c) For a car rental, the cost of the intended term of rental, not to exceed 14 days' rental.
- (iii) The deposit amount must be applied to the total obligation.

(c) Reservation Information. The Merchant must inform the Cardholder of the following, as applicable:

Description	Lodging Merchant	Cruise Line Merchant	Car Rental Company
Total obligation	√	√	√
Reserved accommodation or car rental rate and the Transaction amount	√	√	√
Exact Lodging Merchant or Car Rental Company name and location	√		√
Cruise Line Merchant name, address, and point of embarkation		√	
Accommodation will be held for the number of nights paid for	√	√	
Vehicle will be held for the number of days paid for			√
Merchant's cancellation policy	√	√	√

(d) Reservation Confirmation.

- (i) The Merchant must provide: (a) a confirmation code, advising the Cardholder to retain it; and (b) the advance deposit amount, cancellation policy requirements, and for lodging accommodations, the actual date and time that the cancellation privileges expire.
- (ii) The Merchant must advise the Cardholder that it will: (a) hold the accommodations according to the reservation; and (b) provide written confirmation of a Cardholder reservation change if requested.
- (iii) The Lodging or Cruise Line Merchant must also advise the Cardholder that it will retain the entire T&E Advance Deposit Transaction amount or the amount specified in the Merchant's stated policy, if the Cardholder has not: (a) checked in by check-out time (for a Lodging Merchant) the day following the specified last night of lodging used to determine the T&E Advance Deposit Transaction amount; (b) checked in by the departure time (for a Cruise Line); and (c) cancelled the reservation within the specified time frames.
- (iv) The Car Rental Company must also advise the Cardholder that it will retain the entire T&E Advance Deposit Transaction amount or the amount specified in the Merchant's stated policy, if the Cardholder has not: (a) rented the vehicle by the end of the last day of the rental period used to determine the amount of the Transaction; or (b) cancelled the reservation within the specified time frames.
- (v) Under the T&E Advance Deposit Service, a Merchant must not charge for a No-Show Transaction.

(e) Transaction Receipt Completion. The Merchant must complete a Transaction Receipt with the following information:

- (i) Advance deposit amount.
- (ii) Cardholder name, Account Number, and expiration date as specified in the Visa Operating Regulations.
- (iii) Cardholder telephone number and mailing address.
- (iv) The words "Advance Deposit" on the Transaction Receipt signature line.
- (v) Confirmation code.

- (vi) Scheduled check-in, vehicle rental, or embarkation date.
- (vii) Date and time that cancellation privileges (if any) expire without deposit forfeiture.
- (f) Transaction Receipt Authorization and Deposit.
 - (i) The Merchant must follow normal Authorization procedures. If it receives a Decline Response, the Merchant must notify the Cardholder and must not deposit the Transaction Receipt.
 - (ii) If the Transaction is authorized, the Merchant must follow normal Deposit requirements for Lodging Merchants, Cruise Line Merchants, and Car Rental Companies as specified in Section 3(q) of this Operating Guide.
- (g) Transaction Receipt Delivery to Cardholder. The Merchant must mail a Transaction Receipt copy and cancellation policy to the address indicated by the Cardholder within 3 business days from the Transaction Date.
- (h) Cancellation Period. A Lodging Merchant, Cruise Line Merchant, or Car Rental Company must accept all Cardholder cancellations within the time limits specified by the Merchant.
- (i) Cancellation Confirmation.
 - (i) The Merchant must provide a cancellation code and advise the Cardholder to retain it in case of dispute.
 - (ii) The Merchant must complete a Credit Transaction Receipt, including the following information:
 - (a) The entire T&E Advance Deposit Transaction amount (for a Lodging Merchant or Car Rental Company) or applicable amount (for a Cruise Line Merchant).
 - (b) Cardholder name, Account Number, and expiration date as displayed on the Visa Card.
 - (c) Cardholder mailing address.
 - (d) Cancellation code.
 - (e) Words "Advance Deposit" on the Transaction Receipt signature line.
 - (iii) The Merchant must: (a) deposit the Credit Transaction Receipt within 5 calendar days of the Transaction Date; and (b) mail the Cardholder's copy to the Cardholder within 3 calendar days of the Transaction Date of the Credit Transaction Receipt.
- (j) Alternate Lodging Accommodations. If the reserved accommodations are unavailable, the Merchant must provide to the Cardholder the following services without charge:
 - (i) Credit Transaction Receipt to refund the entire T&E Advance Deposit Transaction amount. The Lodging Merchant must provide the Credit Transaction Receipt copy to the Cardholder.
 - (ii) Comparable accommodations at an alternate establishment for the number of nights specified in the reservation, not to exceed 14 nights, or until the reserved accommodations become available at the original establishment, whichever comes first.
 - (iii) If requested, two 3-minute telephone calls and messages forwarding to the alternate establishment.
 - (iv) Transportation to the alternate establishment and return to the original establishment. If requested, the Lodging Merchant must provide daily transportation to and from the alternate establishment.
- (k) Alternate Cruise Line Accommodations.
 - (i) If the reserved accommodations are unavailable, and no comparable accommodations are available on the ship, the Merchant may offer the following services without charge: (a) a comparable cruise within the same approximate sailing dates and number of sailing days specified in the reservation; and (b) any extra nights' accommodations or air fare to a different port city necessitated by the Cardholder's acceptance of alternate accommodations.
 - (ii) The Merchant must provide a Credit Transaction Receipt to refund the entire T&E Advance Deposit Transaction amount, if comparable accommodations are not available or the Cardholder does not accept the offered accommodations. The Merchant must provide the Credit Transaction Receipt copy to the Cardholder.
 - (iii) The Merchant must provide all of the following without charge:
 - (a) One night's hotel accommodation, if required.
 - (b) Transportation to the hotel as well as the airport.
 - (c) Airline transportation to the airport nearest the Cardholder's residence.
 - (d) Reasonable out-of-pocket expenses incurred by the Cardholder because the guaranteed accommodations were not available.
- (l) Alternate Vehicle. If the reserved vehicle is unavailable, the Merchant must provide the following services to the Cardholder without charge: (i) Credit Transaction Receipt to refund the entire T&E Advance Deposit Transaction amount; and (ii) at least a comparable vehicle for the number of days specified in the reservation, not to exceed 14 days, or until the reserved vehicle becomes available, whichever comes first.
- (14) Central Reservation Service.
 - (a) Participation Requirements. A Central Reservation Service Merchant may participate in the T&E Advance Deposit Service to provide lodging accommodations, as specified in this section and Section 3(u)(13) of this Operating Guide.
 - (b) Central Reservation Service Responsibilities.
 - (i) A Central Reservation Service must:

- (a) Have a written contract with the lodging establishment, executed by an officer or manager of the hotel; and
- (b) Accept full responsibility for resolving Cardholder problems related to the T&E Advance Deposit Service.

(ii) The Central Reservation Service must not use an agent to perform services on its behalf.

(c) A Central Reservation Service Merchant must permit Merchant Bank or its Agent to conduct a physical inspection of its business premises, including review of: (i) Solicitation or sales materials, and (ii) Operating procedures for lodging merchants to be serviced.

(15) Priority Check-out Service

(a) Merchant Participation.

(i) A Lodging or Cruise Line Merchant participating in the T&E Services specified in Section 3(u)(10) of this Operating Guide may participate in the Priority Check-out Service.

(ii) The participating Lodging or Cruise Line Merchant must: (a) accept all Cards in its category of acceptance, as specified in Section 3(d)(1)(a), when a Cardholder requests the Priority Check-out Service; and (b) provide the Cardholder with a Priority Check-out Agreement that contains the information required by the Visa Operating Regulations.

(b) Transaction Receipt and Priority Check-Out Agreement Completion. The Merchant must:

(i) Ask the Cardholder to complete, sign, and return a Priority Check-out Agreement. The Cardholder must include the mailing address to receive a copy of the hotel or cruise line bill.

(ii) Complete a Transaction Receipt, including the total obligation amount and the words "Priority Check-out" on the signature line.

(iii) Review the completed Priority Check-out Agreement and ensure that the Account Number matches the Account Number on the Transaction Receipt, if applicable.

(c) Authorization and Deposit. The Merchant must comply with normal Authorization and Deposit requirements for Lodging and Cruise Line Merchants, as specified in Section 3(u)(11) and Section 3(q) of this Operating Guide.

(d) Transaction Receipt Delivery. The Lodging or Cruise Line Merchant must mail the Transaction Receipt copy, the itemized bill and, if requested, the signed Priority Check-out Agreement to the Cardholder within 3 business days of the Cardholder's departure.

(e) Retention. The Merchant must retain the itemized bill and signed Priority Check-out Agreement for a minimum of 6 months after the Transaction Date.

(16) Advance Payment Service.

(a) Advance Payment Procedures.

(i) A participating Merchant must comply with all of the following:

(a) Accept all Cards in its category of acceptance, as specified in Section 3(d)(1)(a), for advance payment when the Cardholder agrees to the Advance Payment Service.

(b) Determine the amount of the Advance Payment Service Transaction. The Transaction amount must not exceed the total price of the reserved services or activity.

(c) Inform the Cardholder of the following:

1. Total price of the services or activity.

2. Advance payment amount.

3. Advance payment confirmation code.

4. Cancellation terms. If a cancellation request is not received within the cancellation time specified by the Merchant, the Cardholder must forfeit the advance payment amount.

(d) Obtain all of the following Cardholder information:

1. Cardholder's Account Number, telephone number, and mailing address.

2. Card expiration date.

3. Cardholder name on the Card.

(b) Transaction Receipt. The Merchant must complete a Transaction Receipt for the amount of the advance payment, including all of the following:

(i) Words "Advance Payment" on the signature line.

(ii) Cardholder's Account Number, telephone number, and mailing address.

(iii) Card expiration date.

(iv) Cardholder name on the Card.

(c) Authorization Procedures.

(i) The Merchant must follow normal Authorization procedures.

(ii) If the Merchant receives an Approval Response, the Merchant must:

(a) Deposit the Transaction Receipt as specified in Section 3(q) of this Operating Guide.

(b) Mail a written confirmation to the Cardholder, with:

1. Copy of the Transaction Receipt; and
 2. Cancellation policy, including any applicable limitations relating to "bad weather" cancellations.
- (c) For an advance payment made less than 72 hours prior to the scheduled commencement of services, a written confirmation is required only upon Cardholder request.

(iii) If the Merchant receives a Decline Response, the Merchant must advise the Cardholder and must not deposit the Transaction Receipt.

(d) Cancellation Procedures. A Merchant participating in the Advance Payment Service must:

(i) Accept all cancellation requests, provided that the request is made prior to the specified cancellation date and time.

(ii) Provide a cancellation number and advise the Cardholder to retain it in case of a dispute.

(iii) Complete a Credit Transaction Receipt for the amount of the advance payment with all of the following information:

- (a) Words "Advance Payment" on the signature line.
- (b) Cardholder's Account Number and mailing address.
- (c) Card expiration date.
- (d) Cardholder name on the Card.
- (e) Cancellation number

(iv) Mail the Credit Transaction Receipt to the address indicated by the Cardholder within 3 business days from the Transaction Date.

(17) Preauthorized Health Care Transactions.

(a) Order Form.

(i) A Cardholder that purchases services from a Health Care Merchant that accepts Preauthorized Health Care Transactions must provide a completed Order Form to the Merchant.

(ii) The Cardholder must specify at least the following on the Order Form:

- (a) Request for the services to be charged to the Cardholder's account.
- (b) Assignment of insurance benefits to the Health Care Merchant.
- (c) Authorization for the Health Care Merchant to charge the Cardholder's account for only that portion of the bill due subsequent to Merchant's receipt of any applicable insurance payment.
- (d) Duration of time, not to exceed one year, for which permission is granted.

(iii) If a Preauthorized Health Care Transaction is renewed, the Cardholder must provide a subsequent Order Form for continuation of services.

(b) Health Care Merchant Responsibilities.

(i) A Health Care Merchant must:

- (a) Retain a microfilm copy of the Order Form during the period it is in effect.
- (b) Provide a copy of the Order Form upon Issuer request for an original Transaction Receipt.
- (c) Type or print the words "PREAUTHORIZED HEALTH CARE" on the signature line of the Transaction Receipt.

(ii) The Health Care Merchant must not complete a Preauthorized Health Care Transaction after receiving a: (a) cancellation notice from the Cardholder or Merchant Bank; or (b) Decline Response.

(iii) Upon receipt of the notice of adjudication from the Cardholder's insurance company, the Health Care Merchant must: (a) submit a Transaction Receipt into Interchange within 90 calendar days of the service date; and (b) request Authorization for the amount due.

(18) Health Care Eligibility Service. A Health Care Merchant that participates in the Health Care Eligibility Service must comply with the requirements of the Visa Health Care Eligibility Service Implementation Guide.

(19) Visa ReadyLink.

(a) Load Partner Requirements. A Load Partner that participates in the Visa ReadyLink service must:

- (i) Have a Merchant Agreement for Visa Card acceptance,
- (ii) Comply with the requirements in both the: (a) Visa International Prepaid Program Guidelines With Additional United States Guidelines; and (b) Visa ReadyLink Service Description and Implementation Guidelines,
- (iii) Load value to a Visa Prepaid Card that has been designated for participation in the Visa ReadyLink by the Issuer.

(b) A Visa ReadyLink Load Partner may sell Visa Prepaid Cards under a Load Partner Issuer Agreement with a participating Issuer.

(20) Supermarket Incentive Program

(a) Merchant Requirements. A participating Merchant Outlet must:

- (i) Comply with all of the following:
 - (a) Section 3(u)(20) of this Operating Guide.
 - (b) Appropriate VisaNet User's Manuals.
 - (c) Required Data for Authorization Requests and Responses.
 - (d) VisaNet Clearing Message Content Standards.
- (ii) Be assigned a Merchant Category Code of 5411.
- (iii) Be a non-membership retail store primarily engaged in selling food for home preparation and consumption.
- (iv) Offer a complete line of food merchandise, including self-service groceries, meat, produce, and dairy products.
- (v) Have monthly perishables (defined as packaged and in-store bakery goods, dairy products, delicatessen products, floral items, frozen foods, meat, and produce) sales representing at least 45 percent of total monthly sales.
- (vi) Accept Visa Cards or Visa Electron Cards for the purchase of all goods and services sold in the store, at all check-out lanes that accept checks.

(b) Authorization Requirements. A Supermarket Incentive Program Authorization Request must meet the following Authorization requirements:

- (i) Floor Limit for Supermarket Incentive Program Transactions is zero.
- (ii) Authorization Request originates at an attended Point-of-Transaction Terminal where the:
 - (a) Visa Card or Visa Electron Card is present;
 - (b) Cardholder signature is obtained;
 - (c) Full unaltered contents of track 1 or 2 of the Magnetic Stripe, Chip or Contactless Payment chip are read and transmitted; and
 - (d) POS Entry Mode Code.
- (iii) Merchant obtains only one Authorization Approval Code for each Transaction on the Transaction Date.
- (iv) Transactions are entered into Interchange through VisaNet and authorized through the V.I.P. System, as specified in the appropriate VisaNet User's Manuals.
- (v) The Authorization Request and Clearing Record comply with the VisaNet Clearing Message Content Standards and Required Data for Authorization Requests and Responses.
- (vi) The Transaction amount sent in the Authorization Request and the Clearing Record must be in the same currency.

(21) Telephone Service Transactions. A telephone service Merchant must not accept payment for a telephone call when the Card number is: (a) entered via touchtone key pad, or (b) provided to an operator. This prohibition excludes the following:

- (i) Magnetic-Stripe Telephone Transactions
- (ii) Transactions for which the Issuer has a contract with the carrier
- (iii) Transactions involving telephone services that have been explicitly approved by Visa and provide appropriate risk controls.
- (iv) Telephone orders for goods and services.
- (v) Transactions provided by Inbound Teleservices Merchants, as specified by Visa in the Merchant Data Manual.

(22) Visa Cash Back Service.

(a) General Requirements. A Merchant may offer Visa Check Card II Cardholders the Visa Cash Back Service option under the following conditions:

- (i) The service is offered as a part of a purchase Transaction.
- (ii) The Transaction is processed using a Point-of-Transaction Terminal with PIN pad.
- (iii) The PIN is used for Cardholder identification purposes.
- (iv) The Transaction is processed through the Single Message System.

(b) Cash Back Limits.

- (i) A participating Merchant may establish its own maximum cash back amount up to and including \$200. The cash back amount must not exceed \$200.
- (ii) The amount of cash back must be less than the total Transaction amount.

w. Clearing and Settlement.

(1) Merchant may designate a third party that does not have a direct agreement with Merchant Bank as its agent for the direct delivery of data-captured Visa Transactions to VisaNet for Clearing and Settlement. If Merchant chooses to designate such third party, Merchant must:

- (a) Advise Merchant Bank that it will use a third-party processor;
- (b) Agree that Merchant Bank must reimburse the Merchant only for the amount of Visa Transactions delivered by that agent to VisaNet, less the appropriate discount fee;
- (c) Assume responsibility for any failure by its agent to comply with the Visa U.S.A. Inc. Operating Regulations, including but not limited to, any violation resulting in a Chargeback.

4. MASTERCARD PROGRAM REQUIREMENTS.

a. Display of Marks and Acceptance Signage.

- (1) A merchant is only permitted to use the MasterCard Marks pursuant to the Merchant Agreement with Bank.
- (2) Display of the MasterCard Acceptance Mark.

(a) Merchant must prominently display the MasterCard Acceptance Mark at the point of interaction so that it is clearly visible and to indicate that the Merchant accepts Cards and Access Devices. No other Mark or mark may be used for these purposes. The preferred location to post the MasterCard Acceptance Mark at a physical point of interaction is the entrance, nearby window or door of the Merchant or location, and on the first screen of an electronic point of interaction. Where it is not possible to post signage at the entrance of the Merchant or location, posting the MasterCard Acceptance Mark so that it can easily and readily be seen within the location will satisfy the requirement. Where it is not possible to post the MasterCard Acceptance Mark on the first screen of an electronic point of interaction, posting the MasterCard Acceptance Mark on the payment screen will satisfy the requirement.

(b) A remote services Merchant must display the MasterCard Acceptance Mark wherever payment options are presented.

(c) A Mark may not appear on the Web site of a supplier to a Merchant or of any other entity that is not itself a Merchant (such as, by way of example and not limitation, an entity that is contracted by the Merchant to deliver the products or provide the services that are subject of the Transaction).

(3) Merchant Advertising and Point of Interaction Materials. Merchant may use the MasterCard Acceptance Mark in material or images at the physical or electronic point of interaction to indicate acceptance. Other acceptance marks, symbols, logos, or combinations thereof may appear in the same material or image with the MasterCard Acceptance Mark, if no other acceptance mark, symbol, or logo is more prominent or likely to cause confusion concerning the acceptance of Cards.

(4) Local/Regional Acceptance Brands. The MasterCard Acceptance Mark must be displayed as a free-standing mark, and, as such, may not be displayed so as to suggest that it is either a secondary means of payment to a local/regional acceptance brand, or exclusively linked to a local/regional acceptance brand. Visual parity must be maintained between the MasterCard Acceptance Mark and any local/regional acceptance mark also displayed at a point of interaction or in Merchant advertising.

- (5) Provisions Applicable to Direct Mail Cardholder Solicitation Merchants.

(a) Merchant acknowledges that the trademark "MasterCard" and the corresponding logotype are the property of MasterCard International Incorporated. Merchant shall not infringe upon the mark or logo, nor otherwise use the mark or logo in such a manner as to create the impression Merchant's goods or services are sponsored, produced, affiliated with, offered, or sold by MasterCard.

(b) Merchant shall not use the mark or logo on its stationery, letterhead, envelopes, or the like nor in its solicitation; provided, however, that Merchant may use one of the mark or logo in close proximity to the payment or enrollment space in the solicitation in a size not to exceed 1 1/4 inches in horizontal length if a logo is employed, or, if a mark is used, in type not to exceed the size of the type used in the major portion of the text on the same page; provided further that the legend, "Accepted for Payment" must accompany the mark or logo used and must be the equivalent size of the mark or logo. In no case, however, shall Merchant use any of the logo on the front or first page of its solicitation. One truthful statement that Merchant is directing or limiting its offer to MasterCard Cardholders may appear in the body of the solicitation, other than in close proximity to the payment or enrollment space, subject to the limitation that: (i) only the word mark may be used; (ii) the word mark may not (a) exceed in type size the size of any other type on the same page, (b) differ in color from the type used in the text (as differentiated from the titles) on the same page, (c) be as large or as prominent as the name of Merchant, (d) be the first item appearing on any page, nor (e) in any other way be the most prominent element of the page; (iii) Merchant's name and/or logo must appear prominently on the same page as the mark; and (iv) the following disclaimer must appear in close proximity to the mark on the same page and in an equal size and type of print: "MasterCard International Incorporated is not affiliated in any way with [Merchant] and has not endorsed or sponsored this offer."

(c) Merchant further agrees to submit its first direct mail solicitation(s), prior to mailing, to the MasterCard Law Department, to be reviewed only for compliance with MasterCard's trademark rules and shall furthermore not distribute in any manner such solicitations until Merchant shall have obtained MasterCard's written approval of the manner in which it uses MasterCard mark and logo on such solicitations. Merchant shall likewise, upon request, submit to the Corporation any amended solicitations prior to mailing.

(6) Any use of a MasterCard Mark by a Merchant in acceptance advertising, acceptance decals, or signs, must be in accordance with the MasterCard Standards, including MasterCard's reproduction, usage, and artwork standards, as may be in effect from time to time. Chapter 4, Section 2 of the MasterCard Merchant Rules Manual contains usage guidelines for the MasterCard Marks.

(7) The Merchant's use or display of the MasterCard Marks will terminate upon the termination of the Merchant Agreement or upon notification by MasterCard to discontinue such use or display.

- (8) The use or display of the MasterCard Marks does not give a Merchant any ownership or interest in the Marks.

b. Responsibility for Transactions. Merchant is responsible for ensuring that the Cardholder understands that the Merchant is responsible for the transaction, including the goods or services that are the subject of the transaction, and for related customer service, dispute resolution, and performance of the terms and conditions of the transaction. A Merchant Web site must:

- (1) Prominently display the name of the Merchant,
- (2) Prominently identify the name of the Merchant as displayed on the Web site as both the Merchant and as the name that will appear on the Cardholder statement, and
- (3) Display Merchant name information as prominently as any other information depicted on the Web site, other than images of the products or services being offered for sale.

c. Cardholder Identification. A Merchant must not refuse to complete a MasterCard Card Transaction solely because a Cardholder who has complied with the conditions for presentment of a Card at the POI refuses to provide additional identification information, except as specifically permitted or required by the Standards. A Merchant may require additional identification from the Cardholder if the information is required to complete the transaction, such as for shipping purposes. A Merchant in a country or region that supports use of the MasterCard Address Verification Service (AVS) may require the Cardholder's ZIP or postal code to complete a cardholder-activated terminal (CAT) Transaction, or the Cardholder's address and ZIP or postal code to complete a mail order, phone order, or e-commerce Transaction.

d. Electronic Commerce Transactions. A Merchant must not refuse to complete an Electronic Commerce Transaction using a MasterCard Card solely because the Cardholder does not have a digital certificate or other secured protocol.

e. Scrip-dispensing Terminals. MasterCard Cards must not be accepted at Terminals that dispense Scrip.

f. Prohibited Practices.

(1) **Discrimination.** A Merchant must not engage in any acceptance practice that discriminates against or discourages the use of MasterCard Cards in favor of any other acceptance brand. Merchant must honor all valid MasterCard Cards without discrimination when properly presented for payment. Merchant must maintain a policy that does not discriminate among customers seeking to make purchases with a MasterCard Card. A Merchant that does not deal with the public at large (for example, a private club) is considered to comply with this rule if it honors all valid and properly presented Cards of Cardholders that have purchasing privileges with the Merchant.

(2) **Charges to Cardholders.** A Merchant must not directly or indirectly require any MasterCard Cardholder to pay a surcharge or any part of any merchant discount or any contemporaneous finance charge in connection with a MasterCard Card Transaction. A Merchant may provide a discount to its customers for cash payments. A Merchant is permitted to charge a fee (such as a bona fide commission, postage, expedited service or convenience fees, and the like) if the fee is imposed on all like transactions regardless of the form of payment used, or as MasterCard has expressly permitted in writing. A surcharge is any fee charged in connection with a MasterCard Transaction that is not charged if another payment method is used. The merchant discount fee is the fee the Merchant pays to Bank to acquire Transactions.

(3) **Charges for Unique Transactions.** A Merchant is permitted to charge a fee for a unique transaction in accordance with the Standards found in chapter 4 of the MasterCard *GCMS Reference Manual*, which is excerpted in Section 4 of the MasterCard Merchant Rules Manual.

(4) **Minimum/Maximum Transaction Amount Prohibited.** A Merchant must not require, or indicate that it requires, a minimum or maximum Transaction amount to accept a valid and properly presented Card. A Merchant may set a minimum Transaction amount to accept a Card that provides access to a credit account, under the following conditions: (a) the minimum Transaction amount does not differentiate between Issuers; and (b) the minimum Transaction amount does not differentiate between MasterCard and another acceptance brand; and (c) the minimum Transaction amount does not exceed USD 10 (or any higher amount established by the Federal Reserve by regulation). A Merchant may set a maximum Transaction amount to accept a Card that provides access to a credit account, under the following conditions: (1) the Merchant: (A) is a department, agency or instrumentality of the U.S. Government; or (B) is a corporation owned or controlled by the U.S. Government; or (C) is a Merchant whose primary business is reflected by one of the following MCCs: (i) MCC 8220—Colleges, Universities, Professional Schools, Junior Colleges; or (ii) MCC 8244—Schools, Business and Secretarial; or (iii) MCC 8249—Schools, Trade and Vocational; and (B) the maximum Transaction amount does not differentiate between Issuers; and (C) the maximum Transaction amount does not differentiate between MasterCard and another acceptance brand.

(5) **Prohibited Transactions.** A Merchant must not submit for payment into Interchange any transaction:

- (a) that represents the refinancing or transfer of an existing Cardholder obligation that is deemed to be uncollectible, or
- (b) that arises from the dishonor of a Cardholder's personal check, or
- (c) that arises from the acceptance of MasterCard Cards at Terminals that dispense Scrip.

(6) **Other Forms of Payment.** A Merchant must not accept any payment from a customer in any other form (for example, cash or check) with respect to a charge for goods or services that are included on a transaction information document (TID) resulting from the use of a MasterCard Card. A Merchant also must not accept a Card as payment for products or services for which the Merchant has received or expects to receive payment in any other form, whether from the customer or a third party.

g. Illegal or Brand-Damaging Transactions. Merchant must not submit for payment into Interchange any Transaction that is illegal or may, in the sole discretion of MasterCard, damage the goodwill of MasterCard or reflect negatively on the MasterCard brand. MasterCard considers any of the following activities to be in violation of this rule: (1) the sale or offer of sale of a good or service other than in full compliance with law then applicable to the Acquirer, Issuer, Merchant, Cardholder or MasterCard; or (2) the sale of a good or service, including an image, which is patently offensive and lacks serious artistic value (such as, by way of example and not limitation, images of nonconsensual sexual behavior, sexual exploitation of a minor, nonconsensual mutilation of a person or body part, and bestiality), or any other material that MasterCard, in its sole discretion, deems unacceptable for sale in connection with a Mark.

h. Authorizing Transactions. When required by the Standards or by Bank, the Merchant must obtain an Authorization before completing a Transaction. Standards concerning Authorizations are set forth in the MasterCard *Authorization System Manual* and in other manuals. Merchant acceptance procedures are set forth in Chapter 2 of the the *Chargeback Guide*, which can be found at: http://www.mastercard.com/us/wce/PDF/TB_CB_Manual_5_08.pdf.

i. Submitting Transactions.

(1) Valid Transactions. A Merchant must submit to Bank records of valid Transactions only between the Merchant and a bona fide Cardholder. A Merchant must not present to Bank a Transaction that it knows or should have known to be fraudulent or not authorized by the Cardholder, or that it knows or should have known to be authorized by a Cardholder colluding with the Merchant for a fraudulent purpose. Within the scope of this rule, the Merchant is responsible for the actions of its employees, agents, and representatives.

(2) Submit Transactions within Three Business Days. The Merchant must present records of valid Transactions to Bank no later than three bank business days after the date of the Transaction, except:

(a) the record must not be presented until after the goods are shipped or the services are performed unless, at the time of the Transaction, the Cardholder agrees to a properly disclosed delayed delivery of the goods or services;

(b) when the Merchant receives Authorization for a delayed presentment (in which case the words "Delayed Presentment" must be noted on the TID);

(c) when the Merchant is obligated by law to retain the TID or return it to a buyer upon timely cancellation, in which case the merchant should present the record within 10 business days after the Transaction Date, and

(d) when the Merchant has multiple locations and uses a central facility to accumulate and present records to Bank. In this case, the Merchant must present the record in accordance with applicable laws and regulations and, in any event, within 30 calendar days of the Transaction Date.

j. Account, Cardholder, Transaction, and Merchant Information.

(1) Sale or Exchange of Account and Cardholder Information Prohibited. A Merchant must not sell, purchase, provide, exchange or in any manner disclose MasterCard Account Number, Transaction, or personal information of or about a Cardholder to anyone other than Bank, to MasterCard, or in response to a valid government request. This prohibition applies to Card imprints, TIDs, carbon copies, mailing lists, tapes, database files, and all other media created or obtained as a result of a MasterCard Transaction.

(2) Fraudulent or Unauthorized Use of Account Information Prohibited. A Merchant must not request or use MasterCard Account Number or personal information for any purpose that it knows or should have known to be fraudulent or in violation of MasterCard Standards, or for any purpose that the Cardholder did not authorize.

(3) Account, Cardholder and Transaction Data Must Be Kept Secure. Merchants and DSEs must keep all systems and media containing MasterCard 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. Merchants and DSEs must destroy all media not necessary to retain in a manner that will render the data unreadable. Only MasterCard account, Cardholder, and Transaction information may be stored, and then only to the extent permitted by the Standards. If an account compromise occurs, the following will apply:

(a) The Merchant must notify Merchant Bank immediately.

(b) Merchant Bank shall provide MasterCard with complete information about the account compromise.

(c) Refer to the Security Rules and Procedures manual, found at:

<http://www.mastercard.com/us/wce/PDF/Security%20Rules%20-%20Merchant.pdf>, for additional requirements applicable in the event of account data compromise.

(4) Account Information Must Not Be Recorded on a Mailer. Merchant must not ask a Cardholder to record a Card account number or other account information on the exterior of any order form or other similar device designed to be mailed.

(5) Merchant Identification. A Merchant must prominently and unequivocally inform the Cardholder of the identity of the Merchant at all points of interaction so that the Cardholder readily can distinguish the Merchant from any other party such as a supplier of goods or services to the Merchant.

(6) Data Storage Entity (DSE) Identification and Registration Requirements. The Merchant must inform Bank promptly of the identity of any DSE that the Merchant intends to afford access to Card account, Cardholder, or Transaction information. A DSE must comply with the MasterCard Site Data Protection (SDP) Program in accordance with the implementation schedule set forth in

section 10.5.5 of the *Security Rules and Procedures manual*. Information about the SDP Program can be found at www.mastercard.com/sdp.

(7) Storage of Account, Cardholder, and Transaction Data. A Merchant and any DSE must not store in any system or in any manner, discretionary card-read data, CVC 2 data, PIN data, Address Verification Service (AVS) data, or any other prohibited information as set forth in the MasterCard Standards including, but not limited to, Section 10.2 of the *Security Rules and Procedures manual*, except during the Authorization process for a Transaction, that is, from the time an Authorization Request message is transmitted and up to the time the Authorization Request Response message is received. MasterCard permits storage of only the Card Account Number, expiration date, Cardholder name, and Service Code, each of which, if stored, must be stored in a secure environment to which access is limited, and then only to the extent that this data is required for bona fide purposes and only for the length of time that the data is required for such purposes. If the Corporation becomes aware of a Merchant's noncompliance with any Standard, the Corporation may notify the Acquirer of such noncompliance and may assess the Acquirer, and the Acquirer must promptly cause the Merchant to discontinue the noncompliant practice. A notification by the Corporation with respect to at any one location of a Merchant requires the Acquirer to ensure that the Merchant is in compliance with the Standards at all locations of the Merchant that are subject to the Merchant Agreement(s). A Member may request that the Corporation's Secretary review an assessment for a Merchant's noncompliance with a Standard.

5. DISCOVER PROGRAM REQUIREMENTS.

a. Use of Discover Program Marks.

(1) Merchant agrees to prominently display, at each of Merchant's locations, in catalogs and websites, signage (decals) or logos showing the Discover Acceptance Mark in such manner and with such frequency as accorded any other third-party credit, charge, debit, stored value or other payment card accepted by Merchant. Merchant's use or display of the Discover Program Marks must be in accordance with the terms of this Operating Guide, the Merchant Agreement or in accordance with any other specifications provided by Discover.

(2) Merchant is prohibited from using the Discover Program Marks other than as expressly authorized in writing by Processor. Additionally, Merchant shall not use the Discover Program Marks other than to display decals, signage, advertising and other forms depicting the Discover Program Marks that are provided to Merchant by Processor pursuant to the Card Program services or otherwise approved in advance in writing by Processor. Merchant 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, websites, advertising materials and marketing materials; provided that all such uses by Merchants must be approved in advance by Processor in writing. Merchant shall not use the Discover Program Marks in such a way that customers could believe that the products or services offered by Merchant are sponsored or guaranteed by the owners of the Discover Program Marks. Merchant recognizes that it has no ownership rights in the Discover Program Marks. Merchant shall not assign to any third party any of the rights to use the Discover Program Marks.

(3) Merchant's license to use the Discover Program Marks shall terminate upon the earlier of (i) the termination of your Merchant Agreement, or (ii) delivery of notice by Processor or Discover to Merchant of the termination of this license. Merchant must immediately discontinue use or display of the Discover Program Marks, immediately upon termination of the license.

b. Disclosure of Data and Information.

(1) Merchant permits Processor to disclose Discover Transaction data and other information relating to the Merchant to Discover, current and prospective Issuers, current and prospective acquirers, regulatory authorities and other entities to whom Discover is required to provide such information and to Discover's and each of their respective Affiliates, agents, subcontractors and employees for the purposes Discover deems necessary in its reasonable discretion, including in connection with the performance of its obligations under its agreement with Processor, and in connection with the maintenance and disclosure of information contained in the Consortium Merchant Negative File. Information which may be disclosed includes: (a) detailed information about the Card Transactions conducted by Merchants, including Card Transaction data required by these Operating Regulations, the Technical Specifications, and the Dispute Rules Manual, to be delivered to us in connection with Authorization Requests, Sales Data, and Dispute responses; and (b) aggregate and individual Merchant information and detail about the Card Transactions accepted by Merchants, including the Merchant Category Code assigned by you to a Merchant Collective and detailed information about individual Merchant's Card Transactions, Disputes, and other information reasonably required by us during an investigation of a Merchant Information regarding the aggregate number, type, and kind of Card Transactions accepted by Merchants, individually and in the aggregate, in the Authorized Jurisdiction. Bank may disclose to Discover, and permit Discover to disclose to current and prospective Acquirers, current and prospective Issuers, regulatory authorities, and other entities to whom we are required to provide such information, and to our and each of their respective Affiliates, agents, subcontractors, and employees, the information about Merchant and its principals as disclosed above.

(2) A Chargeback may be debited to a Merchant's Settlement Account for numerous reasons outlined in this Operating Guide. If an Issuer submits a Chargeback, Processor will send the Merchant a Chargeback notification, which may also include a request for Transaction Documentation. Due to the short time requirements imposed by Discover, it is extremely important that a Merchant respond to a Chargeback notification and Transaction Documentation request within the time frame set forth in the notification. The Merchant must not process a Credit Transaction once a Chargeback is received; Discover will credit the Cardholder's Discover Card Account (unless the Chargeback is reversed). The Processor may request a Representation of the Discover Transaction on behalf of Merchant and at the request of Merchant if the information provided by Merchant is both timely

and, in Processor's sole discretion, sufficient to warrant a Representment and/or reversal of the Chargeback. Representment or reversal is not a guarantee that the Chargeback has been resolved in Merchant's favor. If Discover rejects the Representment request and Merchant feels strongly that the Chargeback is invalid, Processor may, at its discretion and on behalf of Merchant and at the request of Merchant, submit the matter for Dispute arbitration before Discover. Discover charges fees for Representment requests and an arbitration fee as published in Discover's fee schedule. Discover's Operating Rules prohibits Processor and/or Merchant from contacting the Cardholder directly regarding any Dispute or any other matter, except as required for acceptance of Discover Transactions, and require Processor and/or Merchant to submit any responses to Dispute notices directly to Discover.

(3) Information publicly disclosed by Merchant such as telephone numbers, URLs, contact information and participation in a program offered by Discover or Issuers in connection with Discover Card Acceptance (e.g., Recurring Payment Plans) may be compiled by Discover or third parties in a database designed to encourage and promote such programs.

c. Use and Storage of Confidential Information. Merchant is prohibited from using, storing or disclosing any confidential information of Discover or any Cardholder or Discover Transaction information other than as necessary to complete a Discover Transaction, including any retention or storage of lists of Discover Account Numbers or Discover Transaction information and any use of or access to Cardholders' personal information for marketing and/or other purposes.

d. Surcharges. Merchant may assess a surcharge on a Discover Transaction conducted using a credit Card, subject to the restrictions in this [Section 5\(d\)](#). Merchant may not levy a fee or other penalty of any kind on a Cardholder using a Discover Card other than a credit Card, for a Discover Transaction. Furthermore, Merchant may not levy a fee or other penalty of any kind on a Cardholder using a credit Card where such fee is not assessed on all other credit cards accepted by the Merchant for the purchase of goods or services. Merchant may not adopt any practice that unfavorably discriminates against or provides for unequal and unfavorable treatment of any Person who elects to pay using a Discover Card versus any other credit, charge, debit, stored value or other payment card accepted by Merchant, except with respect to your proprietary cards (e.g., private label and loyalty cards) and gift cards.

e. Discover Card Checks. Discover Card checks are frequently issued to Cardholders. Merchant agrees to accept Discover Card checks on a basis consistent with the terms of Merchant's policy applicable to the acceptance of other payment card checks. Merchant should handle these Discover Card checks like any other personal check drawn upon a bank in United States.

f. Termination of Discover Card Acceptance.

(1) Processor may immediately terminate Merchant's rights of Discover Card Acceptance under any of the following conditions: (i) Merchant does not meet the eligibility requirements to be a Merchant under the Operating Rules; (ii) Merchant does not meet standards for proof of Identity and creditworthiness; (iii) Merchant's corporate structure does not comply with the definition of "Merchant" in the Operating Rules; (iv) Merchant operates a business in a Prohibited Merchant Category or that otherwise creates excessive risk; (v) Merchant is a Sanctioned Person; (vi) Merchant's business operations do not or, if they were conducted in the United States, would not comply with U.S. law or other Requirements of Law applicable to the Merchant, regardless of the jurisdiction in which the Merchant accepts or conducts Discover Transactions; (vii) Merchant fails to comply with the terms governing Discover Card Acceptance in the Operating Rules; (viii) the procedures used by the Merchant to conduct, transact, transmit or store Discover Transactions and related data do not comply with the Security Requirements or the Operating Rules; (ix) Merchant uses the Discover Program Marks in a manner inconsistent with the license granted to Merchant, (x) Merchant has breached the Merchant Agreement, this Operating Guide, or a Requirement of Law, (xi) Merchant has had, or may have, an unusual or inappropriate number of Cardholder inquiries, credit requests or Disputes during a relevant period, or (xii) Merchant's financial condition or other conditions warrant earlier termination.

(2) In the event a Merchant's Discover Card Acceptance is terminated, Processor will cease to provide the Card Program services to Merchant, except in connection with the issuance of Credit Transactions or the resolution of Disputes related to Discover Transactions conducted prior to the termination date. Merchant may not thereafter transmit any Authorization Requests or Sales Data for Discover Transactions. Notwithstanding any termination of Merchant's Discover Card Acceptance, Merchant shall remain fully responsible for Disputes of Discover Transactions conducted prior to the termination date and for compliance with the Dispute Rules with respect to such Disputes.

g. Authorizations.

(1) Processor has established a Floor Limit of US\$0.00 for all Discover Transactions, meaning that Processor requires Merchant to submit an Authorization Request and obtain an Authorization Response for all Discover Transactions. Unless an alternative Floor Limit has been established by Processor, Merchant must obtain a positive Authorization Response and corresponding Authorization Approval Code before completing each Discover Transaction. A positive Authorization Response will remain valid for ninety (90) calendar days from the date the Issuer provides the Authorization Response. If a positive Authorization Response is granted, the Authorization Approval Code must be displayed on the printed Transaction Receipt or noted in the appropriate location on the face of the Sales Slip. Even if a positive Authorization Response is granted for a Discover Transaction it is not a guarantee of payment. An Authorization Approval Code only indicates the availability of credit on the Discover Card Account at the time Authorization is requested. Merchant may pay higher fees if Merchant completes a Discover Transaction without receiving a positive Authorization Response, if Merchant submits Sales Data to us regarding Discover Transactions for which Merchant did not receive a positive Authorization Response or if the Authorization Approval Code is not properly designated in the Sales Data and/or the Discover Transaction may be subject to Dispute.

(2) If Merchant is capable of accepting Partial Authorization Approvals as indicated in the Authorization Request, which Authorization Request shall comply with the requirements herein, the Issuer may provide a Partial Authorization Approval. If a Merchant receives a Partial Authorization Approval, the Merchant should not complete a Discover Transaction for an amount greater than the amount indicated in the Partial Authorization Approval, and if the Merchant does, the excess amount may be subject to Dispute.

(3) Each Authorization Request must fully comply with the applicable provisions of this Operating Guide. Merchant may be obligated to pay higher fees if Merchant submits Sales Data to Processor regarding Discover Transactions for which Merchant did not submit an Authorization Request that fully complies with the requirements of this Operating Guide and/or the Discover Transaction may be subject to Dispute.

(4) If Merchant receives a Referral Response in response to an Authorization Request, the Merchant should contact Processor for additional information. A Referral Response is not a positive Authorization Response. If Merchant subsequently completes a Discover Transaction where the Issuer provided a Referral Response without subsequently receiving a positive Authorization Response and corresponding Authorization Approval Code, Merchant may be obligated to pay higher fees for failure to receive a positive Authorization Response and/or the Discover Transaction may be subject to Dispute.

(5) Electronic Authorization Procedures.

(a) The procedures that follow apply to Card-Present Environment Discover Transactions at retail locations. If Merchant conducts a Discover Transaction using a Point-of-Transaction Terminal to electronically capture data from the Discover Card, the Authorization Request must include the unaltered contents of track 1 or track 2 of the Track Data contained on the Discover Card (which includes the Card Verification Value (CVV) Data or for Contactless Payment Devices, DCVV Data). If Track Data is not included in the Authorization Request, Merchant may be obligated to pay higher fees and/or may lose a Dispute of the Discover Transaction. If DCVV Data is not included in the Authorization Request submitted for Discover Transaction with a Contactless Payment Device, Merchant may receive a declined Authorization Response from the Issuer.

(b) In addition, the Point-of-Transaction Terminal used by Merchant to conduct the Discover Transaction must be capable of receiving the full, unaltered Authorization Response when sent. If a Discover Transaction is conducted using a Point-of-Transaction Terminal for a Card-Present Environment Discover Transaction but the Discover Card cannot be read electronically, Merchant must manually input the required Discover Transaction information into the Point-of-Transaction Terminal except for Prepaid Cards that are not embossed with Discover Card features, in which case the Merchant shall not manually enter Discover Transaction information on the Point-of-Transaction Terminal, prior to submitting the Authorization Request. If Merchant manually enters Discover Transaction information for a Prepaid Card with unembossed Discover Card features into a Point-of-Transaction Terminal, the Discover Transaction may be subject to Dispute and Merchant may lose such Dispute. In addition, Merchant must imprint the Discover Card on the Transaction Receipt, except for Prepaid Cards that are not embossed with Discover Card features and cannot be imprinted. If Merchant's Point-of-Transaction Terminal is unable to receive an electronic Authorization Response, Merchant should call Processor to submit a voice Authorization Request.

(6) Voice Authorization Procedures. If Merchant's Point-of-Transaction Terminal is unable to submit an Authorization Request or unable to receive an Authorization Response, or if Merchant does not use a Point-of-Transaction Terminal to conduct a Discover Transaction, Merchant must call Processor to submit a voice Authorization Request. When Merchant calls to communicate a voice Authorization Request, Merchant must provide the following information to Processor, in this order: (i) Merchant's complete MID; (ii) the Discover Account Number; (iii) the CID; (iv) the expiration date on the Discover Card (4 digits, mm/yy); and (v) the total amount of the Discover Transaction in an Approved Currency. When a positive voice Authorization Response is granted by the Issuer, Merchant will be provided with an Authorization Approval Code. Merchant must manually enter this Authorization Approval Code in the Point-of-Transaction Terminal in such a manner that the Authorization Approval Code is printed on the Transaction Receipt. If the Discover Transaction is not conducted using a Point-of-Transaction Terminal, Merchant must record the Authorization Approval Code in the appropriate box on the Sales Slip. In the event of a negative Authorization Response, neither Merchant nor your employees may comment to the Discover Card presenter on the reason for the decline of the Authorization Request. If the Discover Card presenter requests information about the reason for the decline of the Authorization Request, Merchant should inform the Discover Card presenter to contact the Issuer.

(7) Cardholder Verification and Discover Card Retrieval. Occasionally in response to an Authorization Request, Processor may, on behalf of an Issuer, direct Merchant to obtain certain information from the Discover Card presenter to verify the Discover Card presenter's identity. If instructed to do so, the Merchant must clearly write the appropriate identification source and numbers in the space provided on the Transaction Receipt. Also, in response to an Authorization Request, Processor may, on behalf of an Issuer, occasionally direct Merchant to take and retain a Discover Card from the Discover Card presenter.

(8) Request for Cancellation of Authorization. If a Discover Transaction is cancelled or the amount of the Discover Transaction changes following Merchant's receipt of Authorization for the Discover Transaction, Merchant must cancel the Authorization by (i) processing a cancellation of the corresponding Authorization Request as described below using its Point-of-Transaction Terminal (if the Authorization was obtained using a Point-of-Transaction Terminal), or (ii) calling Processor to request a cancellation of the corresponding Authorization Request (if the Authorization was a voice Authorization). An Authorization may be cancelled at any time within eight (8) calendar days of Merchant's receipt of the Authorization but must be cancelled before Sales

Data relating to the Discover Transaction has been submitted to Processor. Once Sales Data relating to the Discover Transaction has been submitted to Processor, the Authorization cannot be changed. When calling to obtain cancellation of a voice Authorization, Merchant must provide the following information to Processor, in this order: (i) the complete MID used in the Authorization; (ii) the Discover Account Number; (iii) the original amount of the Authorization in an Approved Currency; (iv) the new amount of the total transaction (if any) in an Approved Currency; (v) the original Authorization Approval Code for the Authorization being cancelled; (vi) the expiration date on the Discover Card being presented (4 digits, mm/yy); and (vii) a brief reason the Authorization is being cancelled.

(9) Authorization Requests must be submitted in an Approved Currency. Merchant may not convert from Merchant's local Approved Currency into another Approved Currency, including U.S. Dollars, prior to submitting the Authorization Request. Merchant may not submit an Authorization Request in any currency other than an Approved Currency.

(10) Minimum/Maximum Transaction Amount Prohibited. A Merchant may require that a Card Sale or Cash Advance with a Credit Card (but not a Debit or Prepaid Card) meet a minimum amount of up to \$10, provided Merchant applies such minimum limit uniformly to all card transactions. Merchant may not limit the maximum amount that a Cardholder may spend when using a Card other than when the Issuer has not provided a positive Authorization Response for a Card Transaction, except that Merchant may permit a U.S. federal agency or an institution of higher education to limit the maximum amount that a Cardholder may spend with a Credit Card (but not a Debit or Prepaid Card), provided Merchant applies such maximum limit uniformly to all card transactions.

h. Verification of Discover Card Expiration Date. Merchant must check or obtain the expiration date on the Discover Card and confirm that the Discover Card is not expired prior to completing the Discover Transaction. The Discover Card is valid through the last day of the month embossed on the Discover Card. If the Discover Card has expired, Merchant cannot accept it for a Discover Transaction. If Merchant is suspicious that the Discover Card presenter is not an authorized user of the Discover Card, Merchant should call Processor and request a Code 10 Authorization.

i. Card Identification Data (CID). Merchant is required to submit CID with the Authorization Request for a Card-Absent Environment Discover Transaction. Merchant's failure to include the CID in an Authorization Request where required may result in a negative Authorization Response and may increase the fees you are obligated to pay. If Merchant does not submit CID with an Authorization Request for a Card-Absent Environment Discover Transaction, even where not required above, the Discover Transaction may be subject to Dispute. Merchant is prohibited from retaining, archiving or otherwise storing the CID in any form or format for any reason, including the recording of the CID on Transaction Documentation or the making of photocopies of the front or back of Discover Cards.

j. Transaction Documentation.

(1) Merchant must prepare Transaction Documentation for each Discover Transaction and provide a copy of the Transaction Documentation to the Discover Card presenter at the time of completion of the Discover Transaction. The form and format of the Transaction Documentation prepared by Merchant must be acceptable to Discover. Merchant shall ensure that the Transaction Documentation for each Discover Transaction, whether electronically generated or manually printed on paper, is legible and contains all of the information required herein.

(2) For Card-Present Environment Discover Transactions that are data-captured by electronically reading or scanning a Discover Card using a Point-of-Transaction Terminal, the Transaction Receipt must include all of the following information, a copy of which must be provided to the Cardholder: (i) Discover Account Number (not necessary to imprint if successfully captured electronically), provided that Merchant must only display a truncated Discover Account Number where required by law; (ii) Cardholder's name as it appears on the Discover Card, if present, unless prohibited by law; (iii) Discover Card expiration date, if present, unless prohibited by law; (iv) Merchant's name and location (city/town and state); (v) Amount of cash provided to the Cardholder as Cash Over in addition to the amount of goods or services purchased in the Discover Transaction; (vi) the total amount of the transaction (including Cash Over provided, sales taxes and/or tip) indicating the Approved Currency in which Merchant conducted the Discover Transaction; (vii) Cardholder's signature (except as otherwise provided in this Operating Guide); (viii) The complete Authorization Approval Code; and (ix) the Discover Transaction date. If Merchant electronically scans or reads a Discover Card, it must compare the Discover Account Number on the printed Transaction Receipt to the embossed number on the front of the Discover Card to confirm the numbers match. If the numbers do not match, Merchant may not accept the Discover Card as payment and should contact Processor. Requirements for the preparation of Sales Data for Card-Absent Environment transactions are described in [Section 5\(o\)](#) and Merchant must comply with such requirements.

(3) If Merchant is unable to successfully capture the Discover Card information electronically using a Point-of-Transaction Terminal in a Card-Present Environment transaction for any reason and must hand-key the Discover Card information into the Point-of-Transaction Terminal, Merchant must use a suitable imprinter to clearly imprint the embossed information, including the stylized D where designated in [Section 5\(r\)\(1\)](#), from the Discover Card on the Transaction Receipt and Merchant must fully complete the Transaction Receipt as described below. The imprint must clearly, and in a legible manner, capture all of the embossed Discover Card security features identified in [Section 5\(r\)](#), except as noted in [Section 5\(o\)](#) (Card-Absent Environment) and [Section 5\(p\)](#) (Special Circumstances). If a valid Discover Card, as described in [Section 5\(r\)\(1\)](#), is not capable of being imprinted, Merchant may request the Cardholder's standard Discover Card. If the Discover Card cannot be imprinted because it does not have embossed features, Merchant should determine whether the Discover Card displays the features of a valid Discover Card described in [Section 5\(r\)\(1\)](#). If a Discover Card imprint does not display all of the embossed features that are capable of being

imprinted as indicated in [Section 5\(r\)\(1\)](#), the Discover Transaction may be subject to Dispute or a Dispute of the Discover Transaction may be resolved against Merchant. Failure of Merchant to properly imprint the Transaction Documentation in such circumstances may result in a Dispute of the Discover Transaction.

(4) Valid Prepaid Identity Known Cards and Prepaid Gift Cards may be issued without embossed Discover Card features, and are incapable of being imprinted. Merchant shall not manually enter Discover Transaction information onto the Point-of-Transaction Terminal for such Cards. If Merchant manually enters Discover Transaction information for a Prepaid Card with unembossed Discover Card features into a Point-of-Transaction Terminal, the Discover Transaction may be subject to Dispute and Merchant may lose such Dispute.

(5) If Merchant is permitted to submit paper Sales Slips, Merchant must imprint the Discover Card on the Sales Slip as described in [Section 5\(j\)\(3\)](#). In addition, Merchant should fill in the information described below and ensure that all printed and written information is clearly readable on all copies.

(6) Each Sales Slip completed by Merchant for Card-Present Environment and Card-Absent Environment Discover Transactions should clearly indicate the following information: (i) quantity and brief description of the merchandise or service purchased; (ii) Discover Transaction date; (iii) Authorization Approval Code; (iv) initials of Merchant representative that conducted the Discover Transaction; (v) sales taxes; (vi) total amount of the transaction, including tax and tip, with the name of the Approved Currency used; (vii) Cardholder's signature (except as otherwise provided in this Operating Guide); (viii) the words "Card Not Present" must be written on the Sales Slip in lieu of the Cardholder's signature in Card-Absent Environment transactions (except as otherwise provided in this Operating Guide); (ix) Merchant's name and location (city/town and state); and (x) imprint of the Discover Card as required under this Operating Guide. Failure to imprint the Sales Slip may result in a Dispute of the Discover Transaction, except in Card-Absent Environment Discover Transactions ([Section 5\(o\)](#)) or as otherwise provided in this Operating Guide.

(7) The Cardholder must sign the Sales Slip in Merchant's presence and the Merchant must verify the signature

k. Cardholder Signature.

(1) Except in Card-Absent Environment Discover Transactions and other special circumstances (as described in [Section 5\(o\)](#), including Recurring Payment Plans, and [Section 5\(p\)](#), including No Signature Required Discover Transactions), Transaction Documentation must be signed by the Discover Card presenter in the presence of Merchant's authorized representative or employee at the time of the Discover Transaction. The signature on the Transaction Documentation must reasonably match the signature appearing on the signature panel of the Discover Card and the Cardholder's name as displayed on the front of the Discover Card (except where the valid Discover Card does not bear a Cardholder name on the front of the Discover Card).

(2) Merchant must verify that there is a signature on the signature panel on the back of the Discover Card and verify that the name on the back of the Discover Card is reasonably similar to the name displayed on the front of the Discover Card.

(3) If a Discover Card bearing an unsigned signature panel is presented to a Merchant, Merchant must request two pieces of identification, one of which must be a government-issued picture identification. When Merchant has confirmed that the person presenting the Discover Card is the Cardholder, Merchant must require the Cardholder to sign the back of the Discover Card. If Merchant is unable to positively identify the Discover Card presenter as the Cardholder, or if Merchant has reason to suspect fraud, Merchant should call Processor to request a Code 10 Authorization.

l. Submission of Sales Data.

(1) Merchant shall transmit Sales Data to Processor each day. Except for Cardholder deposits for purchases, Merchant may not send Sales Data for goods or services ordered by a Cardholder in a Discover Transaction until the goods or services have been delivered or furnished to the Cardholder. Sales Data for Discover Transactions submitted for Settlement more than sixty (60) calendar days after the Discover Transaction date may be rejected, subject to higher fees or subject to Dispute. Processor may withhold Settlement and/or assess higher fees to Merchant for any Sales Data sent to Processor that does not include all of the information required to be included by Discover. Additional requirements for the preparation and transmission of Sales Data for Card-Absent Environment transactions are described in [Section 5\(o\)](#) and Merchant must comply with these requirements. Merchant must include all merchandise and/or services purchased or returned/refunded at one time and at one cash register on one Transaction Receipt, Credit Transaction Receipt or Transaction Slip, or in a single transmission of electronic Discover Transaction data, and Merchant must transmit the Sales Data relating to merchandise and/or services purchased or returned/refunded at one time and at a single cash register to Processor in a single electronic transmission of Sales Data unless otherwise approved by Processor in writing. Notwithstanding the foregoing, Merchant may use separate Transaction Receipts, Credit Transaction Receipts or Transaction Slips or use multiple transmissions to submit electronic Discover Transaction data for bona fide deposits, partial payments and Recurring Payment Plans that comply with the requirements in [Section 5\(p\)](#).

(2) Processor will notify Merchant if all or a portion of the Sales Data received cannot be processed due to invalid, missing or unreadable data. In the event that all or a portion of the Sales Data is invalid, missing or unreadable, Merchant is responsible for: (i) retrieving and resubmitting valid, readable Sales Data in proper form immediately; and (ii) the risk of any loss with respect to the Discover Transactions described in the Sales Data, including for damage to or destruction of Sales Data, whether or not held by Processor, until complete, usable Sales Data is successfully received by Processor.

(3) Merchant is required to transmit Sales Data to Processor in the form and format specified by Processor from time to time and to the location that Processor specifies. All Sales Data transmitted to Processor must conform to this Operating Guide.

(4) Merchant must submit Sales Data in an Approved Currency. Merchant may not convert Merchant's local Approved Currency into another Approved Currency, including U.S. Dollars, prior to submitting the Sales Data to Processor. All Settlement, resolution of Disputes and reporting will be reflected in U.S. Dollars.

(5) Merchant may not quote or otherwise advise Cardholders of the total Discover Transaction amount in U.S. Dollars if the transaction was completed in an Approved Currency other than U.S. Dollars. Such quotes significantly increase Cardholder inquiries and Disputes because the U.S. Dollar equivalent at the time of the Discover Transaction is not necessarily the actual amount billed to the Cardholder due to fluctuating exchange rates between the Discover Transaction date and Settlement of the Discover Transaction.

(6) Merchant must keep original copies of all mail/telephone order forms and other documentation relating to Discover Transactions (including copies of Transaction Documentation) for the later to occur of (i) 365 calendar days following the Discover Transaction date or (ii) the resolution of any pending or threatened Disputes, claims, disagreements or litigation involving or relating to the Discover Transaction. Merchant must keep a microfilm or other copy of Sales Data for no less than three (3) years from the date of the Discover Transaction. Merchant must provide Processor with a copy of any Transaction Documentation, Sales Data or any other documentation retained by Merchant within 22 calendar days of Processor's request for such information, as indicated in the Retrieval Request. In addition, Merchant is responsible for retaining copies of documentation for a period sufficient to enable Merchant to respond to any Disputes that may be initiated with respect to Discover Transactions. If Merchant does not provide a copy of any Transaction Documentation, Sales Data or other documentation requested by Processor or the Discover, the Discover Transaction may be subject to Dispute, including Chargeback, or other fees.

m. Credit Transactions for Returns.

(1) If a Cardholder returns goods or services purchased with a Discover Card in accordance with Merchant's return policy, Merchant must give a Credit Transaction to the Discover Card Account as described in this [Section 5\(m\)](#). If a Cardholder receives merchandise or services that are defective or not as agreed upon at the time of the Discover Transaction, Merchant must give the Cardholder a Credit Transaction, if requested by the Cardholder. If Merchant does not give a Cardholder a requested Credit Transaction in the above circumstances, the Discover Transaction may be subject to Dispute. Merchant will submit the Sales Data for each Credit Transaction to Processor within ten (10) calendar days after Merchant has promised the Credit Transaction to the Cardholder or a Dispute for the original Discover Transaction may occur. Merchants may not issue Credit Transactions for the Cash Over portion of a Discover Transaction. Processor is not obligated to reimburse Merchant for any Credit Transactions granted by Merchant for the Cash Over portion of a Discover Transaction. Merchant must give written evidence of the Credit Transaction to the Cardholder in the form of Transaction Documentation. Excessive Credit Transactions by Merchant may result in Merchant being required to establish a Reserve Account between Merchant and Processor and/or comply with additional requirements provided by Processor, including fraud prevention procedures.

(2) Merchant may not give cash refunds for returns of merchandise or services purchased using a Discover Card.

(3) Merchant is not required to obtain an Authorization to issue Credit Transactions for returns or refunds with respect to merchandise or services purchased using a Discover Card.

(4) Merchant may issue a refund in the form of a Credit Transaction to a Discover Card Account only with respect to a Discover Transaction originally made with a Discover Card. The amount credited to the Discover Card Account for a refund may not exceed the amount of the original Discover Transaction. In the case of even exchanges of the same merchandise or services, Merchant is not required to transmit any Sales Data to us; however, the Cardholder must be given a receipt indicating the even exchange. For uneven exchanges, Merchant shall send Processor Sales Data for the total amount of the Credit Transaction as a result of returned merchandise or unused services, including appropriate taxes, and new Sales Data for the total amount of the Discover Transaction related to the new merchandise or services purchased, and Merchant must provide the Cardholder with a copy of the Transaction Documentation for each of the Discover Transactions.

(5) Merchant must ensure that all Credit Transaction Receipts created as a result of a Credit Transaction include the following information: (i) Discover Account Number (imprinted, if possible), truncated where required by law; (ii) Cardholder's name, as it appears on the Discover Card, if present, unless prohibited by law; (iii) Discover Card expiration date, if present, unless prohibited by law; (iv) Merchant's name and location (city/town and state); (v) date of the Credit Transaction issuance; (vi) total amount of the Credit Transaction, including taxes, and the Approved Currency used; and (vii) signature of an authorized representative of the Merchant.

(6) Merchant must ensure that all Credit Slips include the following information: (i) quantity and brief description of merchandise or service returned or refunded; (ii) Discover Account Number (imprinted, if possible), truncated where required by law; (iii) Cardholder's name, as it appears on the Discover Card, if present, unless prohibited by law; (iv) Discover Card expiration date, if present, unless prohibited by law; (v) Merchant's name and location (city/town and state); (vi) date of the Credit Transaction issuance; and (vii) total amount of the Credit Transaction, including taxes, and the Approved Currency used.

(7) In Disputes involving returns, Processor will honor a Merchant's return policy as long as it complies with all federal, state and local laws and is clearly posted or otherwise made known to the Cardholder at the time of the Discover Transaction. Processor may request a copy of the Merchant's return policy from Merchant at any time.

n. Payments from Cardholders. Merchant is prohibited from receiving or processing, any funds representing a Cardholder's payment to an Issuer. The Issuer has the sole right to receive payment from Cardholders for all Discover Transactions. If, for any reason, Merchant receives a payment from a Cardholder, Merchant must immediately contact Processor for further instructions.

o. Card-Absent Environment Transactions. Card-Absent Environment transactions are not subject to Dispute for Merchant's failure to obtain a Cardholder signature, except as otherwise provided in this [Section 5\(o\)](#), provided that Merchant complies with the requirements of this [Section 5\(o\)](#), in addition to other applicable requirements in this Operating Guide.

(1) Discover Transactions over the Internet. Prior to undertaking Discover Transactions over the Internet, Merchant must register its website with Processor. For each Discover Transaction over the Internet, Merchant must comply with the following requirements, in addition to the other requirements in this Operating Guide.

(a) Merchant may only accept those Internet Discover Transactions that are encrypted and otherwise transmitted in accordance with the Security Requirements. Payment of Settlement Amounts may be withheld from Merchant until it can be verified that Merchant is in compliance with the Security Requirements. Merchant is prohibited from accepting Discover Account Numbers by electronic mail over the Internet.

(b) Merchant is prohibited from accepting any Internet Discover Transaction unless the transaction is sent by an Internet browser that supports the protocol and security measures described in the Security Requirements.

(c) Merchant is prohibited from accepting any Internet Discover Transaction except in compliance with this Operating Guide, including the following additional requirements:

(i) Merchant must obtain Authorization for each Internet Discover Transaction in accordance with [Section 5\(g\)\(2\)](#) or [Section 5\(g\)\(5\)](#) and in accordance with the CID provisions in [Section 5\(i\)](#).

(ii) Merchant must obtain Address Verification for each Internet Discover Transaction as described in [Section 5\(o\)\(4\)](#). Merchant is prohibited from completing any Internet Discover Transaction where the billing address provided by the customer at the time of the Internet Discover Transaction does not match the billing address on file with the Address Verification Service. Failure to obtain Address Verification in connection with an Internet Discover Transaction may result in a negative Authorization Response, payment of higher fees and/or a Dispute or loss of a Dispute of the Discover Transaction.

(iii) Merchant must submit Sales Data as described in [Section 5\(l\)\(3\)](#).

(iv) Merchant must not submit Sales Data until Merchant has shipped the merchandise or provided the service purchased by the Cardholder.

(v) Merchant must obtain proof of delivery of the goods or services to the address designated by the Cardholder and must retain records documenting such proof of delivery for 365 calendar days from the delivery date in case of a Dispute of the Discover Transaction.

(d) In addition to complying with the requirements for preparation of Sales Data in [Section 5\(j\)](#), Merchant must obtain the Cardholder name and shipping address from the Cardholder for each Internet Discover Transaction. Merchant must retain such information, along with the shipping date and other information required to be included in the Transaction Documentation, for the record retention period specified in [Section 5\(l\)\(6\)](#). Merchant must provide the shipping date to the Cardholder at the time of each Internet Discover Transaction.

(e) At the time of delivery of goods or services ordered in an Internet Discover Transaction, Merchant must provide the Cardholder with Transaction Documentation that includes the information required in [Section 5\(j\)](#). Merchant is required to obtain proof that delivery of goods and/or services occurred as directed by the Cardholder. Merchant must retain proof of delivery for the record retention period specified in [Section 5\(l\)\(6\)](#). If a Cardholder visits Merchant's retail location to pick up goods ordered over the Internet, Merchant must obtain an imprint of the Discover Card, as described in [Section 5\(i\)\(3\)](#), as well as the Cardholder's signature. In the event of a Dispute by a Cardholder with respect to delivery of goods or services ordered over the Internet, the Discover Transaction is subject to Chargeback if Merchant cannot document that delivery of the goods and/or services ordered over the Internet occurred as directed by the Cardholder or third party designated by the Cardholder or if the Authorization requirements were not followed.

(f) Merchant must comply with the Security Requirements set forth in [Section 5\(s\)](#).

(g) Any Discover Transaction conducted over the Internet that fails to comply with the requirements of this Operating Guide may be assessed higher fees, may be subject to Dispute and may result in your loss of a Dispute of the Discover Transaction. In addition, Processor may terminate your rights of Discover Card Acceptance if Merchant fails to comply with the terms of this [Section 5\(o\)\(1\)](#).

(2) Telecommunication Discover Transactions are defined as individual local or long-distance telephone calls, for which the telephone service provider is paid directly. Pre-paid telephone service cards are not considered telecommunication Discover Transactions, but instead are considered Card-Present Environment Discover Transactions. All telecommunications Discover Transactions are considered Card-Absent Environment Discover Transactions when the Discover Card is not swiped through a Point-of-Transaction Terminal integrated with the telephone. Telecommunication Discover Transactions may only be transacted by Merchant in U.S. Dollars. Prior to conducting a telecommunication Discover Transaction, Merchant must contact Processor for approval and further instructions, rules and requirements. Failure to do so could result in additional charges or termination of the Merchant Agreement.

(3) Merchant may accept Discover Cards for mail-order or telephone-order Discover Transactions if Merchant follows the procedures in this Operating Guide for accepting such Discover Transactions.

(a) Merchant is prohibited from accepting any mail-order or telephone-order Discover Transaction except in compliance with this Operating Guide, including the following additional requirements.

(i) Merchant must obtain Authorization for each mail-order or telephone-order Discover Transaction in accordance with Section 5(g) and in accordance with the CID provisions in Section 5(i).

(ii) Merchants must obtain Address Verification for each mail-order and telephone-order Discover Transaction as described in Section 5(o)(4). Merchant is prohibited from completing any mail-order or telephone-order Discover Transaction where the billing address provided by the customer at the time of the mail-order or telephone-order Discover Transaction does not match the billing address on file with the Address Verification Service. Failure to obtain Address Verification in connection with a mail-order or telephone-order Discover Transaction may result in a negative Authorization Response, payment of higher fees, and/or a Dispute or loss of a Dispute of the Discover Transaction.

(iii) Merchant must submit Sales Data as described in Section 5(l)(3).

(iv) Merchant must not submit Sales Data until Merchant has shipped the merchandise or provided the service purchased by the Cardholder.

(b) In addition to complying with the requirements for preparation of Sales Data in Section 5(j), Merchant must obtain the Cardholder name and shipping address from the Cardholder for each mail-order or telephone-order Discover Transaction. Merchant must retain such information, along with the shipping date and other information required to be included in the Transaction Documentation, for the record retention period in Section 5(l)(6). Merchant must provide the shipping date to the Cardholder at the time of each telephone-order Discover Transaction and, upon request, for each mail-order Discover Transaction.

(c) At the time of delivery of merchandise or services ordered in a mail-order or telephone-order Discover Transaction, Merchant must provide the Cardholder with Transaction Documentation that includes the information as described in Section 5(j). If delivery of the merchandise is made to the Cardholder, Merchant must obtain, through the delivering carrier, the Cardholder's signature as proof of delivery. If the Cardholder requests delivery of the merchandise to a third party, Merchant must obtain, through the delivering carrier, the signature of an authorized agent of the Cardholder as proof of delivery. Merchant must retain proof of delivery for the record retention period specified in Section 5(l)(6). If a Cardholder visits Merchant's retail location to pick up merchandise ordered by mail or telephone, Merchant must obtain an imprint of the Discover Card used in the mail-order or telephone-order, as described in Section 5(j)(3), as well as the Cardholder's signature. In the event of a Dispute by a Cardholder with respect to delivery of merchandise or services ordered by mail or telephone, the Discover Transaction is subject to Chargeback if Merchant has not obtained a valid signature from the Cardholder or third party designated by the Cardholder upon the delivery of the merchandise or if the Authorization requirements were not followed.

(4) For each Card-Absent Environment Discover Transaction, Merchant must verify the billing address of the Cardholder conducting the Discover Transaction using the electronic Address Verification procedures described in Section 5(o)(4)(a).

(a) Address Verification must be obtained by 11:59 p.m. Eastern Time on the same day that Merchant sends the Authorization Request regarding the Discover Transaction to Processor, regardless of whether the Authorization Request is approved or declined. To obtain Address Verification for a Discover Transaction, Merchant must comply with the following procedures: (i) use an electronic terminal to request Address Verification; or (ii) if Merchant does not have an electronic terminal or is unable to obtain Address Verification using its electronic terminal, Merchant should call Processor and submit the Address Verification request to Processor. When calling to obtain Address Verification by telephone, Merchant must provide the following information: (a) complete MID of the Merchant conducting the Discover Transaction; (b) Discover Account Number; (c) numeric portion of the Cardholder's billing address (5 digits); and (d) ZIP code of the Cardholder's billing address (5 or 9 digits).

(b) The Address Verification Service is made available to Merchant to reduce the risk of Disputes alleging fraud associated with Card-Absent Environment Discover Transactions. Completing an Address Verification is not a guarantee against possible Dispute, only a tool by which to reduce the risk or occurrence of fraudulent activity in Card-Absent Environment Discover Transactions. Merchant will not be provided with any information about a Cardholder or Discover Card Account in response to a request for Address Verification, but will only verify the Cardholder information provided.

(c) The Discover Card must always be presented for a transaction when the Cardholder is physically present for a Discover Transaction or where the Cardholder is present at a retail location to take delivery of merchandise ordered in a Card-Absent Environment Discover Transaction. In each case, the Discover Card should be clearly imprinted on the Sales Slip or successfully swiped through the Point-of-Transaction Terminal in order to prove the Discover Card was present at the time of the Discover Transaction.

p. Special Circumstances/Industry Requirements. The following provisions detail handling information for certain industries and special circumstances, including store closings, Recurring Transactions, car rentals, delayed delivery transactions, lodging transactions, transactions at Customer Activated Terminals (CATs), Biometric Card Sales, Contactless Card Sales and No Signature Required Card Sales.

(1) **Discover Card Acceptance During Store Closings or Liquidation.** Merchant must comply with the following requirements during the liquidation and/or closure of any Merchant outlets, locations and/or entire business: (i) post signs, clearly visible to customers, stating that "All Sales Are Final," during the liquidation; (ii) stamp Transaction Documentation with a notice that "All Sales Are Final" and, where applicable, "As Is", in order to indicate the Cardholder's acknowledgement that Credit Transactions are not permitted; and (iii) promptly notify Processor of the closure or liquidation of Merchant or any of Merchant's outlets or locations. Merchant remains responsible for payment of amounts owed due to Disputes of Discover Transactions conducted during and after the closing and/or liquidation of Merchant that are resolved in favor of the Cardholder or Issuer.

(2) **Recurring Payment Plans.** When accepting Discover Cards for Recurring Payment Plans, Merchant must comply with the following requirements:

(a) Merchant must comply with the Authorization requirements in [Section 5\(g\)](#), as supplemented by this Section, with respect to each amount billed to a Discover Card Account pursuant to a Recurring Payment Plan. If Merchant fails to comply with any of the requirements in this Section with respect to a Recurring Payment Plan, or if a Cardholder initiates a Dispute at any time with respect to (i) a Discover Transaction involving a Recurring Payment Plan or (ii) the goods or services that Merchant agreed to provide pursuant to a Recurring Payment Plan, a Dispute may be initiated against Merchant of any Recurring Payment Card Sale, in addition to any payments that were previously submitted to and settled by Processor.

(b) If Merchant engages in Recurring Transactions, Merchant must obtain a separate, current Authorization Response for each Recurring Transaction at the time each Recurring Transaction becomes due. If the Merchant Agreement has been terminated, Merchant may not submit Authorization Requests for Recurring Transactions that are due after the termination date of the Merchant Agreement. If the Discover Card Account of the Cardholder who agreed to the Recurring Payment Plan is terminated, the Issuer will respond with a negative Authorization Response to any subsequent Authorization Requests, including Authorization Requests related to Recurring Payment Plan initiated prior to the termination of the Discover Card Account. An Issuer's positive Authorization Response for one Recurring Transaction is not a guarantee that any future Recurring Transaction Authorization Request will be approved or paid. If Discover Card Acceptance by Merchant is suspended or terminated for any reason, Merchant may not submit any Authorization Requests for Recurring Payment Plans during the suspension or after the termination of the Merchant Agreement. If Merchant submits Sales Data for a Recurring Transaction that has not received a positive Authorization Response, the Recurring Transaction may be subject to Dispute and/or Merchant may pay higher fees. If a Cardholder disputes any Recurring Transaction or Merchant's performance of its obligations in connection with the Recurring Payment Plan, a Dispute may be initiated with respect to the disputed Recurring Transactions and any prior Recurring Transactions for which Merchant has received Settlement.

(c) Merchant must obtain the Cardholder's written or electronic approval to charge amounts to the Cardholder's Discover Card Account in accordance with a Recurring Payment Plan. If Merchant uses the Internet or another electronic process to receive a Cardholder application for a Recurring Payment Plan, Merchant must retain all electronic evidence of the Cardholder's approval of the Recurring Payment Plan. The Cardholder's approval, whether written or electronic, must include all of the following information: (i) Merchant Name and Merchant's MID; (ii) Cardholder's name and address; (iii) amount of each Recurring Transaction, unless amount can vary; (iv) total amount of Recurring Transactions to be billed to Discover Card Account, including taxes and tip(s), if an installment agreement; (v) timing or frequency of payments; (vi) length of time over which the Cardholder permits Merchant to bill Recurring Transactions to the Discover Card Account; and (vi) Discover Account Number and Discover Card expiration date. Merchant must retain evidence of the Cardholder's approval of the Recurring Payment Plan for the longer of either: (i) the term of the Recurring Payment Plan, or (ii) the term of the record retention period as described in [Section \(l\)\(6\)](#). Upon Processor's request, Merchant must provide Processor with evidence of the Cardholder's approval of the Recurring Payment Plan. In the event of renewal of a Recurring Payment Plan or the expiration of the term of a Recurring Payment Plan, Merchant must obtain additional evidence of the Cardholder's approval of such continued participation in the Recurring Payment Plan.

(d) In addition to obtaining an Authorization for each Recurring Transaction as required under [Section 5\(p\)\(2\)\(b\)](#) and retaining evidence of the Cardholder's approval of the Recurring Payment Plan as required under [Section 5\(p\)\(2\)\(c\)](#), the Sales Data that Merchant submits for Recurring Transactions must comply with [Section 5\(l\)](#), as supplemented by the following requirements.

(i) Sales Data for each Recurring Transaction must include a general description of the transaction, Merchant's name and a toll-free customer service number that the Cardholder may call to obtain customer assistance from Merchant or to revoke written approval of the Recurring Payment Plan. If this information is provided in a Supplementary Data Record (SDR) with

the Sales Data, Merchant is not required to send a separate statement of charges to the Cardholder for each amount billed to the Discover Card Account in a Recurring Payment Plan.

(ii) Sales Data submitted for each Recurring Transaction billed to a Discover Card Account must receive a positive Authorization Response using the most current expiration date for the Discover Card. If a Discover Card expires during the term of a Cardholder's Recurring Payment Plan, Merchant must obtain a current Discover Card expiration date from the Cardholder and Merchant must obtain an approved Authorization Response using the new Discover Card expiration date before Merchant submits Sales Data for any installment that comes due after the Discover Card expiration date. An approved Authorization Response for a Discover Transaction for an installment under a Recurring Payment Plan is not a guarantee that any future installment billed to a Discover Card will be authorized or paid.

(e) Merchant must submit Sales Data for each Recurring Transaction in the form and format specified in Section 5(l).

(f) If the Merchant Agreement is terminated, Merchant may not submit Sales Data for Recurring Transactions that are due after the effective date of the termination. If a Cardholder who agreed to a Recurring Payment Plan ceases to be a Cardholder due to the Cardholder's or the Issuer's termination of the Discover Card Account, Merchant may not submit Sales Data for any further installments on that Discover Card Account and Merchant must find an alternate method of collecting the balance owed by the Cardholder.

(3) **Car Rental Industry.** Discover Transactions may only represent the cost of vehicle rental and insurance. Any charges for traffic violations (citations), accidents or collisions require the Cardholder's signature on separate Transaction Documentation documenting the Discover Transaction.

(4) **Delayed Delivery Sales.** For delayed delivery sales in which Merchant charges a deposit, Merchant may prepare two separate Transaction Receipts or Sales Slips - one Transaction Receipt/Sales Slip labeled "Deposit" and one labeled "Balance." Merchant may not submit Sales Data relating to the Transaction Receipt/Sales Slip labeled "Balance" until the merchandise or service is completely delivered to the Cardholder. For delayed delivery sales, Merchant must obtain the "Deposit" Authorization before they submit Sales Data for the "Deposit" or "Balance" Discover Transaction. Any Authorization for delayed delivery of merchandise or services will be valid for ninety (90) calendar days. If delivery of the merchandise or service purchased will occur more than ninety (90) calendar days after the "Deposit" Authorization, Merchant must obtain a subsequent Authorization for the "Balance." In addition, Merchant must complete Address Verification at the time of the "Balance" Authorization and must obtain proof of delivery upon delivery of the service or merchandise. Any delayed delivery Discover Transaction that is not conducted in accordance with the foregoing requirements may result in an assessment of fees and/or may be subject to Dispute.

(5) **Lodging Industry.**

(a) **Requirements for Guaranteed Reservations.** Merchant may accept a Cardholder's reservation for accommodations and guarantee a room for late arrival after the normal 6:00 p.m. (local time) check-in deadline if Merchant follows the procedures in this Section 5(p)(5)(a). If the check-in deadline passes without a cancellation of the reservation by the Cardholder, Merchant may bill the Cardholder for one night's lodging (plus applicable taxes), provided Merchant has complied with the requirements of this Section 5(p)(5)(a).

(i) At the time of reservation, Merchant must verify the Cardholder's desire to guarantee the Cardholder's reservation. If a guarantee is requested, Merchant must advise the Cardholder of the following rights and obligations and must inform the Cardholder of the room rate and reservation confirmation number.

- (a) Accommodations of the type requested will be held until check-out time on the day following the scheduled arrival date.
- (b) If the Cardholder seeks to cancel the reservation, the Cardholder must do so before 6:00 p.m. (local time) on the scheduled arrival date. Resorts may move the 6:00 p.m. (local time) deadline back no more than three hours to 3:00 p.m. (local time), provided that the Cardholder has been verbally informed of the date and time the cancellation privileges expire.
- (c) When the reservation is made, Merchant should provide a telephone number for the Cardholder to call to cancel the reservation.
- (d) If the reservation is not cancelled within the allowed time frame and the Cardholder does not use the accommodation and Merchant does not use or rent the room to another guest, Merchant may bill the Cardholder for a no-show charge equal to one night's lodging (plus applicable taxes).

(ii) After confirming a Cardholder's understanding of the responsibilities and obligations related to the guaranteed reservation and the cancellation of reservations, Merchant must obtain and maintain a record of the following information for the guaranteed reservation: (i) Cardholder's name as it appears on the Discover Card, if present; (ii) Discover Account Number and Discover Card expiration date, if present; (iii) anticipated arrival date and length of stay; (iv) the cancellation policy in its entirety, inclusive of the date and time the cancellation privileges expire; and (v) any other pertinent details related to the reserved accommodations.

(iii) Merchant must provide the Cardholder with written confirmation of a guaranteed reservation. The confirmation must contain: (i) Cardholder's name as it appears on the Discover Card, if present; (ii) Discover Account Number (truncated as and to the extent required by law) and Discover Card expiration date; (iii) reservation confirmation number; (iv) anticipated arrival date and length of stay; (v) the cancellation policy in its entirety, inclusive of the date and time the cancellation privileges expire; and (vi) any other pertinent details related to the reserved accommodations.

(iv) 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 Cardholder 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: (i) Cardholder's reference that charges were placed on the Discover Card, if applicable, or a guarantee that a "no-show" charge will not be placed on the Discover Card; (ii) Cardholder's name as it appears on the Discover Card, if present; (iii) Discover Account Number, truncated as and to the extent required by law, and Discover Card expiration date, if present, unless prohibited by law; (iv) reservation cancellation number; (v) date of cancellation; (vi) The name of the Merchant's employee that processed the cancellation; and (7) any other pertinent information related to the reserved accommodations.

(v) If the Cardholder does not cancel a reservation in accordance with Merchant's disclosed cancellation policy and specified time frames and the Cardholder does not use the accommodations and Merchant does not rent the accommodations to another guest, Merchant may submit a "no-show" Discover Transaction equal to one night's lodging (plus applicable taxes) to the Discover Card Account by preparing and submitting to Processor Sales Data including the following information: (i) Cardholder's name as it appears on the Discover Card, if present; (ii) Discover Account Number and Discover Card expiration date, if present; (iii) hotel name and location imprinted on the Sales Data; (iv) room rate (as quoted when the reservation was made), including applicable taxes; (v) transaction date; and (vi) Authorization Approval Code. The Transaction Documentation prepared by Merchant in connection with a no-show Discover Transaction must, in addition to the information required above, display the Merchant employee's initials and the words "No Show" printed clearly on the Cardholder's signature line.

(b) **Advance Deposit Policy.** Merchant may require a Cardholder to pay a deposit at the time the Cardholder makes a reservation if Merchant complies with the requirements of this Section Section 5(p)(5)(b). The amount of the deposit may not exceed the cost of seven (7) nights lodging (plus applicable taxes) and the deposit must be applied to the Cardholder's entire bill.

(i) If Merchant takes advance deposits for reservations, Merchant must comply with the following requirements: (i) hold reserved accommodations until check-out time following the last day covered by the advance deposit; (ii) specify a reservation cancellation time frame including the date and time when cancellation privileges expire; (iii) fully reimburse an advance deposit when the Cardholder cancels a reservation within the specified time frame; and (iv) provide a written disclosure informing the Cardholder of his or her rights and obligations and that failure to cancel a reservation within the specified time frame may result in forfeiture of all or part of an advance deposit. Merchant may not charge a "no-show" penalty in addition to a forfeited advance deposit.

(ii) For each advance deposit taken by Merchant, Merchant must prepare Sales Data in the amount of the advance deposit and transmit such Sales Data immediately after Merchant takes the reservation for the advance deposit. Sales Data for advance deposits must contain the following information: (i) Cardholder's name as it appears on the Discover Card, if present; (ii) Discover Account Number and Discover Card expiration date, if present; (iii) Cardholder's complete mailing address and telephone number; (iv) transaction date; (v) anticipated arrival date and length of stay; (vi) reservation confirmation number; (vii) Authorization Approval Code; and (viii) advance deposit amount (including applicable taxes).

(iii) Merchant must provide the Cardholder with written confirmation of an advance deposit that contains the following information: (i) Cardholder copy of the advance deposit Transaction Documentation; (ii) reference that charges were placed on the Discover Card Account; (iii) Cardholder's name as it appears on the Discover Card, if present; (iv) Discover Account Number (truncated as and to the extent required by law) and Discover Card expiration date, if present, unless prohibited by law; (v) reservation confirmation number; (vi) anticipated arrival date; (vii) the cancellation policy in its entirety, including the date and time the cancellation privileges expire; and (viii) any other pertinent information related to the reserved accommodations.

(iv) If a Cardholder requests a cancellation of a reservation in accordance with Merchant's cancellation policy and time frames, Merchant must issue a Credit Transaction to the Cardholder's Discover Card Account for the full amount of the advance deposit charged to the Discover Card Account within ten (10) calendar days of Merchant's receipt of the Cardholder's cancellation request. In addition, Merchant must: (i) provide a cancellation number to the Cardholder, with instructions to retain a record of the number; (ii) immediately upon issuance of the Credit Transaction, prepare and submit Credit Sales Data for the full amount of the Discover Transaction previously charged to the Discover Card Account; and (iii) send a copy of the Transaction Documentation reflecting the Credit Transaction to the Cardholder within seven (7) calendar days of issuing the Credit Transaction.

(v) The credit Sales Data Merchant must deliver to Processor for a cancellation of an advance deposit reservation must contain the: (i) Cardholder's name as it appears on the Discover Card, if present; (ii) Discover Account Number and Discover Card expiration date, if present; (iii) Cardholder's complete mailing address and telephone number, if available; (iv) Discover Transaction date; (v) reservation cancellation number; and (vi) advance deposit amount (including applicable taxes). The

Transaction Documentation prepared by Merchant in connection with an advance deposit Credit Transaction must, in addition to the information required above, display the words "Advance Deposit Refund" printed clearly on Merchant's signature line.

(c) **Overbookings.** If accommodations reserved by a Cardholder pursuant to a guaranteed reservation or advance deposit are unavailable upon the Cardholder's arrival, Merchant must, at its own expense, arrange the following: (i) comparable accommodations for one night at a similar establishment (including applicable taxes); (ii) transportation to the alternate establishment; and (iii) forwarding of all calls and messages for the Cardholder to the alternate establishment.

(d) **Priority Check-out Service.** If Merchant offers priority check-out services, Merchant must comply with the following requirements: (i) require the Cardholder to sign the registration card at the time of check-in acknowledging responsibility for all charges, and obtain an Authorization for the estimated amount of the accommodations at check-in; (ii) complete Sales Data at check-out by entering the total amount of charges incurred during the stay, including restaurant bills, telephone charges, convenience bar charges, missing item fees and miscellaneous expenses; (iii) write the words "Priority Check-out" on the Cardholder signature line of the Transaction Documentation; (iv) obtain a final Authorization Approval Code for any additional amounts from the check-in estimate to equal the total amount to be billed to the Cardholder by following the normal Authorization procedures as set forth in [Section 5\(g\)](#); and (v) mail (at the address shown on the registration card) or otherwise deliver a copy of the Transaction Documentation and the itemized lodging bill (portfolio) to the Cardholder within seven (7) calendar days of check-out.

(e) **Estimated Authorizations.** If a lodging industry Merchant seeks to obtain an Authorization for the estimated amount of charges to be billed to a Cardholder, Merchant must comply with the procedures in this [Section 5\(p\)\(5\)\(e\)](#). At the beginning of the Cardholder's stay, and on a periodic basis thereafter, Merchant may obtain Authorization as set forth in [Section 5\(g\)](#) for an amount equal to the estimated total of a Cardholder's charges based upon the Cardholders intended length of stay and other criteria. Merchant must comply with the following procedures when obtaining an Authorization for estimated charges expected during the length of a Cardholder's stay and for any additional Authorizations obtained if the actual charges exceed the estimated charges for which an Authorization was already obtained.

(i) At check-in, Merchant may estimate the Cardholder's total charges based upon the following criteria and obtain an Authorization for the amount of that estimate: (i) intended length of stay; (ii) room rate; (iii) applicable taxes; (iv) applicable service charges; and (v) any miscellaneous charges, as dictated by experience.

(ii) Merchant must monitor the actual charges incurred during the course of a Cardholder's stay to ensure that the actual charges do not exceed the amount of the original estimated Authorization. In the event the charges begin to exceed the original estimated Authorization, the following conditions apply:

- (a) Merchant must submit an Authorization Request for each incremental amount of actual charges that exceed the original estimated Authorization.
- (b) Each Authorization Request should not include any amounts with respect to which Merchant has previously obtained a positive Authorization Response. Each additional Authorization Request should cover a separate portion of the total amount of charges incurred by the Cardholder.
- (c) If any Authorization Request is declined, Merchant must not submit additional Authorization Requests for that Cardholder and any portion of the Cardholder's total charges not receiving a positive Authorization Response that Merchant submits in Sales Data to Processor is subject to Dispute.
- (d) A final (or additional) Authorization is not required if the final amount (total sum) of the Cardholder's charges does not exceed 120 percent of the sum of the previously Authorized charges, including the estimated charges upon check-in. The dates, Authorized amounts and their respective Authorization Approval Codes must be individually recorded on the Sales Data and sent as separate Discover Transactions for processing.

(6) **Cash Over.** If approved by Processor, Merchant may issue Cash Over in connection with Discover Transactions, provided Merchant complies with this Operating Guide for each Discover Transaction and with the following additional requirements applicable to each Discover Transaction involving Cash Over:

(a) Merchant shall make such system changes as are necessary to offer Cash Over to Cardholders at that Merchant's Cash Over locations, including producing electronic Point-of-Transaction Terminal prompts to Cardholders.

(b) Merchant must deliver a single Authorization Request for the aggregate total of the goods/services purchase amount and the Cash Over amount of the Discover Transaction. Merchant may not submit separate Authorization Requests for the goods/services purchase amount and the Cash Over amount.

(c) The Sales Data submitted in connection with a Discover Transaction involving Cash Over must include both the purchase amount and the Cash Over amount of the Discover Transaction. Merchant may not submit separate Sales Data for the purchase amount and the Cash Over amount.

(d) Merchant shall not assess or charge fees of any type or amount on Cash Over transactions. None of the fees or charges applicable to Cash Advances shall be applied to Cash Over transactions.

(e) No minimum purchase is required for Merchant to issue Cash Over to a Cardholder, provided that some portion of the total Discover Transaction amount must be attributable to the purchase of goods or services by the Cardholder. Merchant must not issue Cash Over as a stand-alone transaction.

(f) The maximum amount of cash that Merchant may issue to a Cardholder as Cash Over in connection with a Discover Transaction is \$100.00. Merchant may, in its discretion, establish a lower limit on the amount of Cash Over that such Merchant will provide as Cash Over to a Cardholder.

(g) Cash Over may only be dispensed in Card-Present Environment Discover Transactions, but not in Card-Present Environment Recurring Transactions. Cash Over may not be dispensed in connection with Credit Transactions, Cash Advances, or any Discover Transaction for which Merchant is unable to electronically capture Track Data using the Point-of-Transaction Terminal.

(h) Any Authorization Requests and Sales Data submitted in connection with a Discover Transaction involving Cash Over must comply with all requirements of this Operating Guide and the Operating Rules.

(7) Automated Terminals or Point-of-Transaction Terminals.

(a) **Customer Activated Terminals (CATs).** If Merchant has received Processor's prior approval, Merchant may use CATs to accept Discover Cards provided that Merchant must comply with the following requirements prior to using any CAT to obtain an Authorization or conduct a Discover Transaction:

(i) Merchant must use its MID assigned for use with Merchant's CATs for every Discover Transaction conducted using a CAT. Merchant is prohibited from using the MID assigned for use with Merchant's CATs for any Discover Transactions conducted at Merchant not using a CAT.

(ii) Merchant may submit an Authorization Request for US\$1.00 for a Transaction undertaken using a CAT.

(iii) In connection with each Discover Transaction at a CAT, (a) the Discover Card must be present at the time of the Authorization Request, and (b) the Authorization Request must include the entire, complete, and unaltered Track Data. Sales Data relating to the actual Discover Transaction must be submitted within ten (10) calendar days following the Authorization Request.

(iv) A CAT may not be used to conduct Cash Over transactions even if Merchant is otherwise permitted to conduct Cash Over transactions as described in [Section 5\(p\)\(6\)](#).

(v) If Merchant complies with the requirements set forth in this [Section 5\(p\)\(7\)\(a\)](#), Merchant will not be subject to Chargeback of Discover Transactions accepted at CATs for Merchant's failure to obtain the Cardholder's signature. Merchant may, however, be subject to Chargeback of Discover Transactions conducted at CATs for other reasons specified in this Operating Guide or the Operating Rules.

(b) **Non-Service Terminals.** Merchant may use Non-Service Terminals to conduct Discover Transactions provided that Merchant complies with the requirements indicated below prior to using any Self-Service Terminal to obtain an Authorization for a Discover Transaction: (i) the Discover Transaction at the Non-Service Terminal must comply with all of the requirements in this Operating Guide for a Card-Present Environment Discover Transaction at a Point-of-Transaction Terminal that is staffed by an attendant; (ii) the Non-Service Terminal must require, and Merchant is required to retain a Transaction Receipt documenting the signature of the Cardholder conducting in the Discover Transaction, provided Merchant is not required to obtain or retain the Cardholder's signature for Discover Transactions if otherwise excepted herein; and (iii) a Non-Service Terminal may not be used to conduct Cash Over transactions, even if Merchant with the Non-Service Terminal is otherwise permitted to provide Cash Over as described in [Section 5\(p\)\(6\)](#). Unlike a CAT where the Cardholder's signature is not required if the Discover Transaction at the CAT otherwise complies with the requirements in this Operating Guide, Discover Transactions at Non-Service Terminals require a Cardholder signature. Discover Transactions at Self-Service Terminals should comply with the same requirements for Discover Transactions conducted using Merchant-attended standard Point-of-Transaction Terminals. If Merchant's Non-Service Terminal does not require and obtain the Cardholder's signature for each Discover Transaction, Merchant will be subject to higher fees for the Discover Transaction and the Discover Transaction may be subject to Dispute.

q. Cash Advance Policies. If approved in advance by Processor, Merchants that are financial institutions (referred to as Cash Advance Merchants) may dispense Cash Advances to Cardholders as described in this Operating Guide. Cash Advances are available only in face-to-face transactions between Cardholders and Cash Advance Merchant personnel in accordance with the terms and conditions set forth in this Operating Guide. Cash Over ([Section 5\(p\)\(6\)](#)) does not constitute a Cash Advance that is subject to this [Section 5\(q\)](#). In addition to the other requirements of this Operating Guide, Cash Advance Merchants must comply with the additional requirements set forth in this [Section 5\(q\)](#) in connection with Cash Advance transactions.

(1) **Cash Advance Merchants.** Only approved Cash Advance Merchants are permitted to dispense Cash Advances. If Merchant is not an approved Cash Advance Merchant and Merchant dispenses cash in connection with the presentation of a

Discover Card, the entire Cash Advance is subject to Dispute. Cash Advances must be conducted in U.S. Dollars. Any Cash Advance that is conducted in a currency other than U.S. Dollars, even an Approved Currency, is subject to additional fees and Dispute.

(2) **Conditions for Cash Advance Card Acceptance.** Cash Advance Merchants must comply with each of the following requirements for each Cash Advance transaction.

(a) A Discover Card must be physically present for all Cash Advances. Cash Advance Merchants are prohibited from distributing cash when the Discover Card is not physically present, and, if a Cash Advance Merchant distributes cash when the Discover Card is not physically present, the Cash Advance may be subject to additional fees and Dispute.

(b) A Cash Advance Merchant must verify that the Discover Card is not expired before the Cash Advance Merchant may accept the Discover Card for a Cash Advance.

(c) A Cash Advance Merchant must verify that there is a signature on the Discover Card as described in [Section 5\(k\)\(2\)](#), and must comply with the requirements of [Section 5\(k\)\(3\)](#) if the Discover Card is not signed.

(3) **Authorization for Cash Advances.** Cash Advance Merchants must obtain an Authorization Response for each Cash Advance transaction, as described in [Section 5\(g\)](#). Each Authorization Request submitted must indicate that the Discover Transaction is a Cash Advance. All Cash Advance transactions are final once the cash is dispensed to the Cardholder. Under no circumstances are returns of or Credit Transactions for Cash Advances permitted. If a Cash Advance Merchant issues a credit to a Cardholder for a return of a Cash Advance, Merchant will not be reimbursed for the amount of the credit or the amount of any such credit will be subject to Dispute. Cash Advances transactions that do not comply with this Operating Guide are subject to additional fees and Dispute.

(4) **Cash Advance Merchant Creation of Transaction Documentation.** Cash Advance Merchant must prepare Transaction Documentation for each Cash Advance transaction and Cash Advance Merchant must provide a copy of the Transaction Documentation to the Cardholder at the time of completion of the Cash Advance transaction, in each case in accordance with this [Section 5\(g\)\(4\)](#). The form and format of the Transaction Documentation used by Cash Advance Merchants must be acceptable to Processor.

(a) When a Cash Advance transaction is completed using a Point-of-Transaction Terminal, the Cash Advance Merchant must retain a copy of the Transaction Receipt and provide one copy of the Transaction Receipt to the Cardholder. The Transaction Receipt must comply with the requirements of [Sections 5\(i\)\(7\)](#) and [5\(i\)\(1\)](#). The Transaction Receipt must also include the following additional items:

(i) Cardholder's street address, city, state and zip code (and country, if other than U.S.). If the Cardholder's address on the identification presented in connection with the Cash Advance transaction is different than his/her current address, the Cash Advance Merchant shall record the most current address on the Transaction Receipt.

(ii) Type, number and state of issuance of at least one of the following pieces of government issued photographic identification presented by the Cardholder, unless the writing of this number is prohibited by applicable law, in which case the Cash Advance Merchant shall identify the type of identification: Driver's License, Passport, U.S. Armed Forces Identification, U.S. Alien Registration or Non-Driver State Identification Card.

(b) Cash Advance Merchants that do not use a Point-of-Transaction Terminal to conduct a Cash Advance transaction must prepare a Sales Slip, one complete copy of which must be provided to the Cardholder at the time of the Cash Advance. The Sales Slip must comply with the requirements of this Operating Guide. The Sales Slip must also include the following additional items:

(i) Cardholder's street address, city, state and zip code (and country, if other than U.S.). If the Cardholder's address on the identification presented in connection with the Cash Advance transaction is different than his/her current address, the Cash Advance Merchant shall record the most current address on the Sales Slip.

(ii) Type, number and state of issuance of at least one of the following pieces of government issued photographic identification presented by the Cardholder, unless the writing of this number is prohibited by applicable law, in which case the Cash Advance Merchant shall identify the type of identification: Driver's License, Passport, U.S. Armed Forces Identification, U.S. Alien Registration or Non-Driver State Identification Card.

(iii) Name or initials of Cash Advance Merchant employee issuing the Cash Advance.

(5) **Submitting Cash Advance Sales Data.** Merchant must transmit all Cash Advance Sales Data in the form and format specified by Processor and in accordance with the requirements of [Section 5\(l\)](#), provided that Processor may reject and shall not be obligated to provide Settlement to Merchant for any Cash Advance Sales Data received more than ten (10) calendar days after the date of the Cash Advance. If Processor accepts Cash Advance Sales Data more than ten (10) calendar days after the date of the Cash Advance, the Cash Advance is subject to Dispute.

(6) **Fees to Cardholders.** Notwithstanding the provisions of Section 5(d), Cash Advance Merchants are prohibited from assessing or otherwise imposing a fee or surcharge on any Cardholder for any Cash Advance transaction. The amount of the Cash Advance transaction reflected in Cash Advance Sales Data submitted for Settlement must be the amount of cash disbursed to the Cardholder. If any fees were assessed to the Cardholder in connection with a Cash Advance, including, a fee paid in cash after the transaction was completed, the entire amount of the Cash Advance transaction is subject to Dispute.

r. Security Features & Risk/Fraud Management. Merchant must review the validity of Discover Cards presented for Discover Transactions and Cash Advances and verify that any Discover Card presented is valid prior to initiating a Discover Transaction. Additionally, Merchant must implement and maintain appropriate and effective security controls and fraud prevention/detection measures in full compliance with all Requirements of Law, the Security Requirements and the Operating Rules. Merchant is responsible for monitoring for abnormal Discover Transaction activity and, when abnormal or unusual Discover Transaction activity is suspected or detected, for taking appropriate action to prevent fraud.

(1) **Card Security Features.** Merchant must review the validity of Discover Cards presented for Discover Transactions must verify that any Discover Card presented is valid prior to initiating a Discover Transaction. Merchant may verify the validity of a Discover Card by examining it to confirm that it includes the features described in this section. Merchant and the Merchant's employees should become familiar with the features of valid Discover Cards. If it is determined that a Discover Card involved in a Discover Transaction did not display one or more of the features of a valid Discover Card, the Discover Transaction may be subject to Dispute, including Chargeback.

(a) All valid standard rectangular plastic Discover Cards bearing the Discover Acceptance Mark include the following common characteristics and distinctive features; however, please note that valid Discover Cards may not always be rectangular in shape (e.g. Discover 2GOSMCard) and certain valid Contactless Payment Devices approved by Discover for use in accessing Discover Card Accounts (e.g., radio frequency (RF) enabled Cards, key fobs, and Mobile Commerce Devices) and to conduct Contactless Discover Transactions may not display the features described below.

(i) Discover Account Numbers are made up of at least 16 digits displayed on the front of the Discover Card.

(ii) Discover Account Numbers are clear and uniform in size and spacing within groupings;

(iii) Expiration date, if present, appears in mm/yy format and indicates the last month in which the Discover Card is valid;

(iv) Discover Cards issued before October 3, 2008, display the Discover three-dimensional hologram, bearing a distinct circular shape and images of a globe pierced by an arrow, water, and stars on a repetitive pattern background (the "Discover Hologram") on the front of the Discover Card. The Discover Hologram reflects light and appears to move as the Discover Card is rotated;

(v) All Discover Cards display a Magnetic Stripe on the reverse side of the Discover Card. Beginning October 3, 2008, newly manufactured Discover Cards will feature a three-dimensional holographic design that is incorporated into the Magnetic Stripe. A series of distinct circular shapes will be visible across the length of the Magnetic Stripe, with blue glows between each shape. When the Discover Card is rotated, the holographic design will reflect light and there will be apparent movement and color switching within the circular shape;

(vi) Discover Cards displaying either the Discover Hologram or the holographic Magnetic Stripe are valid after the effective dates indicated above, with the Discover Hologram eventually replaced by the holographic Magnetic Stripe for new Discover Cards. Although both the Discover Hologram and the holographic Magnetic Stripe will each appear on Discover Cards, valid Discover Cards will not display both designs;

(vii) Depending on the issuance date of the Discover Card, the word DISCOVER or DISCOVER NETWORK will appear in ultraviolet ink on the front of the Discover Card when it is held under an ultraviolet light;

(viii) An underprint of "void" on the signature panel becomes visible if erasure of the signature is attempted;

(ix) The Discover Account Number or the last four digits of the Discover Account Number displayed on the signature panel on the back of the Discover Card should match the number embossed on the front of the Discover Card and appear in reverse indent printing;

(x) The Discover Account Number on the back of the Discover Card is followed by the Card Identification Data ("CID");

(xi) An overprint on the signature panel reads Discover. On some cards, the overprint may display the name of the Discover Card (i.e. Discover, Discover 2GO, Discover Platinum);

(xii) A Discover Zip Indicator may appear on the back of a standard rectangular plastic Discover Card indicating the Discover Card can be used to conduct Contactless Discover Transactions.

(b) In addition to the common security features for all Discover Cards listed above, most standard rectangular Debit Cards, Credit Cards and Prepaid Identity Known Cards include the following distinctive features:

(i) The Discover Acceptance Mark or the Discover/NOVUS Acceptance Mark will appear on either the front or the back of the Discover Card or on both sides of the Discover Card;

(ii) "Member Since" or "Year Joined" dates may appear on the front of the Discover Card;

(iii) The embossed stylized D appears on the same line as the embossed "Member Since" date or "Year Joined" date (if present) and "Valid Thru";

(iv) The Cardholder name and, if applicable, business name, is displayed on the front of the Discover Card.

(c) The features described below are found on Prepaid Gift Cards; however, the placement of these features may vary. Merchants must use the electronic Authorization procedures described in [Section 5\(g\)](#) to obtain Authorization for Discover Transactions with unembossed Prepaid Cards. If Merchant key enters Discover Transaction data into a Point-of-Transaction Terminal or uses stand-in Authorization Services to obtain Authorization Responses for Discover Transactions involving such Prepaid Cards, Merchant may lose a Dispute of such a Discover Transaction.

(i) The front of the Discover Card will display either the DFS Hologram or "Not Valid for more than \$500" or another fixed denomination (e.g., \$25.00, \$50.00, etc.) of U.S. dollars;

(ii) Depending on the issue date of the Discover Card, the Discover Acceptance Mark or the Discover/NOVUS Acceptance Mark will appear on the front or back of the Discover Card

(iii) The embossed stylized D appears on the front of the Discover Card;

(iv) The front of the Discover Card may display "Temporary Card," "Prepaid Card" or "Gift Card," or "Electronic Use Only";

(v) Prepaid Gift Cards accepted at a limited, specific list of Merchants are not required to include the DFS Hologram and are not required to bear the Discover Acceptance Mark or the Discover/NOVUS Acceptance Mark on the Discover Card.

(d) Valid Prepaid Cards not embossed with security features must conform to the requirements below. Merchant will lose a Dispute of a Discover Transaction involving an unembossed Prepaid Card if the Merchant did not use the electronic Authorization procedures described in [Section 5\(g\)](#) to obtain an Authorization Response.

(i) "Electronic Use Only" must be printed on the front of the Discover Card;

(ii) CID must be printed in a separate box to the right of the signature panel on the back of the Discover Card;

(iii) Stylized "D" is not present;

(iv) Discover Account Number is printed on the Discover Card;

(v) Cardholder Name may or may not be printed on the Discover Card;

(vi) Valid expiration dates may or may not be printed on the Discover Card;

(vii) Discover Hologram appears on the front of the Discover Card;

(viii) Holographic Magnetic Stripe will appear on newly issued Discover Cards;

(e) Certain Discover Cards accepted on the Discover will bear an Other Acceptance Mark. Discover Cards bearing the same Other Acceptance Mark will have security characteristics and distinctive features described below to assist Merchants in identifying valid Discover Cards.

(i) All Discover Cards bearing the China UnionPay Mark include the following common characteristics and distinctive features. Text on Discover Cards bearing the China UnionPay Mark may not be printed in English.

(a) A 16-digit Discover Account Number starting with '622' is embossed on the front of the Discover Card.

(b) Embossed digits on the Discover Card should be clear and uniform in size and spacing;

(c) The embossed expiration date appears in mm/yy format and indicates the last month in which the Discover Card is valid;

(d) The Discover Card contains a Magnetic Stripe;

(e) A three-dimensional hologram image of a temple in the foreground with Chinese characters in the background appears on the front of all such Discover Cards. The hologram reflects light as it is rotated;

(f) "Valid Thru" and the Cardholder name (which may not be in English) are embossed on the front of the Discover Card.

(g) The CID appears on the upper right corner of the signature panel.

(ii) From time to time Processor may provide you details regarding security features of Discover Cards bearing Other Acceptance Marks.

(2) **Code 10: Suspicious Situations.** If Merchant is suspicious of the validity of a Discover Card or the Discover Card presenter for any reason, Merchant should notify Processor using the Code 10 Authorization procedures described below. The Code 10 Authorization procedures apply only to situations where the Discover Card is physically present, but can be used regardless of the amount of the Discover Transaction.

(a) Merchant should call Processor's Authorization Center and ask for a Code 10 Authorization.

(b) Security personnel will ask a brief series of "Yes" or "No" questions about the Discover Card or the presenter, and may direct Merchant's employee to request confirming identification from the presenter.

(c) If the Issuer's security representative is able to confirm the identity of the Discover Card presenter as a valid Cardholder or authorized user of the Discover Card, the Issuer will give a positive Authorization Response for the Discover Transaction and the presenter will not be aware that anything unusual has transpired.

(i) If the Authorization Response is approved, Merchant will be given an Authorization Approval Code and Merchant must manually enter the Authorization Approval Code into the Point-of-Transaction Terminal. For Discover Transactions not conducted using a Point-of-Transaction Terminal, Merchant must record the Authorization Approval Code on the Sales Slip.

(ii) If the Authorization Response is negative, Merchant may not complete the Discover Transaction and should return the Discover Card to the Cardholder, except as otherwise provided in this Operating Guide.

(d) Examples of suspicious situations include, but are not limited to:

(i) The Discover Card cannot, for whatever reason, be clearly or completely imprinted.

(ii) The Discover Account Number embossed on the front of the Discover Card is different from the Discover Account Number printed on the Transaction Receipt when the Discover Account Number is captured electronically using a Point-of-Transaction Terminal.

(iii) Merchant suspects that the Discover Card presented has been stolen, altered or counterfeited, or that the nature or circumstances of the Discover Transaction are suspicious or unusual.

(e) Indications that a Discover Card is Counterfeit/Altered include:

(i) Security features described in Section 5(r)(1) are not present. Examine the Discover Card for signs of alteration. Check the security features on the Discover Card to ensure that they are valid, including, without limitation, checking Discover Cards to determine if the stylized "D" is present (if applicable).

(ii) Signs of erasure or alteration on the signature panel.

(iii) Disparity between the Discover Account Numbers embossed on the front of the Discover Card and those on the printed Transaction Receipt.

(iv) Discover Account Numbers have been clearly altered, re-embossed or have other marked irregularities such as smudged, poorly aligned, crooked or improperly spaced numbers.

(v) Warped or misshaped Discover Card that would reasonably be expected to appear as a standard, plastic rectangle. Note: The Discover 2GO™ Card has an irregular outline.

(f) **Arrests for Fraudulent Discover Card Usage.** Some Issuers may request Merchant to cause the arrest of a Discover Card presenter who is suspected of the fraudulent use of a Discover Card. If Merchant elects to comply with such a request, Merchant must use reasonable, lawful means, and must have the arrest made by local law enforcement authorities. Merchant, its employees, vendors and other agents should never physically detain or harm the Discover Card presenter. Merchant agrees that Merchant, its employees, vendors and other agents will not initiate an arrest of a Discover Card presenter for use of a Discover Card except at the Issuer's explicit request. Merchant, its employees, vendors and other Agents that cause the arrest or prosecution of any person for use of a Discover Card without the Issuer's direct request or that fail to use reasonable, lawful means in effecting an arrest which has been requested by the Issuer, will bear all responsibility for claims, liabilities, costs and expenses resulting from such action and the resulting arrest or prosecution, if any. Notwithstanding the foregoing, Merchant is not required to comply with any Issuer's request to cause the arrest of a Discover Card presenter.

(g) **Pick-Up Cards.** Some Issuers may request that Merchant retain a Discover Card that is suspected of being counterfeit, in the possession of someone other than the Cardholder or a person authorized by the Cardholder to use the Discover Card or that is suspected of being used fraudulently. Under such circumstances, Merchant may receive a "pick-up Card" or "call center" message in response to an Authorization Request. When complying with such a request, Merchant must use reasonable, lawful means to retain the Discover Card. Once retained, the Discover Card must be cut in half and mailed to the following address:

Pick-Up Cards, Attn: Network Security, P.O. Box 3013, New Albany, OH 43054. Payment of a reward for Merchant's retention of Discover Cards in response to an Issuer's Pickup Card request is at the discretion of the Issuer. Merchant will bear all responsibility for claims, liabilities, costs and expenses as a result of any failure by Merchant, Merchant employees, vendors or agents that attempt to retain a Discover Card without the Issuer's direct request or that fail to use reasonable, lawful means in retaining or attempting to retain a Discover Card. Notwithstanding the foregoing, Merchant is not required to comply with any Issuer's "pick-up Card" request.

(h) **Reminders for Preventing Fraudulent Card Usage.** In addition to complying with Authorization requirements in Section 5(g), Merchant should pay careful attention to both the Discover Card presenter and the Discover Card presented. In particular, Merchant should:

(i) Verify that the signature on the Transaction Documentation is reasonably similar to the signature on the back of the Discover Card. If the signature on the back of the Discover Card is not reasonably similar to the signature on the Transaction Documentation, Merchant must utilize the Code 10 procedures outlined in Section 5(r)(2).

(ii) Check the signature panel for signs of erasure or alteration. Merchant should not accept the Discover Card if the word "VOID" appears in the signature panel

(iii) Check the Discover Card expiration date, if present, and not accept any expired Discover Card.

(iv) Examine the Discover Card for signs of alteration as described in Section 5(r)(2)(e).

(v) If Merchant has any doubts about the validity of the Discover Card or the Discover Card presenter, Merchant may request additional identification from the Discover Card presenter and/or utilize the Code 10 procedures outlined in Section 5(r)(2).

(vi) When using a Point-of-Transaction Terminal and printer to process Discover Transactions, Merchant must verify that the Discover Account Number printed on the Transaction Receipt matches the Discover Account Number embossed on the front of the Discover Card.

(vii) Follow procedures for Address Verification in Section 5(o)(4) if the Discover Transaction is a Card-Absent Environment transaction.

(viii) Enter the CID for all Authorization Requests in all Card-Absent Environment transactions (Section 5(i)).

(3) Risk Management/Fraud Prevention

(a) Merchant must notify Processor immediately of any change to the information included in its Merchant profile, including if Merchant engages in, or in the future elects to engage in, any new lines or types of business activities not previously disclosed to Processor or if Merchant changes its business activities in any of the following ways: (i) change of ownership; (ii) change in type or kind of business; (iii) change in Merchant Identity, including corporate/legal name or address; (iv) closing or liquidating business entirely or any locations; (v) change in processing method (i.e. Transaction Slips to Point-of-Transaction Terminal); (vi) voluntary or involuntary party in a bankruptcy case; (vii) entry into a loan or other agreement with a third party that seeks to affect the Merchant Agreement; (viii) change to the entity that is a party to the Merchant Agreement or entities listed in Processor's records, including by merger or acquisition; and (ix) change to or from a business that conducts exclusively retail sales to one that accepts Discover Transactions by mail, telephone order or Internet transactions. Processor has the right to terminate Discover Card Acceptance by Merchant and Merchant's sublicense to use the Discover Program Marks if Merchant fails to notify Processor of any change to the information in its Merchant Profile or of any of the events mentioned in this Section. In addition, Discover Transactions by Merchant relating to a new business activity of which Processor has not been notified may be rejected or subject to Dispute.

(b) Merchant acknowledges that Processor will report Merchant fraud to Discover and termination of Merchant for actual or suspected Merchant fraud will result in the placement of Merchant in the Consortium Merchant Negative File. Merchant fraud includes: (i) business owner(s) and/or officer(s) being criminally convicted of fraud; (ii) excessive acceptance of counterfeit Discover Cards; (iii) excessive Chargebacks; (iv) excessive submission of Sales Data for Discover Transactions not authorized by the Cardholder or an Authorized User; (v) reasonable determination by Processor following a fraud audit or investigation that the Merchant engaged in fraudulent activity; (vi) factoring, as defined below; (vii) presentation of Sales Data that was not for valid Discover Transactions between the Merchant and a Cardholder; (viii) collusion by Merchant with a Discover Card thief or counterfeiter to submit Sales Data for unauthorized or illegitimate Discover Transactions; and (ix) Merchant noncompliance with the applicable Merchant Agreement, this Operating Guide or the Operating Rules.

(c) Factoring is considered Merchant fraud. Factoring is expressly prohibited. In instances where a Cardholder expresses a complaint or dissatisfaction with the service supplied, the Discover Transaction may be subject to Dispute and such Dispute will be the responsibility of the Merchant whose MID was submitted with the Sales Data. This means a Merchant that submitted the Sales Data on behalf of another Person will suffer any losses associated with the Dispute of Discover Transactions. Also, if any fraud is involved, the Factoring Merchant could face criminal prosecution.

s. Miscellaneous.

(1) **Compliance with Requirements of Law, Merchant Agreement, Operating Guide and Operating Rules.** Merchant is responsible for performing its obligations in compliance with all Requirements of Law, the Merchant Agreement, this Operating Guide and the Operating Rules. Merchant is responsible for ensuring that each of its employees, agents and contractors comply with all such applicable Requirements of Law, the Merchant Agreement, this Operating Guide and the Operating Rules. With respect to any concerns regarding any potential noncompliance of Merchant, your employees or agents, with Requirements of Law, the Merchant Agreement, this Operating Guide or the Operating Rules, Processor may conduct an investigation of Merchant regarding the relevant facts and Merchant agrees to fully cooperate in such investigation. In addition to any other remedies available to Processor at law, under the Merchant Agreement and the Operating Rules, Merchant may be assessed fees and penalties for any failure by you to comply with the terms, conditions and requirements of the Merchant Agreement, this Operating Guide or the Operating Rules, as such fees and penalties may be specified by Discover from time to time.

(2) **Books and Records; Examination of Merchant's Performance.** Merchant must maintain books and records of Merchant's performance of all of Merchant's obligations under the Merchant Agreement. Merchant and each of Merchant's agents and contractors shall be subject to periodic examinations and audits, at such times and frequencies as Discover or Processor deem appropriate in their reasonable discretion, conducted by Discover, Processor or a third party designated or approved by Discover or Processor, in their reasonable discretion, of Merchant's and/or any of Merchant's agent's operations, procedures and records relating to Merchant's and/or any of Merchant's agent's compliance with the Merchant Agreement, including the Security Requirements and Requirements of Law, as applicable. All such examinations and audits will be at Merchant's sole cost and expense. The scope of each examination and audit shall meet the standards prescribed by Discover and/or Processor, and the results may be made available to Discover.

(3) **Data Security Procedures.**

(a) Merchant must comply, and must ensure that Merchant's agents and contractors comply, with the Security Requirements to the extent applicable. In exercising its rights under the Operating Rules, Discover may contact any Merchant and Merchant's agents directly. Processor may periodically request that Merchant and/or any of Merchant's agents certify Merchant's or their respective compliance with the Security Requirements, including copies of security compliance assessments and reports, processes, procedures, technology and policies, and Merchant will promptly comply, and must ensure that Merchant's agents promptly comply, with such requests; provided that such requests will not require the disclosure of any information prohibited from being disclosed pursuant to Requirements of Law. Merchant will promptly notify Processor of a material change in status to any of Merchant's or Merchant's agents' security compliance assessments and reports, processes, procedures, technology and policies. Merchant agrees that Discover or Processor, or a third party designed by either, may, at their discretion, periodically perform information security compliance reviews and audits (including vulnerability scans) of Merchant and any or Merchant's agents. Such reviews and audits may include onsite inspections and passive internet scans to detect vulnerabilities. Nothing in this [Section 5\(s\)\(5\)](#) or in [Section 5\(s\)\(6\)](#) will be construed as limiting Merchant's or any of Merchant's agents' obligations to comply with the Security Requirements and this [Section 5\(s\)\(5\)](#) and [Section 5\(s\)\(6\)](#). While Processor or its agents may periodically perform a review of Merchant and Merchant's agents' security as described above, Merchant is solely responsible for Merchant's and the Merchant's agents' compliance with the Security Requirements and this [Section 5\(s\)\(5\)](#) and [Section 5\(s\)\(6\)](#).

(b) Merchant and any of Merchant's agent may not retain any CID, CVV, or DCVV Data (regardless of whether such data is in written, electronic or other form) captured in connection with any Discover Transaction. The CID, CVV, or DCVV Data may not be recorded on Transaction Documentation or any other evidence of the Discover Transaction, including in any records maintained by Merchant or Merchant's agents.

(4) **Security Failures.**

(a) Merchant must notify Processor as soon as reasonably practicable and in no event more than 24 hours after becoming aware of (i) any suspected or actual data security breach in any of Merchant's or any Merchant agent's systems or databases used to conduct or in any way process Discover Transactions or to store Cardholder information, including websites or electronic links used to conduct Discover Transactions, and (ii) any noncompliance by Merchant or any of Merchant's agents with the Security Requirements. Such breaches shall include third party incursions that could in any way result in access to Discover Transaction information, Discover Card Account information or Cardholder information. Merchant shall make the notification to Processor initially by telephone by calling Processor at 800-654-9256, followed by written notification using a standard form and format specified by Processor. The foregoing obligations are in addition to any data security breach notification obligations that may be applicable to Merchant or Merchant' agents under Requirements of Law. Merchant and any of Merchant's agents must (i) perform or cause to be performed an independent investigation (including a forensics analysis) of any suspected or actual data security breach, (ii) perform or cause to be performed any remedial actions recommended by any such independent investigation, and (iii) cooperate with Discover and Processor in the investigation and resolution of any suspected or actual data security breach. Merchants and any Merchant agent must provide Processor with the following information concerning any suspected or actual data security breach: (i) the date of such breach, (ii) details concerning the data compromised (e.g., Discover Account Numbers and expiration dates, Cardholder names and addresses), (iii) the method of such breach, (iv) Merchant's security personnel contacts and those of any of Merchant's agents affected by such breach, (v) the name of any Person (including any law enforcement agency) assisting Merchant with Merchant's investigation of such breach, and (vi) any other information which Discover or Processor may reasonably request from Merchant and/or Merchant's agents concerning such breach, including any forensics report(s). Merchant will provide the information listed in (i)-(vi) as soon as is reasonably practicable and the information listed in (i)-

(v) shall in any event be provided to Processor within 48 hours of your initial notification to Processor of such breach. Merchant and any of Merchant's agents must provide Processor with copies of any reports concerning such breach as soon as practicable. Merchant must not issue, and Merchant must prevent Merchant's agents from issuing, any press release or other public announcement concerning such breach until after you have provided Processor with the information requested in (i)-(v) above. All press releases shall be issued in accordance with Section 5(s)(10). Merchant must cooperate with Discover and Processor to ensure that appropriate security measures and procedures are implemented by a mutually agreeable deadline if Merchant is notified that Merchant's or any of Merchant's agent's security procedures in connection with Discover Transactions are inadequate or do not comply with the Security Requirements.

(b) If either Discover or Processor determine or reasonably suspect, in their reasonable discretion, that Merchant or any of Merchant's agent's security procedures, including with respect to Discover Transactions, are inadequate or otherwise do not comply with the Security Requirements regardless of whether Processor has received certification from Merchant or Merchant's agent of compliance with the Security Requirements as described in this Operating Guide, Discover and/or Processor may, in their sole discretion, assess noncompliance fees to Merchant for each discrete event of noncompliance, including for each failure to comply with a Security Requirement regardless of whether Discover, Processor, an Issuer or Cardholder has experienced damage as a result of such noncompliance. Additional fees may be assessed during the period that such noncompliance remains uncured. Processor may also suspend the ability of Merchant or of any of Merchant's agents to accept or process Discover Transactions upon notice to Merchant until such time as Processor determines that Merchant or the applicable agent has adopted security procedures that comply with the Security Requirements regardless of whether Discover, Processor, an Issuer or Cardholder has experienced damage as a result of such noncompliance. In addition, Discover and Processor may each contact any of Merchant's agents, without prior notice to Merchant, if Discover or Processor determines or reasonably suspects that any such Person is not in full compliance with the Security Requirements. If Merchant does not ensure that Merchant and each of Merchant's agents complies with the Security Requirements by a mutually acceptable deadline, Processor may terminate the Merchant Agreement and the ability of Merchant to accept Discover Cards and/or assess noncompliance fees to Merchant. Merchant is responsible for any Disputes resulting directly or indirectly from Merchant or any of Merchant's agent's failure to comply with the Security Requirements and this Operating Guide, and any resulting costs, expenses, damages or other losses experienced by Discover, Processor, any Issuer or Cardholder.

(c) Merchant shall bear financial responsibility for fraudulent transactions and any damages that Discover, Processor, Issuers and/or Cardholders incur as a result of the theft, loss or unauthorized use or disclosure of Cardholder information or Discover Transaction information by Merchant or any of Merchant's agents. Merchant may be assessed a fine in the aggregate amount of: (i) US\$7.50 for each notification to Cardholders by Issuers, (ii) US\$10.00 for each Discover Card reissued by Issuers, and (iii) a US\$7.50 penalty for each unique Discover Account Number compromised. These fines (the "Data Security Breach Fees") may be assessed for each data security breach incident at Merchant or one of Merchant's agents.

(5) **Enforcement.** Processor reserves the right to conduct on-site visits of Merchant and Merchant's agents, or to otherwise contact any of Merchant's agents directly, to ensure compliance with all of the requirements of this Operating Guide and Operating Rules. Merchant will implement corrective actions immediately upon receipt of written notification from Processor, and will provide Processor with documentation detailing those actions. Failure to implement immediate corrective actions may, at Processor's discretion, result in termination of Merchant or the offending agent and/or termination of the Merchant Agreement.

(6) **Termination of Processing Services.** Processor may, in its sole discretion, terminate or temporarily suspend the receipt of Processor's processing services by Merchant, Discover Transaction types or Merchant types for any reason, including (i) if Discover or Processor have security concerns (including if either identifies an actual or suspected failure to comply with the Security Requirements), (ii) if Merchant is conducting activities in a Prohibited Merchant Category, including as a Sanctioned Person, (iii) if Merchant is otherwise not in compliance with Requirements of Law or any of the requirements in Section 6 or (iv) if Merchant otherwise fails to comply with any of Merchant's obligations under the Merchant Agreement, this Operating Guide or the Operating Rules.

(7) **Advertising and Publicity.** Except as otherwise explicitly permitted by the terms of the Merchant Agreement or this Operating Guide, neither party nor its respective agents shall use the registered trademarks, service marks, logos or any proprietary information of the other party or the other party's Affiliates without the prior written consent of the owner of such intellectual property and the prior review, by such owner, of the materials in which such marks, logos or proprietary information is proposed to be used, including in any press release. Neither party shall make any public statement or press release regarding the Merchant Agreement or this Operating Guide without the prior written approval of the other party.

(8) **Employee Purchases.** Merchant is prohibited from conducting Cash Advances, Discover Transactions or returns for goods or services with the Merchant's owners, officers or employees using such individuals' personal Discover Cards, except for bona fide Discover Transactions in the ordinary course of Merchant's business. Merchant is responsible for the actions and omissions of Merchant's principals, officers, employees and agents, including any fraud committed by, and/or any intentional or negligent acts or omissions by, any owner, officer or employee of Merchant.

EXHIBIT 1
VISA TRANSACTION RECEIPT REQUIREMENTS

Table 1 through Table 6 specify the requirements for Electronic Transaction Receipts

Table 1: Transaction Receipt for Transactions Completed at Point-of-Transaction Terminals

TRANSACTION DATA REQUIREMENTS
Account Number ¹ (Effective through June 30, 2006 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt may be disguised or suppressed. Effective for Electronic Transaction Receipts generated from Point-Of-Transaction Terminals installed on or after July 1, 2003 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed. Effective July 1, 2006 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed.)
Effective through June 30, 2006 , expiration date, except for Limited-Amount Terminal or Express Payment Service Transactions Effective for Electronic Transaction Receipts generated from Point-of-Transaction Terminals installed on or after July 1, 2003 , the expiration date must be disguised or suppressed on the Cardholder's copy of the Transaction Receipt. Effective July 1, 2006 , the expiration date must be disguised or suppressed on the Cardholder's copy of the Transaction Receipt.
Merchant or Member name and location, or the city and state of the Automated Dispensing Machine or Self-Service Terminal
Location Code
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt
Space for Cardholder signature, except for: <ul style="list-style-type: none"> • Transactions in which the PIN is an acceptable substitute for Cardholder signature • Limited-Amount Terminal Transactions • Self-Service Terminal Transactions • Express Payment Service Transactions
A legend identifying the party to whom it will be delivered (e.g., Member copy, Merchant copy, Cardholder copy) except for Express Payment Service Transactions
Authorization Approval Code, if applicable, except for Express Payment Service Transactions
For a Visa Cash Back Service Transaction, the amount of cash provided to the Visa Check Card II Cardholder.
¹ See Table 3 and Table 6 for exceptions.

Table 2: Data Requirements: Visa Electronic Commerce Transaction Receipt

TRANSACTION DATA REQUIREMENTS
Merchant Name ¹
Merchant Online Address
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt
Unique Transaction identification number
Purchaser name
Authorization Approval Code
Transaction type (purchase or credit)
Description of merchandise/services
Return/refund policy (if restricted)
¹ The Merchant name must not be the name of the network provider or other entity unless the transaction represents membership service charges or merchandise/services provided by the network provider itself.

Table 3: Data Requirements: ATM Transaction Receipt

TRANSACTION DATA REQUIREMENTS
Except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed.
ATM Acquirer name and/or name of affiliated local or regional network
ATM street location or Location Code
ATM city and state
Transaction amount
Access fee, if any, imposed by the ATM Acquirer, as specified in <i>Volume I—General Rules, Section 5.5.A.2.d</i>
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt
Transaction type (Cash Disbursement)
Type of account accessed

Table 4: Data Requirements: Limited-Amount Terminal Transaction Receipt
(Except for Magnetic-Stripe Telephones)

TRANSACTION DATA REQUIREMENTS
Account Number (Effective through June 30, 2006 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt may be disguised or suppressed. Effective for Electronic Transaction Receipts generated from Point-Of-Transaction Terminals installed on or after July 1, 2003 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed. Effective July 1, 2006 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed.)
Merchant name
Location Code, or city and state
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt

Table 5: Data Requirements: Automated Dispensing Machine Transaction Receipt

TRANSACTION DATA REQUIREMENTS
Account Number (Effective through June 30, 2006 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt may be disguised or suppressed. Effective for Electronic Transaction Receipts generated from Point-Of-Transaction Terminals installed on or after July 1, 2003 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed. Effective July 1, 2006 , except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed.)
Merchant name
Location Code, or city and state
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt

Table 6: Data Requirements: Self-Service Terminal Transaction Receipt

TRANSACTION DATA REQUIREMENTS
Account Number (Except for the final four digits, the Account Number on the Cardholder's copy of the Transaction Receipt must be disguised or suppressed.)
Merchant name
Location Code, or city and state
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt

Table 7 through Table 9 specify the requirements for Manual Transaction Receipts.

Table 7: Data Requirements: Manual Transaction Receipt

TRANSACTION DATA REQUIREMENTS
Imprint
Imprint of Merchant or Member name and location
Location Code
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt
Legend identifying its purpose (i.e., Transaction Receipt or sales slip)
Legend identifying the party to whom it will be delivered (e.g., Member copy). The other copies of the formset should also be appropriately labeled Merchant copy or Cardholder copy.
Description of goods or services
Space for Cardholder signature
Space for salesperson's initials or department number
Authorization Approval Code
The Cardholder copy of a Transaction Receipt must bear the legend "Retain this copy for statement verification" or similar wording in a 10-point Helvetica type font

Table 8: Data Requirements: Lodging or Cruise Line Merchants

TRANSACTION DATA REQUIREMENTS
Imprint
Imprint of Merchant name and location
Location Code
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt
Guest check-out or disembarkation date
Legend identifying its purpose (i.e., Transaction Receipt or sales slip)
Legend identifying the party to whom it will be delivered (e.g., Member copy). The other copies of the formset should also be appropriately labeled Merchant copy or Cardholder copy.
Description of goods or services
Room rate and salesperson's initials or department number
Authorization dates, amounts, and approval codes
Space for Cardholder signature
The Cardholder copy of a Transaction Receipt must bear the legend "Retain this copy for statement verification" or similar wording in a 10-point Helvetica type font

Table 9: Data Requirements: Manual Cash Disbursement Transaction Receipt

TRANSACTION DATA REQUIREMENTS
Imprint
Imprint of the name and location of the Member, Merchant, or Cash Disbursement Merchant
Transaction amount
Transaction Date
Transaction payment type (i.e., "Visa"). The payment brand used to complete the Transaction must be identified on the Cardholder's copy of the Transaction Receipt
Transaction type (Cash Disbursement)
Legend identifying the party to whom it will be delivered (e.g., Member copy). The other copies of the formset should also be appropriately labeled Merchant copy or Cardholder copy.
Space for Cardholder signature
Space for Cardholder's address (may be eliminated from the Cash Disbursement Transaction Receipt used only by a Cash Disbursement Merchant)
Space for Cardholder identification
Space for clerk's signature or identification
Authorization Approval Code
Space for four printed digits above or below Account Number
The Cardholder copy of a Transaction Receipt must bear the legend "Retain this copy for statement verification" or similar wording in a 10-point Helvetica type font