



## **Operating Guide**

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# CHAPTER 1.

## ABOUT YOUR CARD PROGRAM

Thank you for choosing Elavon. This Operating Guide contains instructions for processing card transactions with Elavon and minimizing the risk of fraud to your business as well as responsibilities related to Company's receipt of other Elavon services.

Please familiarize yourself with this Operating Guide, as you are the first line of defense against fraud. Failure to comply with this Operating Guide may result in financial loss to your business.

Throughout this guide, terms that have specific meaning to the payments industry are noted with initially capitalized letters (e.g., Credit Card, Card Present Transactions). If you are not familiar with these terms, refer to Appendix A, *Glossary* for definitions.

### Payments Insider and Merchant Connect

Payments Insider is an online customer portal, located at [www.mypaymentsinsider.com](http://www.mypaymentsinsider.com), that provides a Company with access to account information, statements, and payments activity. It supports delivery of Settlement, Chargeback, adjustment and additional reporting via an online tool for viewing and exporting, as well as access to additional customer support. Payments Insider can help streamline daily reconciliation of Company Transactions and answer questions about point-of-sale equipment, and it provides an overview of products and services that Elavon can provide. Company can go to the account section of Payments Insider to order supplies necessary to complete Card Transactions. Payments Insider also hosts the latest version of the Terms of Service and Operating Guide. For those Companies that do not currently have access to Payments Insider, MerchantConnect, an online reporting system located at [www.merchantconnect.com](http://www.merchantconnect.com), includes much of the information and functionality of Payments Insider.

### ABOUT TRANSACTION PROCESSING

To accept Credit Cards, Debit Cards or other Cards for payment, you process the Transactions through a POS Device or with point-of-sale software. A group of Transactions is called a Batch, and the process of sending these Transactions to Elavon is called Settlement.

When you settle a Batch, information for each Transaction is sent to clearing networks across the country and sometimes around the world. Based on each Card number, Elavon sends information about a Transaction to the corresponding payment clearing network so they can forward to the corresponding Issuer to charge the Cardholder. Then, Elavon receives funds for the Transaction and sends deposits to your Demand Deposit Account (DDA). Refer to Chapter 2, *Processing Transactions*, for specific details about processing Transactions.

In exchange for these services, you are charged a percentage of each Transaction (known as a Discount), along with Transaction fees, Authorization fees, and any other fees specified in the Agreement. Fees are deducted from your DDA on either a monthly or a daily basis.

When a Cardholder does not agree with a Transaction posted to his or her account, the Cardholder can contact the Issuer and initiate a dispute. In this case, the Transaction amount is debited from your DDA and Elavon sends you a Chargeback notice. In order to protect your rights, it is important that you respond promptly to any Chargeback notice you receive. Refer to Chapter 5, *Retrieval Requests & Chargebacks*, for a detailed explanation of this process.

## GENERAL OPERATING GUIDELINES

When processing Transactions, it is important to keep the following general guidelines in mind:

- **Do Not Set Restrictions on Card Transactions:** Discover Network, Visa and Mastercard prohibit setting a maximum purchase amount for Credit Card Transactions, unless you are a U.S. Federal government agency or institution of higher education. A minimum transaction amount of \$10 is allowed for Credit Card Transactions. Discover Network, Visa and Mastercard permit adding a surcharge to a Credit Card Transaction amount, subject to specific conditions and requirements. You may give a discount from your standard pricing or offer an in-kind incentive for payment by cash, Credit Card, Debit Card or any other method of payment.
- **Do Not Discriminate:** Unless Laws expressly require otherwise, you must honor all valid Cards within your acceptance categories when properly presented for payment, without discrimination, and maintain a policy that does not discriminate among Cardholders seeking to make purchases with a particular brand of Card.
- **Keep Passwords Secure:** Keep all passwords that allow you to access Elavon's databases or services secure. Remember, you are responsible for the actions of anyone who uses your password. If you believe your password has been compromised or shared with an unauthorized user, please contact Elavon immediately.
- **Protect Cardholder Privacy:** You may only require a Cardholder's personal information if it is necessary to complete a Transaction (such as a delivery address or telephone number for Card Not Present Transactions) or if the Voice Authorization Center specifically requests it. You may not refuse to complete an otherwise valid Card Transaction just because a Cardholder refuses to provide additional identification or information. Discover Network, Visa and Mastercard regulations prohibit listing a Cardholder's personal information on the Transaction Receipt because it can expose a Cardholder to increased risk of fraud. You must not use any Elavon systems, including custom fields or any other unprotected fields within Elavon's systems, to collect, transmit, or store any sensitive or confidential data (such as, Primary Account Numbers (PAN), Card expiration dates, track data, Card Identification Numbers, Card Validation Codes, Social Security numbers, Personal Identification Numbers, individually identifiable health information, or other private data) of customers or cardholders.
- **Plan Ahead for Fees and Chargebacks:** Maintain sufficient funds in your DDA to cover all fees, Chargebacks, or any other adjustments that may occur. Monthly fees are debited from your DDA near the beginning of each month for the prior month's activity. Elavon recommends that you keep five percent (5%) of your average monthly processing volume available in your account to cover monthly fees and the possibility of Chargebacks. Keep in mind that this is only a recommendation and your business may require additional available funds. For example, businesses that conduct high-risk Transactions (such as Card Not Present or those with future delivery of products or services) should consider maintaining a higher percentage of their average monthly processing volume in their account.
- **Keep Cardholder Data Secure:** Keep all Transaction Receipts in a locked area that is accessible only to select personnel. When you dispose of Transaction Receipts after the designated retention period, make sure that account numbers and Imprints are rendered unreadable, as criminals can commit fraud with even a few pieces of Cardholder information.
- **Perform Regular Audits:** In addition to balancing daily receipts, compare Transaction Receipts to the register tape to ensure that they match. Periodic reviews help identify potential problems associated with a specific register or sales associate. It is your responsibility to address inconsistencies and educate your staff.
- **Know Your Third Party Vendors:** If you use software or other services (such as an online shopping cart) provided by a third party or, you may be impacted by and financially liable for security breaches or system failures by the third party vendor. Be sure to acquaint yourself with the third party vendors' requirements and limitations so you can minimize disruption in service and protect yourself from unauthorized access. It is your responsibility to ensure that all Cardholder information (including that accessed or maintained by your third party vendor) is stored in an encrypted and secure environment.

- **Security Program Compliance:** You, and any third party vendors that you use, must comply with all applicable requirements of the Payment Card Industry (PCI) Data Security Standard.
- **Data Compromise:** Notify Elavon immediately (within twenty-four (24) hours), if you know or suspect that Cardholder information has been accessed or used without authorization, even if this compromise involves a third party vendor. You must take immediate steps to preserve all business records, logs and electronic evidence and contact local law enforcement authorities (including the local FBI and U.S. Secret Service). You must work with us to rectify any issues that result, including providing Elavon (and obtaining any waivers necessary to provide Elavon with) all relevant information to verify your ability to prevent future data incidents in a manner consistent with the Agreement.
- **Interchange:** Interchange qualification requirements, as defined by the Payment Networks, affect your fees or surcharges owed for Transactions. You will pay a higher discount rate, higher fees, and surcharges for Transactions that do not meet the best rate qualification criteria or have been processed in a manner other than that for which you were approved.
- **Display of Card Marks.** Unless otherwise informed by Elavon, you must prominently display the most current versions of the Payment Network's and EFT Network's names, symbols, or service marks, as appropriate, at or near the POS Device as may be required or requested by the Payment Networks. Companies that accept Cards for Electronic Commerce Transactions must display those names, symbols or service marks on Internet payment screens. You may also display those marks on promotional materials to inform the public that such Credit Cards and Debit Cards will be honored at your places of business. Your use of such marks must comply with the requirements of each mark's owner. Your right to use or display such marks will continue only so long as the Agreement remains in effect. You must remove the marks immediately upon termination.
- **Prohibited Transactions.** You must not: (a) submit for payment into Interchange any Transaction that (i) arises from the dishonor of a Cardholder's personal check, (ii) arises from the acceptance of a Card at a POS Device that dispenses scrip, (iii) is illegal, or (iv) is otherwise prohibited in the Operating Guide or in the Payment Network Regulations; (b) accept Cardholder payments for previous Card charges incurred at your location; (c) accept a Card to collect or refinance an existing debt that has been deemed uncollectible by the company providing the associated goods or services; or (d) accept Cards at POS Devices that dispense scrip.
- **Marketing; Opt-out.** Elavon seeks to provide you with updated information regarding the products and services that it offers to you. In addition to Elavon's traditional methods of communication, it may also reach out to you via mobile text messaging and email messages. By providing your mobile phone number or e-mail address in your Company Application, you authorize Elavon to use that information to contact you about your account and to market additional products and services to you. You are not required to provide your mobile phone number or e-mail address in connection with your Company Application or enrollment, and, if you do, you may elect not to receive such communications from Elavon in the future by contacting Elavon at [optout@elavon.com](mailto:optout@elavon.com).



## CHAPTER 2.

# PROCESSING TRANSACTIONS

This Chapter explains the two steps involved in the Transaction process—Authorization and Settlement— as well as the different types of Transactions.

### COMPANY COMPLIANCE

#### 1. Settlement of Transactions.

- a. Subject to the other provisions of the Agreement and to Company's compliance with the terms of the Agreement, Elavon will process Transactions daily, deposit funds to the DDA based on Company's properly-submitted daily transactions, and provide Company provisional credit for such funds.
- b. Company is responsible for monitoring its Transactions, and Elavon has no duty to monitor Company's Transactions for fraudulent or other suspicious activity. However, Elavon may do so, and may suspend the processing of Transactions while Elavon investigates suspicious or fraudulent activity. Elavon may delay, within its reasonable discretion, crediting the DDA with funds for Transactions that require investigation of suspicious or fraudulent activity or funds for Transactions for which Elavon has not received funding from the applicable Payment Networks. Elavon will investigate or process any delayed Transactions expeditiously and will use reasonable efforts to notify Company if any Transactions are delayed for more than 48 hours.
- c. If Company maintains its DDA with Member, provisional credit for Transactions may be available as soon as the same banking day on which Elavon processes the Transactions. Regardless of where Company maintains its DDA, Company acknowledges and agrees that Elavon may use either "direct" (ACH debit authority pursuant to which Chargebacks, returns, adjustments, fees, fines, penalties, assessments and charges from the Payment Networks and other amounts due to Elavon under the Agreement are debited from the DDA) or "net" (pursuant to which Chargebacks, returns, adjustments, fees, fines, penalties, assessments and charges from the Payment Networks and other amounts due to Elavon under the Agreement are deducted from Transaction proceeds prior to delivering the proceeds to Company's DDA) methods to recover amounts owed by Company. Company authorizes and appoints Elavon to act as Company's agent to collect Transaction amounts from the Customer, the Issuer or the Customer's financial institution, to the extent required.

2. **Deposits.** Company acknowledges that its obligation to Elavon for all amounts owed under the Agreement arises out of the same transaction as Elavon's obligation to deposit funds to the DDA, and such amounts are owed in the ordinary course of business.

3. **Provisional Credit.** All credits for funds provided to Company are provisional and subject to reversal if Elavon does not receive payment of corresponding settlement amounts from the Payment Networks. All credits are subject to adjustments for inaccuracies and errors (including rejects) and Chargebacks in accordance with the Agreement and the Payment Network Regulations. Company authorizes Elavon to initiate reversal or adjustment (debit or credit) entries and to initiate or suspend such entries as may be necessary to grant or reverse provisional credit for any Transaction. Further, Elavon may delay Company-issued Cardholder credits (other than to PIN-Debit Cards) for up to seven business days for accounting verification.

4. **Chargebacks.** Company will accept for Chargeback, and will be liable to Elavon for the amount of, any Transaction disputed by the Cardholder or Issuer for any reason under the Payment Network Regulations.

Company authorizes Elavon to offset from funds due to Company or to debit the DDA or the Reserve Account for the amount of all Chargebacks. Company will cooperate with Elavon in complying with the Payment Network Regulations regarding Chargebacks.

5. **Original Transactions.** Elavon will not be responsible for processing returns, refunds, or adjustments related to Transactions not originally processed by Elavon.
6. **Demand Deposit Account.** Company will maintain sufficient funds in the DDA to accommodate all Transactions contemplated by the Agreement and all Chargebacks, returns, adjustments, fees, fines, penalties, assessments from the Payment Networks and other payments due under the Agreement.
7. **Asserted Errors.** Company is responsible for reconciling the statements regarding Transaction activity received from Elavon, any Payment Network, and any third party vendors with the statements Company receives for Company's DDA.
  - a. Company must promptly examine all statements relating to the DDA and notify Elavon in writing of any errors in the statement Company received from Elavon. Company's written notice must include:
    - i. Company name and account number;
    - ii. The dollar amount of the asserted error;
    - iii. A description of the asserted error; and
    - iv. An explanation of why Company believes an error exists and the cause of it, if known.
  - b. If Company fails to provide written notice to Elavon of an asserted error within 45 days of the date of the Elavon statement containing the asserted error, Elavon will not be liable to Company for any errors related to that statement. Company may not make any claim against Elavon for any loss or expense relating to any asserted error for 45 days immediately following Elavon's receipt of Company's written notice. During that 45 day period, Elavon may investigate the asserted error (and Company will not incur any cost or expense in connection with the asserted error without notifying Elavon), and notify Company of its proposed resolution of the asserted error.
8. **Use of Trademarks.** Company will use and display the Payment Networks' marks as required by the Payment Networks and in accordance with the standards for use established by the Payment Networks. Company's right to use all such marks will terminate upon termination of the Agreement or upon notice by a Payment Network to discontinue such use. Company's use of promotional materials provided by the Payment Networks must not imply that the Payment Networks endorse any goods or services other than their own or that use of a Payment Network's product is a requirement to purchase. Company must not refer to any Payment Networks in stating eligibility for Company's products or services.
9. **Accuracy of Information.** Company must notify Elavon in writing at least 10 business days prior to any material changes to the information provided in the Company Application, in the bid process (if applicable), or otherwise in the Agreement, including any additional location or facility at which Company wants to use Elavon's Services, the form of entity (e.g., partnership, corporation, etc.), a change in control of Company, material changes to the type of goods and services provided or payments accepted, and how Transactions are completed (i.e., by telephone, mail, electronic commerce, or in person at Company's place of business). Company will promptly provide any additional information that Elavon reasonably requests regarding the change. Elavon may rely upon written instructions submitted by Company to request changes to Company's business information. Company may request written confirmation of Elavon's consent to the changes to Company's business information.

10. **Transaction Receipts.** Company is responsible for all Transactions until Elavon has received and validated those Transactions. Company will maintain sufficient “backup” information and data (e.g., Transaction Receipts or detailed reporting) with respect to Transactions (and will provide such information and data to Elavon upon request) to reconstruct any information or data lost due to any malfunction of Company’s or Elavon’s systems. Elavon has no duty to recreate lost Transactions or Transaction Receipts unless the loss results from Elavon’s breach of the Agreement. Company is responsible for developing, maintaining, and testing a disaster recovery plan.

## TRANSACTION PROCESSING PROCEDURES

When processing Transactions:

- Transactions can be swiped, key entered or, if a Chip Card, inserted. Keep the Card in hand until the Transaction is complete if doing swiped or key entered.
- If the POS Device displays “Referral” or “Call Auth” during a Transaction, call the toll-free Voice Authorization telephone number (located on a sticker on the POS Device) and follow the operator’s instructions.
- If Company receives an Authorization Approval Code, but the Cardholder, Card, or circumstances of the Transaction still seem suspicious, call for a Code 10 Authorization and follow the operator’s instructions. Refer to Chapter 4, *Code 10 Procedures*, for additional information.
- Use a ballpoint pen for steps that require handwritten information. Never use a marker or a pencil to write on a Transaction Receipt.
- Do not write additional information (e.g., Cardholder’s telephone number, address, driver’s license number, Social Security number) on any Transaction Receipt.

To process a Transaction, follow these steps:

1. **Follow all Prompts and Enter all Data Elements.** Company must include required elements to receive approval for Transactions, and Company can include optional data elements to qualify for better Interchange rates.

For example: Under the current data requirements, Visa Business, Visa Corporate, and Visa Purchasing Card Transactions must include sales tax information to qualify for the Level II Interchange Rate, where applicable.

2. **Make Sure the Card is Valid.** Check the Card’s expiration date and other features to ensure that the Card is valid. Refer to Chapter 3, *Preventing Card Fraud* for additional loss-prevention information and validation information.
3. **Enter the Chip Card Into the POS Device/Swipe the Card through the POS Device.** If the Card is successfully inserted or swiped, the POS Device may prompt Company to enter the last four digits of the Card number. This process compares the account number in the Chip or Magnetic Stripe with the account number embossed on the Card.

If the POS Device cannot read the Chip or Magnetic Stripe, press the appropriate key to initiate a manual Transaction. When prompted by the POS Device, enter the Card number and expiration date embossed on the front of the Card. If Company has an Imprinter, make an Imprint of the Card on a paper Transaction Receipt to prove that the Card was present during the Transaction. Keep the Imprinted Transaction Receipt with the electronically printed Transaction Receipt from the POS Device.

Ensure that the paper Transaction Receipt contains all of the information related to the Transaction, such as the Transaction amount, Transaction date, Company information, Authorization Approval Code, and, if applicable, Cardholder's signature.

4. **Enter the Amount of the Transaction.** When prompted by the POS Device, enter Transaction amount using the numeric key pad. There is no need to include a decimal point.

For Example: Enter \$125.00 by pressing the **1-2-5-0-0** keys consecutively, and then pressing **ENTER**. The POS Device displays a message that indicates the Transaction is being processed for Authorization.

5. **Obtain the Authorization Approval Code.** If the Transaction is approved, the Authorization Approval Code prints on the Transaction Receipt. If a printer is not present, the POS Device displays the Authorization Approval Code. If Imprinting the Card, remember to record the Authorization Approval Code on the Transaction Receipt.

If the Transaction is declined, the POS Device displays "Declined" or "Declined-Pick-Up". In these cases, please ask for another form of payment.

If the POS Device displays a "Referral" or "Call Auth" message, call the toll-free Voice Authorization telephone number (located on a sticker on the POS Device) and follow the operator's instructions. Upon receiving an Authorization Approval Code, enter it into the POS Device to complete the Transaction. If Authorization is declined, the Voice Authorization Center may ask Company to retain the Card. If this occurs, follow the operator's instructions. A reward may be paid for the return of a Card at the Voice Authorization Center's request.

6. **When required, Have the Cardholder Sign the Transaction Receipt.** In Card Present Transactions, Transaction Receipts may need to be signed by the Cardholder. Company must not honor a Card if (i) the Card has expired; (ii) the signature on the Transaction Receipt does not correspond with the signature on the Card, or if the signature panel on the Card is blank or uses language to the effect of "see ID"; or (iii) the account number embossed on the Card does not match the account number on the Card's magnetic stripe. If the Transaction or the Cardholder still seems suspicious, perform a Code 10 Authorization. Refer to the *Identifying Valid Cards* section of Chapter 3 for more information.
7. **Return the Card and the Customer Copy of the Transaction Receipt to the Cardholder.** When the Transaction is complete, return the Card to the Cardholder, along with the Customer copy of the Transaction Receipt. Keep the Company copy of the Transaction Receipt for Company records.

## AUTHORIZATION

The first step in processing a Transaction is to request Authorization from the Issuer to accept a Card for payment. Company must obtain an Authorization Approval Code before completing any Transaction. An Authorization request is made via one of the following two methods:

- **Electronic Authorization.** Company swipes a Card through, inserts a Chip Card into, or manually enters a Card number into a POS Device. Then, the POS Device sends the Transaction Information electronically to the Issuer for Authorization.
- **Voice Authorization.** Voice Authorization is usually used if a Company does not have a working POS Device or if the Issuer requests additional information during Electronic Authorization. Company calls the Voice Authorization Center, which then communicates the Transaction Information electronically to the Issuer. An operator or an interactive voice response (IVR) unit provides Company with the Authorization Response given by the Issuer. Voice Authorization toll-free telephone numbers are located on a sticker on the POS Device. If there is not a Voice Authorization sticker on the POS Device, contact merchant services.

The following diagram describes the electronic authorization process:



**Figure 2-1. Authorization Process**

1. **Authorization of Purchase:** The Transaction process begins when a Cardholder wants to buy goods or services using a Card. Before the Transaction can be completed, Company must receive an Authorization Approval Code from the Issuer.
2. **Company:** Company's POS Device sends the Transaction Information to the Elavon Host to verify the Merchant Identification Number (MID), to read the Card number, and to route the information to the appropriate Issuer.
3. **Elavon Host:** The Elavon Host sends the information to the Issuer through the Discover Network, Visa, or Mastercard network, or directly to other Issuer networks (e.g., American Express).
4. **Issuer:** The Issuer determines whether the Transaction should be approved and sends an Authorization Response back to Elavon.
5. **Elavon Host/Company:** The Elavon Host receives the Authorization Response from Issuer and routes it to Company. Company receives the Authorization Response from the Elavon Host and follows the appropriate steps to complete or decline the Transaction.

An Authorization request is required for every Transaction to determine whether the Card number is valid, the Card has been reported lost or stolen, and sufficient credit or funds are available. The Issuer determines whether the Transaction should be approved and sends one of the following responses back to Elavon, who then forwards it to Company:

- **Authorization Approval Code:** Credit or funds are available to complete the sale and that the Card has not been reported lost, stolen, or otherwise invalid. Company may complete the Transaction.
- **Declined Code:** The Issuer does not approve the Transaction. Company should ask for another form of payment and should not resubmit that Card for Authorization.
- **Declined Pick-Up:** The Issuer does not approve the Transaction and requests that the Card not be returned to the Cardholder. The Card should be cut lengthwise without damaging the Magnetic Stripe and sent, along with the MID, Company address, and the date of the incident, to:  
 Exception Processing  
 ATTN: Card Pick Up  
 Elavon, Inc.  
 7300 Chapman Highway Knoxville, TN 37920
- **"Referral" or "Call Auth":** The Issuer requests Company to call the Voice Authorization Center, which will either provide an Authorization Approval Code or ask Company to request additional information from the Cardholder (e.g., mother's maiden name). The Voice Authorization Center will provide this information to the Issuer who will either approve or decline the Transaction.

Receipt of an Authorization Approval Code in response to an Authorization request does not:

- Guarantee that Company will receive final payment for a Transaction;
- Guarantee that the Cardholder will not dispute the Transaction later (all Card Transactions are subject to Chargebacks even when an Authorization Approval Code has been obtained);
- Protect Company from Chargebacks for unauthorized Transactions or disputes regarding the quality of goods or services; or
- Validate a fraudulent Transaction or a Transaction involving the use of an expired Card.

Company will follow any instructions received during Authorization. Upon receipt of an Authorization Approval Code, Company may consummate only the Transaction authorized and must note the Authorization Approval Code on the Transaction Receipt. If a Transaction is completed without swiping, dipping, or imprinting the Card, Company, whether or not an Authorization Approval Code is obtained, will be deemed to warrant the true identity of the Customer as the Cardholder.

### Full and Partial Authorization Reversals

An “authorization reversal” is a real-time Transaction initiated when the Customer decides that he or she does not want to proceed with the Transaction or if Company cannot complete the Transaction for any reason (e.g., the item is out of stock, the Transaction “times out” while waiting for the Authorization response). To initiate an authorization reversal, the Transaction must have already been authorized but not submitted for Settlement. If the Transaction has already been submitted for clearing, then Company should initiate a void, refund, or other similar Transaction so that the Customer’s available balance is restored. Company should initiate a partial authorization reversal whenever it determines that the final Transaction amount will be less than the amount of the Authorization. Company must process an Authorization reversal (i) for Card Present Transactions, within 24 hours of the original Authorization request, or (ii) for Card Not Present Transactions, within 72 hours of the original Authorization Request.

This requirement does not apply if Company is properly identified with any one of the following Merchant Category Codes (MCCs):

- MCCs 3351 through 3441 (Car Rental Agencies);
- MCCs 3501 through 3999 (Lodging—Hotels, Motels, Resorts);
- MCC 4411 (Cruise Lines);
- MCC 7011 (Lodging—Hotels, Motels, Resorts—not elsewhere classified); and
- MCC 7512 (Automobile Rental Agency—not elsewhere classified).

### SETTLING DAILY TRANSACTIONS

Settling Transactions daily can help eliminate balancing errors, promptly record deposits to Company’s DDA, prevent duplicate billing to customers, and minimize Chargebacks. To settle the daily Batch, perform the following steps:

1. **Total the day’s Transaction Receipts and Credit Transaction Receipts.**
2. **Verify that the Transaction Receipts equal the POS Device totals.** Company may print a report from the POS Device to assist with balancing. For more information about balancing, refer to the instructions that came with the POS Device. If the totals do not balance, then do the following:

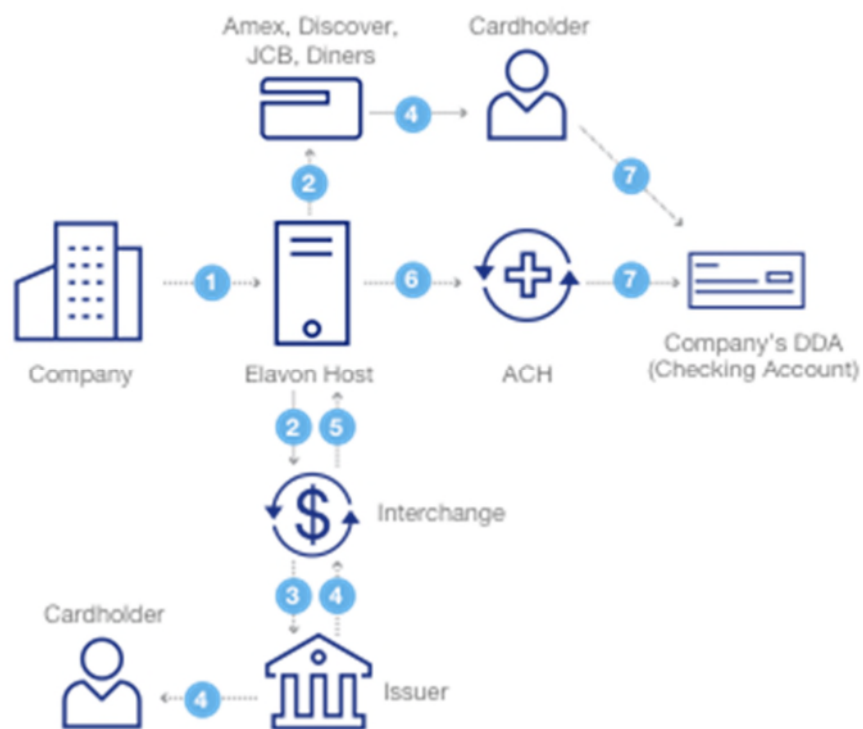
- a. Compare the Transaction Receipts to the individual entries in the POS Device.
- b. Make any necessary adjustments before transmitting or closing the Batch. To make adjustments, refer to the instructions for the POS Device.

3. **Close the Batch according to the instructions for the POS Device.**

**Note:** Submit Transactions for processing daily to obtain the most favorable pricing.

**SETTLEMENT (PAYING COMPANY FOR TRANSACTIONS)**

The final step in processing a Transaction is Settlement, which occurs when Company sends all of its Card Transactions to Elavon to receive payment. During Settlement, Company is paid and Cardholders are billed for previously-approved Transactions. The following diagram describes the Settlement process:



**Figure 2-2. Settlement Process**

1. **Company:** Sends all approved, un-settled Transactions (known as the open Batch) in the POS Device to the Elavon Host to settle the Batch.
2. **Elavon Host:** Sends all Transactions to appropriate Payment Network (Visa, Mastercard, Discover, JCB, and, as applicable, American Express). Transactions are sent onto Interchange and other Card Transactions to the appropriate Issuer (e.g., American Express Transactions to American Express if American Express funds Company directly). If the Transactions are not sent to Interchange, go to step 4.
3. **Interchange:** Payment Network sends Transaction Information to the appropriate Issuer.

4. **Issuer:** Posts the Transaction to the Cardholder's account. The Issuer either sends to Interchange the difference between the Transaction amount and the Interchange fee charged to Elavon, or sends the funds to Company's DDA (see step 7).
5. **Interchange:** Payment Network sends the funding for the Transaction amount less the Interchange Fees to the Elavon Host.
6. **Elavon Host:** Sends a message to the Automated Clearing House (ACH) to pay Company for the Transactions.
7. **Automated Clearing House (ACH):** Electronically transfers the funds from Elavon to Company's DDA.

## TRANSACTION PROCESSING RESTRICTIONS

### Surcharges on Credit Card Transactions.

Discover Network, Visa and Mastercard permit merchants in the U.S. to add a surcharge to a Credit Card Transaction amount, subject to their respective Payment Network Regulations. As a result, if permitted, Company may add an amount to the posted price of Company's goods and services as a condition of paying with a Discover Network, Visa and Mastercard Credit Card. Surcharges may be assessed at the Card Brand level (Visa, Mastercard, Discover) or Card product type, but not both. Surcharges may be fixed (\$) or variable (%), may be applied after accounting for any discounts or rebates offered at the point of sale, and may be assessed for recurring payments.

If Company chooses to apply a surcharge to such Transactions, it must abide by all Payment Network Regulations applicable to surcharging, including the following:

- Company must notify the Card Brands in writing of its intent to assess surcharges at least 30 days in advance of their implementation.
- A surcharge at the Card Brand level must be the same regardless of the Credit Card issuer or product type.
- The surcharge fee must be (i) included in the total amount of the Transaction (i.e., it cannot be split out from the Transaction amount), and (ii) assessed by Company and not by a different merchant or third-party.
- Surcharges may not be exceed the cost of acceptance and Card Brand and surcharge cap levels.
- Surcharges must be clearly and prominently disclosed both at the point of entry into a Company location and at the point of sale. Point of sale disclosures must include the exact amount (\$ or %) of the surcharge, a statement that the surcharge is assessed by Company and is only applicable to Credit Card Transactions, and a statement that the surcharge amount is not greater than the merchant discount rate and associated fees.
- Merchants with point-of-sale devices that offer cardholders a choice for debit transactions in the form of "credit" or "debit" buttons must (i) ensure that no Debit Cards (PIN or signature) are assessed a surcharge, and (ii) make clear to the Cardholder that surcharges are not permitted on Debit Cards regardless of whether a card holder selected the "credit" or "debit" button.
- For Electronic Commerce Transactions, Mail Order/Phone Order Transactions, and unattended Transactions the Cardholder must be provided the opportunity to cancel the Transaction subsequent to the surcharge disclosure.
- Surcharge details must be itemized within Transaction messages in designated fields.
- Surcharges must be disclosed on the Transaction Receipt.

In addition, Company may be required to register with Discover Network, Visa or Mastercard prior to adding a surcharge to any Credit Card Transactions. Registration requirements are set forth in the applicable Payment Network Regulations and may be available through the applicable Payment Network websites.



**Return Policy.** Company must properly disclose to the Cardholder, at the time of the Transaction, any limitation Company has on accepting returned merchandise.

**No Claim Against Cardholder.** Unless Elavon refuses to accept a Transaction or revokes its prior acceptance of a Transaction (e.g., receipt of a Chargeback), (i) Company will not have any claim against, or right to receive payment from, a Cardholder for any Transaction; and (ii) Company will not accept any payments from a Cardholder relating to previous charges for merchandise or services included in a Transaction Receipt (and if Company receives such payments, Company will promptly remit them to Elavon).

## PROCESSING CREDIT (RETURN AND EXCHANGE) TRANSACTIONS

### Returns and Exchanges.

If Company has a special policy regarding returns or refunds, it must make sure that the policy is clearly posted at the point-of-sale, and printed on the Transaction Receipt using letters approximately ¼ inch high and in close proximity to the signature line.

If Company is processing an even exchange, no action is necessary. However, if an exchange involves merchandise of greater or lesser value, Company must issue a Transaction Receipt or a Credit Transaction Receipt for the difference. Company may instead give a full refund to the Cardholder for the original Transaction amount and process the exchange as a new Transaction.

**Credit Transaction Receipt.** Refunds for a Transaction must be processed by issuing a credit to the Card on which the original purchase was made. Do not refund a Card purchase with cash or check. Do not refund cash or check purchases to a Card. Company must prepare a Credit Transaction Receipt for the amount of credit issued and submit it to Elavon within the period specified by applicable Law or Payment Network Regulations, whichever is shorter. Company must not submit a Credit Transaction Receipt relating to any Transaction Receipt not originally submitted to Elavon or any Credit Transaction Receipt that exceeds the amount of the original Transaction Receipt. Elavon will debit the DDA for the total face amount of each Credit Transaction Receipt submitted to Elavon.

**Revocation of Credit.** Elavon may, in its reasonable discretion, refuse to accept any Credit Transaction Receipt for processing.

**Reprocessing.** Company must not resubmit or reprocess any Transaction that has been charged back.

## TRANSACTION RECEIPTS

A Transaction Receipt is a paper or electronic record of the purchase of goods or services from a merchant by a Customer using a Card. Company must provide the Customer with a Transaction Receipt for his or her personal records.

Transaction Receipts are required for all Transaction types and must be retained for a minimum of two years (or such longer period as the Payment Network Regulations or the Laws may require). Company should store Transaction Receipts in a safe, secure area organized in chronological order by Transaction date.

A Transaction Receipt must contain the following information:

- Transaction date
- Total Transaction amount, including applicable taxes, fees and any adjustments or credits
- Transaction Type (e.g., credit, purchase)

- Card account number (must be truncated on the Cardholder copy) including the specific payment brand (e.g., Visa, Mastercard or Discover)
- Space for Cardholder signature for Card Present Transactions
- Authorization Approval Code
- Company name and location
- Location code (i.e., POS Device or MID issued by Elavon)
- Special return or refund terms printed in close proximity to the Cardholder signature line on the Transaction Receipt, if restricted
- Indication of who will receive each copy of the Transaction Receipt (e.g., Company Copy, Bank Copy, and Cardholder Copy).

### Reproduction of Information

For Card Present Transactions, if the Cardholder's name, Card account number, Card expiration date, or Company's name and place of business are not legible or present on the Transaction Receipt, Company will legibly reproduce such information on the Transaction Receipt.

### Truncation

- **Cardholder's Copy of the Transaction Receipt.** The Card account number must be truncated (all but the last four digits suppressed) and expiration date must be suppressed on all Cardholder copies of Transaction Receipts and other paperwork provided to the Cardholder, regardless of the POS Device generating the Transaction Receipt. Suppressed digits should be replaced with a fill character such as "x," "\*", or "#," and not with blank spaces or numeric characters. These truncation rules do not apply to Transactions in which the only way to record a Card account number and expiration date is in handwriting or by making an Imprint or copy of the Card.
- **Company's Copy of the Transaction Receipt.** Company's copy of the Transaction Receipt must suppress the entire expiration date.

### Unreadable Magnetic Stripes/Chips

For Card Present Transactions, if Company authorizes and presents Transactions electronically and Company's POS Device is unable to read the Magnetic Stripe or Chip on the Card, Company must generate a manual Transaction Receipt in addition to key-entering the Transaction into the POS Device for processing.

### Manual Transaction Components

A manual Transaction Receipt must contain the same information as listed above for an electronic Transaction Receipt, as well as the following information:

- Physical Imprint of the Card (not a photocopy)
- Cardholder signature
- Salesperson's initials or department number

**NOTE:** If the Cardholder presents an unembossed Card and the POS Device cannot read the Magnetic Stripe or Chip then Company must request another form of payment. Manual Transaction Receipts are prohibited on Transactions involving an unembossed Card.

### **Delivery of Transaction Receipts to Cardholders**

Company must provide a complete and legible copy of the Transaction Receipt to the Cardholder in either electronic (e.g., e-mail, fax) or paper (e.g., handwritten, POS Device-generated) format at the time of the Transaction.

### **Electronic Transmission of Transaction Receipts to Elavon**

If Company uses electronic Authorization or data capture services, Company will enter the data related to Transactions into a POS Device and settle the Transactions and transmit the data to Elavon in the form specified by Elavon no later than the close of business on the date the Transactions are completed. If Elavon requests a copy of a Transaction Receipt, Credit Transaction Receipt, or other Transaction evidence, Company must provide it within the time frame specified in the request.

### **Multiple Transaction Receipts**

Company will include the total amount of goods and services purchased in a single Transaction on a single Transaction Receipt unless (i) partial payment is entered on the Transaction Receipt and the balance of the Transaction amount is paid in cash or by check at the time of the Transaction; or (ii) a Transaction Receipt represents an advance deposit for a Transaction completed in accordance with the Payment Network Regulations.

### **Future Delivery**

Company represents and warrants to Elavon that Company will not rely on any proceeds or credit resulting from future delivery Transactions to purchase or furnish goods or services. Company will maintain sufficient working capital to provide for the delivery of goods or services at the agreed upon future date, independent of any credit or proceeds resulting from Transaction Receipts or other Credit Transaction Receipts in connection with future delivery Transactions.

### **PROCESSING CARD NOT PRESENT TRANSACTIONS**

Card Not Present Transactions occur when the Card is not physically presented to Company at the time of a sale. Such Transactions include Mail Order (MO), Telephone Order (TO), and Electronic Commerce (EC) Transactions. Company must be authorized by Elavon to process Card Not Present Transactions.

Obtain the following information from the Cardholder prior to processing a Card Not Present Transaction:

- Cardholder's billing address
- Shipping address, if different from billing address
- Cardholder's telephone number
- Cardholder's account number
- Card expiration date
- CVV2/CVC2/CID number
- Purchaser's name (in lieu of Cardholder signature)

**NOTE:** Company must not retain or record the CVV2/CVC2/CID data element beyond the original Authorization request and must not print it on the Transaction Receipt or on any document given to the Cardholder.

In addition to the Transaction Receipt requirements set out in the Transaction Receipts section of this Chapter 2, a Card Not Present Transaction Receipt must also contain:

- Company online address
- Customer service contact, including telephone number

Company must not settle a Transaction before shipping the goods. This increases the risk of a Chargeback to Company and is prohibited by the Agreement.

### **Mail Order/Telephone Order (MO/TO)**

Transactions processed via MO/TO are high risk and subject to a higher incidence of Chargebacks. Therefore, Company is liable for all Chargebacks and losses related to MO/TO Transactions. Company may be required to use an address verification service (“AVS”) on MO/TO Transactions. Company will obtain the expiration date of the Card for a MO/TO Transaction and submit the expiration date when requesting Authorization of the Transaction. For MO/TO Transactions, Company will type or print legibly on the signature line of the Transaction Receipt the following applicable words or letters: telephone order or “TO,” or mail order or “MO,” as appropriate. Elavon recommends that Company obtain a signed Transaction Receipt or other proof of delivery signed by Cardholder for MO/TO Transactions.

### **Electronic Commerce**

Company may process Electronic Commerce Transactions only if the Transactions have been encrypted by Elavon or a third party vendor acceptable to Elavon. Transactions processed via the Internet are high risk and subject to a higher incidence of Chargebacks. Therefore, Company is liable for all Chargebacks and losses related to Electronic Commerce Transactions, whether or not such Transactions have been encrypted. Elavon recommends that Company obtain a signed Transaction Receipt or other proof of delivery signed by the Cardholder for all Electronic Commerce Transactions. Company will be responsible for all communication costs related to Electronic Commerce Transactions. Company understands that Elavon will not manage the telecommunications link for Electronic Commerce Transactions and that it is Company’s responsibility to manage that link. Company authorizes Elavon to perform an annual audit and examination of Company’s website and such other due diligence review as required by the Payment Network Regulations for Electronic Commerce Companies.

Visit [http://www.pcisecuritystandards.org/security\\_standards/pci\\_dss.shtml](http://www.pcisecuritystandards.org/security_standards/pci_dss.shtml) or contact Customer Service at 1-800-725-1243 for more information related to card data standards.

**Website Requirements.** Company’s website must contain all of the following information: (a) the identification of the Company name as displayed on the website as both the Company and as the name that will appear on the Cardholder statement; (b) Company name information, displayed as prominently as any other information depicted on the website, other than images of the products or services being offered for sale; (c) complete description of the goods or services offered; (d) returned merchandise and refund policy; (e) customer service contacts, including electronic mail address or telephone number; (f) complete address (street address, city, state, zip code, and country) of the permanent establishment of Company’s business; (g) complete address of the permanent establishment of Company’s business on either the checkout screen (which displays the total purchase amount) or within the sequence of website pages presented to the Cardholder during the checkout process; (h) Transaction currency (such as U.S. or Canadian dollars); (i) export or legal restrictions, if known; (j) delivery policy; (k) Customer data privacy policy; and (l) Company’s method of Transaction security such as Secure Sockets layer (SSL) or 3-D Secure. A Company must not refuse to complete an Electronic Commerce Transaction solely because the Cardholder does not have a digital certificate or other secured protocol.

**Shipped Goods.** For goods to be shipped on Electronic Commerce Transactions, Company may obtain authorization up to seven days prior to the shipment date. Company does not need to obtain a second authorization if the Transaction Receipt amount is within fifteen percent (15%) of the authorized amount and the additional amount represents shipping costs.

## Manual Transaction Receipts for Card Not Present Transactions

Follow these steps for manual Transaction Receipts:

1. **Write the Cardholder's Name and Card Number on the Transaction Receipt.** Refer to Chapter 2, *Processing Transactions – Transaction Receipts* for information on Transaction Receipt requirements. In addition to the electronic Transaction components requirements, a manual Transaction Receipt for a Card Not Present Transaction may include the full Card account number and expiration date and must include the Cardholder's billing address (and shipping address, if different) and telephone number. Do not record CVV2/CVC2/CID data elements on the Transaction Receipt.
2. **Record the Order Type on the Transaction Receipt.** Write one of the following on the signature line of the Transaction Receipt: "Mail Order," "Telephone Order," or "Internet."

## POS Device-Generated Receipts

If using a POS Device to generate a Transaction Receipt for a Card Not Present Transaction, enter the Transaction into the device by following these steps:

1. Press the appropriate key on the POS Device to initiate the Transaction.
2. When prompted, enter the Card number.
3. When prompted again, enter the Card expiration date.
4. Finally, when prompted, enter the Transaction amount.
5. Record the Authorization Approval Code on the Transaction Receipt. Refer to Chapter 2, *Processing Transactions – Transaction Receipts* for more information.

## Card Identification Number and Address Verification Service

The use of CVV2/CVC2/CID and AVS can lessen the risk of Chargebacks by providing additional information to assist with the decision on whether or not to process a Card Not Present Transaction.

**NOTE:** The use of CVV2/CVC2/CID and AVS will not relieve Company of liability for Chargebacks. Company bears the risk of loss associated with any Chargeback.

If using these services, follow the next two steps **prior** to processing a Transaction.

1. **Verify the Card Identification Number (CVV2/CVC2/CID) Printed on the Front or Back of the Card (at the end of the Card Account Number in the Signature Panel), as Applicable to the Specific Card Type.** If the POS Device is set up for CVV2/CVC2/CID and if the CVV2/CVC2/CID number is provided at the time of authorization, the Issuer returns either a "match" or a "no match" response. "Match" means it is more likely that the Card is present and in the hands of the Cardholder at the time of the Transaction. "No match" means Company should consider whether or not to process the Transaction. Even though Company will receive an Authorization Approval Code following a "no match" response, the Authorization Approval Code is not a guarantee of payment.

**NOTE:** Do not retain or record the CVV2/CVC2/CID data element beyond the original Authorization request. Further, the CVV2/CVC2/CID data element must not be printed on the Transaction Receipt or on any document given to the Cardholder.

Refer to the *Unique Card Characteristics* section of Chapter 3 for more details concerning the Card Identification Number. The following table sets forth CVV2/CVC2 response codes.

Code	Definition
Space	CVV2 processing not requested
M	CVV2/CVC2 Match
N	CVV2/CVC2 not matched
P	Not processed
S	CVV2 should be printed on the card, but it was indicated that the value was not present
U	Issuer does not support CVV2
X	Service provider did not respond

2. **Verify the Cardholder's Address by Using the Address Verification Service (AVS).** If the POS Device is set up for AVS, it will make a prompt to enter the numeric portion of the Cardholder's billing address and the five digit zip code to verify that the individual providing the Card account number is the Cardholder. The AVS result code indicates whether the address given by the Cardholder matches (exactly, partially, or not at all) the address that the Issuer has on file for the Card. "Exactly" means it is more likely that the Card is being used by the authorized Cardholder. "Partially" or "not at all" means Company should consider whether or not to process the Transaction. The decision to process a Transaction, regardless of the response received, is up to Company, as Company is responsible for any risk associated with processing a Transaction. The following table sets forth AVS response codes.

Code	Definition
A	Address (street) matches - ZIP Code does not
B	Street address match, postal code in wrong format (international issuer)
C	Street address and postal code in wrong formats
D	Street address and postal code match (international issuer)
E	Error response for Merchant Category Code (SIC)
G	Card issued by a non-U.S. issuer that does not participate in the AVS system
I	Address information not verified by international issuer
M	Street address and postal code match (international issuer)
N	No match on address (street) or ZIP Code
O	No response sent
P	Postal codes match, Street address not verified due to incompatible formats
R	Retry, system is unavailable or timed out
S	Service not supported by issuer
U	Address information is unavailable (domestic issuer)
W	Nine-digit ZIP Code matches - Address (street) does not match
X	Exact AVS Match
Y	Address (Street) and five digit Zip match
Z	Five-digit zip matches - address (street) does not match

**NOTE:** For more information about CVV2/CVC2/CID and AVS, contact merchant services.

For more information about processing Card Not Present Transactions, call the following numbers:

- MC (Mastercard) Assist: (800) 622-7747
- Visa’s Company Assistance Service: (800) 847-2750
- American Express Address Verification Service: (800) 528-2121
- Discover Network: (800) 347-1111

The information provided by calling these numbers may allow Company to verify a Cardholder’s address and obtain the Issuer’s telephone number.

#### **ADDITIONAL REQUIREMENTS APPLICABLE TO DEBIT CARD, PIN-AUTHORIZED DEBIT CARD AND PREPAID CARD TRANSACTIONS**

With respect to Debit Card, PIN-authorized Debit Card, and Prepaid Card Transactions, Companies operating in the Merchant Category Codes in the table below (or for the Discover Network, all Companies) must:

1. For all Card Present Transactions occurring at an attended POS Device or at a Cardholder-activated POS Device identified with MCC 5542 (Automated Fuel Dispensers), support partial approvals;
2. For all Transactions, support full and partial reversals; and
3. For all Card Present Transactions occurring at an attended POS Device and conducted with a Prepaid Card, support account balance responses;

each as further described below.

<b>MCC</b>
4111 Transportation—Suburban and Local Commuter Passenger, including Ferries
4812 Telecommunication Equipment including Telephone Sales
4814 Telecommunication Services
4816 Computer Network/Information Services
4899 Cable, Satellite, and Other Pay Television and Radio Services
5111 Stationery, Office Supplies
5200 Home Supply Warehouse Stores
5300 Wholesale Clubs
5310 Discount Stores
5311 Department Stores
5331 Variety Stores
5399 Miscellaneous General Merchandise Stores
5411 Grocery Stores, Supermarkets
5499 Miscellaneous Food Stores — Convenience Stores, Markets, Specialty Stores and Vending Machines
5541 Service Stations (with or without Ancillary Services)
5542 Fuel Dispenser, Automated
5732 Electronic Sales
5734 Computer Software Stores
5735 Record Shops

MCC
5812 Eating Places, Restaurants
5814 Fast Food Restaurants
5912 Drug Stores, Pharmacies
5921 Package Stores, Beer, Wine, and Liquor
5941 Sporting Goods Stores
5942 Book Stores
5943 Office, School Supply and Stationery Stores
5999 Miscellaneous and Specialty Retail Stores
7829 Motion Picture-Video Tape Production-Distribution
7832 Motion Picture Theaters
7841 Video Entertainment Rental Stores
7996 Amusement Parks, Carnivals, Circuses, Fortune Tellers
7997 Clubs—Country Membership
7999 Recreation services—not elsewhere classified
8011 Doctors — not elsewhere classified
8021 Dentists, Orthodontists
8041 Chiropractors
8042 Optometrists, Ophthalmologists
8043 Opticians, Optical Goods, and Eyeglasses
8062 Hospitals
8099 Health Practitioners, Medical Services — not elsewhere classified
8999 Professional Services—not elsewhere classified
9399 Government Services —not elsewhere classified

**Partial Approvals.** When a Debit Card, PIN-authorized Debit Card, or Prepaid Card Authorization request is sent, the Issuer can respond with an approval amount less than the requested amount. When the approved amount is less than the originally requested amount, Company should prompt Customer to pay the difference with another form of payment. If the Customer does not wish to proceed with all or part of the Transaction (or if the Transaction “times out”), Company must initiate an authorization reversal Transaction.

**Account Balance Response.** For some Prepaid Cards, the Issuer is required to include the remaining available balance on the Cardholder’s account in the Authorization response message. If the remaining available balance is included, Company must print it on the Transaction Receipt or display it on a Customer-facing POS Device.

#### **ADDITIONAL REQUIREMENTS APPLICABLE TO PIN-AUTHORIZED DEBIT CARD TRANSACTIONS**

**Debit Card Rules.** Company will comply with and be bound by the Debit Card Rules. Except as otherwise provided below, Company must comply with the general Card acceptance and Transaction processing provisions in this Chapter when accepting Debit Cards. The Debit Card Rules are confidential information of the Payment Networks, and Company will not disclose the Debit Card Rules to any person except as may be permitted under the Agreement or under requirements of Laws.

#### **Use and Availability of POS Devices and PIN Pads.**

- A Cardholder’s Debit Card information and PIN are confidential. Company may not request or require a Cardholder to disclose his or her PIN at any point during a Transaction.



- During the Transaction process, Company must provide a reasonably secure area for Cardholders to enter their PIN into the PIN Pad. Company is responsible for installing the POS Device and PIN Pad in such a way that Cardholders may enter their PIN into the PIN Pad in a confidential manner.
- Company will take all reasonable steps to ensure that all POS Devices and PIN Pads operated at Company's business locations function in accordance with the standards established from time to time by Elavon and the EFT Networks.
- Company will use a POS Device to initiate every PIN-authorized Debit Card Transaction, and Company will require that either the Cardholder or Company to insert the Chip Card into the POS Device or "swipe" the Debit Card through the POS Device to initiate every PIN-authorized Debit Card Transaction, except as set forth herein. No PIN-authorized Debit Card Transaction may be initiated unless the Debit Card is physically present.
- Company will require that each Debit Cardholder enter his or her PIN using a PIN Pad at the POS Device when initiating a PIN-authorized Debit Card Transaction. Company may not require a Debit Cardholder initiating a PIN-authorized Debit Card Transaction to sign a Transaction Receipt or other receipt, or require any other means of identification.

**No Minimum or Maximum.** Company will not establish minimum or maximum Debit Card Transaction amounts except to establish a maximum cash back dollar amount (not to exceed \$200.00 or such lower amount as may be required under applicable Payment Network Rules).

**Pre-Authorization Requests.** Company may initiate pre-authorization requests pursuant to the following procedures:

- The Cardholder must enter the PIN on the PIN Pad.
- The Debit Card must be inserted into the Chip reader or "swiped" through the POS Device.
- The pre-authorization request must be for a specific dollar amount and only goods and services, including applicable taxes, may be purchased. The subsequent purchase pre-authorized hereunder must be completed within two hours after the original pre-authorization request.
- Funds will not be transferred with respect to a pre-authorization request.
- In order to complete the subsequent purchase pre-authorization, Company will transmit a completion message indicating the actual dollar amount of the Debit Card Transaction, and will comply with all requirements of a purchase Debit Card Transaction, at that time, except that entry of a PIN and "swiping" of a Debit Card is not required to complete the subsequent purchase if these steps were properly taken in order to pre-authorize such purchase. Such subsequent purchase will not be authorized or completed unless the actual dollar amount of the purchase is less than or equal to the amount specified in the pre-authorization request.
- If Company initiates pre-authorization requests, it will support the processing of partial pre-authorizations.

**Debit Card Transactions.** Companies that accept PIN-authorized Debit Cards will support purchases and merchandise credits, and may also support purchase with cashback and balance inquiries if supported by the applicable EFT Network.

**Prohibited Transactions.** Company will initiate Transactions only for products or services approved by Elavon. Company will not initiate or facilitate a gambling or gaming transaction, or fund a stored value account for such purposes.

**Transaction Receipt Requirements.** At the time of any Debit Card Transaction (other than a balance inquiry or pre-authorization request), Company will make available to each Cardholder a Transaction Receipt that complies fully with all Laws and contains at least the following information:

- Amount of the Debit Card Transaction;
- Date and local time of the Debit Card Transaction;
- Type of Transaction;
- If during the Debit Card Transaction the Cardholder is prompted to select the type of account used, then the type of account accessed must be displayed on the Transaction Receipt;
- Truncated Debit Card number (showing the final four digits);
- Company's name and location at which the Debit Card Transaction was initiated;
- Trace or retrieval reference number;
- Authorization Approval Code;
- Unique number or code assigned to the POS Device at which the Debit Card Transaction was made; and
- Status and disposition of transaction (approved or declined).

**Merchandise Returns.** Company may electronically perform a merchandise return (if permitted by the applicable EFT Network) for a Debit Card Transaction only at the same Company named on the Transaction Receipt where the original Debit Card Transaction was initiated. If permitted, a merchandise return requires the following procedures:

- The Cardholder must re-enter the PIN on the PIN Pad;
- The Debit Card must be inserted into the Chip reader or "swiped" through the POS Device; and
- Company must transmit the reference number or Authorization Approval Code and the exact dollar amount of the Debit Card Transaction to be returned.

For all merchandise returns or any other debit return initiated through Company's POS Device or account, Company bears all responsibility for such Transaction even if fraudulent.

**Balance Inquiries.** Company may accommodate balance inquiries if the applicable EFT Network and the Issuer support the balance inquiry function, provided that Company requires that the Cardholder enter their PIN on the PIN Pad and insert and "swipe" the Debit Card through the POS Device.

**Purchase with Cash Back.** For each purchase with cash back, Company will transmit in its Transaction message the amount of cash given to the Cardholder (if permitted by Elavon's Debit System). If a request for Authorization of a purchase with cash back is denied solely because the cash requested exceeds the Debit Card Issuer's limit on cash withdrawals, Company will inform the Cardholder of the reason for the denial and that a new purchase Transaction in the amount of the purchase alone might be approved. The amount of cash back may be limited by the EFT Networks or Issuer.

**Technical Problems.** Company will ask a Cardholder to use a different method of payment if the Elavon Debit System, the POS Device, or the PIN Pad is inoperative, the electronic interface with any EFT Network is inoperative, or the Magnetic Stripe or Chip on a Debit Card is unreadable, and Company elects not to or cannot store Debit Card Transactions.

**Termination/Suspension.** When requested by any EFT Network, Company will immediately take action to (i) eliminate any fraudulent or improper Transactions; (ii) suspend the processing of Debit Card Transactions; or (iii) entirely discontinue acceptance of Debit Card Transactions.

### SPECIAL REQUIREMENTS APPLICABLE TO INTERNET PIN-BASED CARD TRANSACTIONS

**Acceptance of Internet PIN-Based Card Transactions.** Company will comply with the general provisions of this Chapter regarding PIN-authorized Debit Card Transactions for Internet PIN-Based Card Transactions except as specifically provided in this section. Internet PIN-Based Card Transactions are Card Not Present Transactions, meaning Company is not required to “swipe” or insert a Card in conjunction with any Internet PIN-Based Card Transaction and the Cardholder and the Card are not required to be present at the time of the sale. Fees for Internet PIN Based Card Transactions will include Authorization, Interchange and access fees, as defined by the respective EFT Network or International Network.

**Domestic Internet PIN-Based Debit Card Processing Services.** If Company has elected to receive Domestic Internet PIN-Based Debit Card Processing Services, Company may submit for processing such Transactions involving Debit Cards issued for acceptance over those EFT Networks identified by Elavon from time to time. Company acknowledges that Elavon may not be able to accept Transactions for Debit Cards on all the EFT Networks.

#### International Network Requirements.

1. If Company has elected to receive International Internet PIN-Based Card Processing Services, Company may submit for processing such Transactions involving Cards issued for acceptance over the International Networks identified in the Agreement.
2. Company is not permitted to submit International PIN-Based Credit Card Transactions for processing pursuant to this Chapter unless specifically indicated in the Agreement.
3. Except to the extent superseded by this Chapter, Company’s acceptance and processing of International Internet PIN Based Card Transactions will comply with the provisions of the Operating Guide applicable to acceptance and processing of PIN-based Debit Card Transactions, and references to “Debit Cards” in such provisions will be understood to include International Debit Cards (and, if Company is permitted to accept International PIN-Based Credit Card Transactions pursuant to the Agreement, International Credit Cards).
4. If Company supports Internet PIN-Based Card Transactions, Company will comply with and be bound by the Payment Network Regulations of the International Networks and the rules, regulations, and guidelines for Internet PIN-Based Card Transactions issued and amended by Elavon from time to time.

#### Use and Availability of Internet PIN Pads.

- A Cardholder’s Card information and PIN are confidential.
- Company will implement and maintain appropriate technology for every Internet PIN Based Card Transaction, including with respect to the Internet PIN Pad, so as to prevent the unauthorized recording or disclosure of a Cardholder’s Card information and PIN.
- Company will take all reasonable steps to ensure that all Internet PIN Pads operated at Company’s internet website function in accordance with the standards established from time to time by Elavon and the applicable EFT Networks or International Networks.
- Company will require that each Cardholder enter his or her PIN on an Internet PIN Pad when initiating an Internet PIN-Based Card Transaction.

**Transaction Receipt Requirements.** At the time of any Internet PIN-Based Card Transaction, Company will make available to each Cardholder a Transaction Receipt that complies with all Payment Network Regulations and Laws and includes:

- Amount of the Transaction, or, if a Convenience Fee applies, the amount debited from the Cardholder's account (exclusive of the Convenience Fee, shipping, handling and other fees), and the amount debited from the Cardholder's account inclusive of the fees;
- Description of the goods or services and, for transactions involving the shipment of goods, the promised ship-by date;
- Date and local time (at Company's physical address) of the Transaction;
- Type of Transaction;
- Authorization Approval Code, if available;
- Type of account accessed;
- Truncated Card number (showing the final four digits);
- Cardholder's name, email address, and telephone number;
- Company's name, Merchant Identification Number, customer service contact information, and the website address at which the Internet PIN-Based Card Transaction was initiated; and
- Trace or retrieval reference

**Refunds / Cashback / Balance Inquiries.** Credits, balance inquiries and purchases with cash back cannot be performed as Internet PIN-Based Card Transactions. If permitted by the applicable International Network or EFT Network, Company may electronically perform a merchandise return or refund for an Internet PIN-Based Card Transaction only if Company initiates the original Internet PIN-Based Card Transaction. If returns are permitted, Company will transmit the reference number or authorization number and the exact dollar amount of the Internet PIN Based Card Transaction to be refunded.

**Technical Problems.** Company will ask a Cardholder to use an alternative means of payment if the Elavon Debit System, the Internet PIN Pad, or the electronic interface with any EFT Network or International Network is inoperative.

**Termination / Suspension.** When requested by Elavon, Company will immediately (i) eliminate any fraudulent or improper Transactions; (ii) suspend or terminate the acceptance of Internet PIN-Based Card Transactions with respect to a specific EFT Network or International Network; or (iii) suspend or terminate the acceptance of all Internet PIN-Based Card Transactions.

## EBT TRANSACTIONS

EBT (Electronic Benefits Transfer Service) means a service that allows electronic transfer of government funds to individuals through the use of a plastic debit-like Card and a Personal Identification Number (PIN). The United States federal government requires all states to distribute food stamps and cash benefits in this manner. An EBT card may then be used for qualified purchases at Company locations. If Company accepts EBT Transactions, Company will issue benefits to recipients in accordance with the procedures specified in the applicable Quick Reference Guide provided to Company by Elavon, as amended from time to time, and in accordance with all Laws and Payment Network Regulations pertaining to EBT Transactions.

## OTHER TRANSACTION TYPES

Company may solicit the following Transaction types only if (a) Company discloses such method of processing to Elavon in the Company Application or otherwise in writing, (b) Company has been approved by Elavon to submit such Transactions, and (c) Company meets the additional requirements for the applicable type of Transaction set out below. If Company completes any of these Transaction types without having received Elavon's approval, then

in addition to any other remedies available to Elavon under the Agreement, Laws, or Payment Network Regulations, Company may pay a surcharge on each such Transaction.

### **Credential on File, Recurring Payments, Installment Payment, and Pre-Authorized Healthcare Orders**

“**Credential on File**” Transactions are those for which a Cardholder has supplied account information or a payment token for future purchases. These Transactions may fall into one of the following categories:

- Recurring Payments
- Installment Payments
- Ecommerce and Mail Order/Telephone Order Transactions for which the Cardholder has authorized use of their payment information for future purchases. Such purchases may be initiated by the Company (unscheduled merchant-initiated payments,) based upon agreed upon criteria, or by the Customer (for example, using a stored payment method associated with the Customer profile on a website).

**Note:** Payment information provided for a single purchase is not subject to these Credential on File requirements. For example, if a Customer provides a Card number for a single hotel stay and that payment information is used for incremental charges to the room which will be settled at the end of the stay.

For all Credential on File Transactions, Company must:

- Obtain Cardholder consent for initial storage of the credentials.
- Properly identify Transactions as Credential on File. Company’s point-of-sale solution must provide the mechanism to submit Transactions accurately for authorization and settlement inclusive of required data values.
- Submit a payment Transaction, and successfully receive an approval before storing Cardholder credentials for future use. If no payment is due, submit a \$0 account verification Transaction for authorization the first time a credential is stored.

When first storing credentials, Company must disclose the following:

- A truncated version of the stored credential (for example, the last four digits of the account number)
- How the Cardholder will receive notice of any changes to the payment agreement
- How the stored credential will be used
- The expiration date of the agreement, if applicable.

Before processing the initial Transaction, Company must obtain the Cardholder's express, informed consent to an agreement containing the following:

- The Transaction amount, or how it will be calculated
- Convenience fee or surcharge (if permitted and applicable)
- For Recurring Transactions, the frequency of charges. For unscheduled, merchant-initiated transactions, event that will prompt the Transaction
- Cancellation and refund policies
- Location of Company

The agreement must be retained for the duration of the consent to be provided to the issuer upon request. A record of the consent must be provided to the Cardholder where required by applicable laws or regulations.

**“Installment Payments”** are Transactions for which a Cardholder provides written permission or electronic authorization to a Company to initiate one or more future Transactions over an agreed-upon period of time for a single purchase of goods or services. The number of installments is agreed at the time of purchase.

**“Pre-authorized Healthcare Orders”** are Transactions in which the Cardholder provides written or electronic authorization to charge his or her Card, one or more times, at a future date for healthcare services. In this type of Credential on File Transaction, the cardholder authorizes their card to be charged up to a defined maximum to cover out-of-pocket expense following insurance adjudication. Company must be authorized by Elavon to process Pre-authorized Healthcare Order.

**“Recurring Payments”** are Transactions for which a Cardholder provides written permission or electronic authorization to a Company to periodically charge, in fixed, regular intervals (not to exceed one year between Transactions,) his or her Card for recurring goods or services (e.g., monthly membership fees, utility bills, insurance premiums, or subscriptions). When processing Recurring Payments, Company must obtain a separate Authorization Approval Code for each Transaction.

Company must obtain a signed order form or other written agreement from the Cardholder for Pre-authorized Healthcare Orders. The order form or agreement must contain the following information:

- A description of the requested services
- Permission for the Customer to charge the Cardholder’s account for the balance due following the Merchant’s receipt of any applicable insurance payment
- Time period (not to exceed one year) for which permission is granted

Company must keep a copy of the order form or written agreement for the duration of the recurring service, and must also give Elavon a copy of the order form or agreement for Installment and Recurring Payments or Pre-authorized Healthcare Orders upon request. A new order form or written agreement with the Cardholder is needed when a Recurring Payment is renewed.

**Recurring Transaction Requirements.** **“Recurring Transactions”** means, collectively, Recurring Payments and Pre-authorized Healthcare Orders. Company will not complete any Recurring Transaction after receiving (i) a cancellation notice from the Cardholder; (ii) a notice from Elavon that authority to accept Recurring Transactions has been revoked; or (iii) a response that the Payment Device is not to be honored. Company is responsible for ensuring its compliance with Laws with respect to Recurring Transactions. A Transaction Receipt must be provided to the Cardholder at the time of Transaction for any merchant-initiated Transactions.

**Limitations on the Resubmission of Recurring Transactions.** In some limited instances, Company may resubmit a declined preauthorized Recurring Transaction up to four times within sixteen calendar days of the original Authorization request, provided that the decline response is one of the following: (i) authorization denied; (ii) insufficient funds; (iii) exceeds approval amount limit; or (iv) exceeds withdrawal frequency.

**Recurring Transaction Receipts.** Company must print legibly on the Transaction Receipt the words “Recurring Transaction.” Company must obtain the Cardholder’s signature, which may be an electronic signature or other similar authentication that is effective under applicable Laws, on the Transaction Receipt. Company must also include the frequency and duration of the Recurring Transaction authorization, as agreed to by the Cardholder, on the Transaction Receipt.

**Electronic Commerce Recurring Transactions.** In addition to the above, for an Electronic Commerce Transaction, Company must also provide a simple and easily accessible online cancellation procedure that complies with Laws.

**Recurring Transactions with Varying Amounts.** For Recurring Transactions of varying amounts 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.

To perform a Pre-authorized Order, follow these specific guidelines:

- Separately authorize each Transaction for the exact amount of that Transaction (not a \$0 dollar amount or in the amount of all Transactions combined).
- If applicable to the Transaction, write the words “Delayed Delivery,” and “Deposit” or “Balance” on the Transaction Receipt. The Authorization date and Authorization Approval Code must also be printed on the Transaction Receipt.

While Company may process the Transaction for the “Deposit” before delivery of the goods or services, it may not process the “Balance” of the Transaction until the goods or services are delivered.

### **Delayed Delivery and Partial and full Prepayment Requirements**

In Addition to the requirements above, if Customer is accepting partial prepayment (a deposit) or full prepayment for later delivery of goods or services, Company must provide and cardholder must consent to the following in writing:

- Description of promised merchandise or services
- Terms of service
- Timing of delivery to Cardholder
- Transaction amount
- Cancellation (for partial prepayment) and refund (for full prepayment) policies
- Date and time that any cancellation (for partial payment) and/or refund (for full prepayment) privileges expire without prepayment forfeiture
- Any associated charges

If partial prepayment, additionally the following:

- Total purchase price (for partial prepayment)
- Terms of final payment, including the amount and currency

Interest or finance charges must not be included.

If an Authorization Request for a subsequent payment is declined, the Company must notify the Cardholder in writing and allow the Cardholder at least 7 days to pay by other means. The Company must not process an initial Installment Transaction until the merchandise or services have been provided to the Cardholder and must not process individual Installment Transactions at intervals less than the monthly anniversary of the shipment date.

Retention of payment: If the Cardholder does not pay the balance (in the case of a partial prepayment) and does not cancel within the terms of the cancellation policy, the Company may retain a prepayment only if the Merchant has disclosed on the Transaction Receipt that the prepayment is nonrefundable.

## Quasi-Cash Transactions

Quasi-Cash Transactions represent the sale of items that are directly convertible to cash. Examples of Quasi-Cash Transactions include casino gaming chips, money orders, deposits, wire transfer money orders, travelers cheques, travel money cards, and foreign currency.

Company must be authorized by Elavon to process Quasi-Cash Transactions. Company must not process a Quasi-Cash Transaction as a cash disbursement. In addition to the general requirements described in the *Transaction Receipts* section of Chapter 2, Company must:

- Review identification (such as a valid passport or driver's license) to validate the Cardholder's identity and record the type of identification presented by the Cardholder on the Transaction Receipt, along with the serial number, expiration date, and Cardholder name (if different than the embossed name on the Card) and address.
- For Visa and Mastercard: Record the printed four digits from the face of the Card (found above or below the embossed account number) on the Transaction Receipt. Refer to the *Unique Card Characteristics* section of Chapter 3 for more information.
- For Discover Network: Record the printed three digits on the signature panel on the back of the Card on the Transaction Receipt. Refer to the *Unique Card Characteristics* section of Chapter 3 for more information.
- Compare the first four digits of the Card account number on the printed Transaction Receipt with the first four digits of the embossed Card account number. If they do not match, decline the Transaction, attempt to recover the Card (reasonably, lawfully, and peacefully), and note a description of the Cardholder.

## Contactless Transactions

Company must ensure that it is eligible, be approved by Elavon to accept Contactless Cards, and register with the applicable Payment Networks to participate in their respective Contactless Card payment programs. Company will ensure that all POS Devices that accept Contactless Cards for Transactions meet the applicable Payment Network specifications, are approved by Elavon and/or the applicable Payment Networks for use with Contactless Cards, and are configured to transmit the data elements required for Contactless Transactions. Company is responsible for:

- Providing any data in the Authorization request as required by the applicable Payment Networks.
- Transmitting the full and unaltered contents of Track 1 or Track 2 data of the Card's Magnetic Stripe or Contactless payment chip in the Authorization request.
- Ensuring that Transactions are not processed as Contactless Transactions if currency conversion is performed.
- Submitting only a single Authorization per clearing Transaction.
- If Company is eligible for both a Payment Network's No Signature/PIN Requirement Program and to accept Contactless Cards, it may combine these programs.

## PCI COMPLIANCE PROGRAM

Unless otherwise agreed by the parties, if Company is classified by the Payment Networks as a Level 4 merchant, Company is automatically enrolled in Elavon's PCI Compliance Program, which consists of the following:

1. **PCI Compliance Manager.** Elavon will provide access to the PCI Compliance Manager, an online portal that takes Company step-by-step through the process of validating, reporting, and maintaining PCI-DSS Compliance, and allows Company to complete its self-assessment questionnaire to validate compliance



with PCI-DSS. If Company chooses to validate compliance without the PCI Compliance Manager through an Elavon-approved PCI DSS vendor, Company will provide the validation documentation received from that vendor by uploading it into the PCI Compliance Manager tool. (Agree)

2. **Data Breach Reimbursement.** If Company has validated its PCI-DSS compliance, then, in the event of a Data Incident, Company will be entitled to reimbursement or setoff from amounts owed to Elavon up to \$20,000 per MID per Data Incident (or such other amount as specified in the Agreement) with respect to (a) any documented sums reasonably required to conduct an independent security audit of Company to identify the source of the Data Incident, and (b) any fines and assessments levied or collected by the Payment Networks in connection with a Data Incident.

## CHAPTER 3.

# PREVENTING CARD FRAUD

It is important to take steps to educate staff to reduce Company's risk of accepting a counterfeit or fraudulent Card Transaction. Remember that Company is responsible for all Chargebacks, including those for fraudulent Transactions. Fraudulent Card sales involve an invalid Card account number or, more commonly, a valid Card number presented by an unauthorized user. Fraud normally occurs within hours of the loss, theft, or compromise of a Card number or Card, and before most victims report the Card missing or discover the compromise.

If a Transaction is declined, do not request a Code 10 Authorization and do not complete the Transaction. However, if you receive an Authorization Approval Code but suspect a Card has been altered or is counterfeit, call the Voice Authorization Center and request a Code 10 Authorization (see Chapter 4, *Code 10 Procedures*).

The following sections provide tips to protect Company against fraud losses.

### IDENTIFYING SUSPICIOUS CUSTOMER ACTIONS

Common sense is the best guide for spotting suspicious behavior. Be sure to combine watchfulness with proper Card identification and validation techniques.

Be aware of customers who:

- Make indiscriminate large dollar purchases without regard to size, color, style, or price
- Question the sales clerk about credit limits or the Authorization process
- Use their own phone to call the "issuing bank" for an auth code. Auth codes should only be obtained from the Voice Authorization Center
- Attempt to distract the sales clerk (e.g., continually delay selections, talk continuously)
- Decline EMV and ask for the Transaction to be keyed in
- Ask to have access to the terminal to input their pin
- Hurry a clerk at quitting time
- Purchase a high-ticket item, such as a wide-screen HDTV monitor or other large item, and insist on taking it immediately, rather than having it delivered—even when delivery is included in the price
- Buy a high-ticket item and request that it be sent next day air or request for someone else to pick up the purchase at a later time
- Pull a Card from a pocket rather than a wallet
- Sign the Transaction Receipt in a deliberate or unnatural manner
- Appear too young to make purchases with a Card
- Buy clothing without trying it on for size or decline alterations that are included in the price
- Charge expensive items on a newly valid Card
- Do not have a driver's license, tell you that his or her driver's license is in the car, or provide only a temporary license without a photo
- Do not ask questions on major purchases

- Make purchases, leave the store, and return to make more purchases
- Make purchases just after the store opens or just before it closes
- Use a Card belonging to a friend or relative
- Ship purchases to an address outside of the U.S.
- Recite the Card number from memory rather than presenting the Card itself
- Ask to see the Card again before signing the Transaction Receipt

### IDENTIFYING SUSPICIOUS CARD NOT PRESENT TRANSACTIONS

The increased use of Electronic Commerce, mail, and telephone orders has resulted in an increasing amount of fraud. When accepting Card Not Present Transactions, take caution if a customer attempts to:

- Request delivery to a freight forwarder
- Request to wire money for shipping
- Order goods or services via a free e-mail service often with poor grammar and misspelled words
- Request that an order be rushed and wants a tracking number as soon as possible
- Purchase items that the company does not sell (the most common items are laptop computers and cellular phones)
- Use more than one Card for any given purchase (also known as a “Split Ticket”)
- Use Cards that have sequential numbers or patterns
- Place an unusually large or uncommon order compared to Company’s typical Transactions
- Use a Card issued by a foreign bank along with one of the other actions within this list
- Request delivery to a post office box
- Request delivery to a foreign country
- Use phone relay service where the Cardholder does not speak directly to the company
- E-mail purchase orders that involve multiple Card accounts in which each order includes the same product and dollar amount. This is sometimes common for Transactions resulting in foreign Card fraud
- Place an order and then call back to place subsequent orders using the same or different Cards

Product that are easily resold (for example, computer equipment, printer cartridges, and jewelry) are more susceptible to fraud than perishable items such as food—although criminals can victimize virtually any type of business.

**NOTE:** If Company receives an order for a large purchase for delivery to a foreign country or to a freight forwarder, Elavon recommends contacting the Voice Authorization Center to request a Code 10 specifically identifying the Transaction as a large foreign shipment Transaction.

### IDENTIFYING VALID CARDS

Cards share similar qualities to help identify their validity, and there are anti-fraud safeguards unique to each Card Brand.

## Cards and Signatures

You should not accept a Card that is not signed. Many Card users write “Use other ID” (or something similar) in the signature panel because they believe it provides a higher level of security. This is not actually true, it simply allows a thief to sign his or her own name or use a fake ID with any signature. If an unsigned Card is presented to you:

1. Inform the customer that the Card must be signed.
2. Have the customer sign the Card in your presence and provide a current, valid government ID that has been signed (such as a passport or driver’s license). Do not accept a temporary form of ID, such as a temporary driver’s license that does not have a photo.
3. Compare the signature on the ID to that on the Card.
4. If the customer refuses to sign the Card, do not complete the Transaction. Remember, you are liable for any Transaction processed with a fraudulent Card.

## Card Processing Tips

After you swipe a Card, the POS Device prompts you for specific information. The POS Device may also prompt you to enter the last four digits of the account number to verify that the embossed account number matches the number on the Magnetic Stripe (on the back of the Card). If the numbers do not match, the POS Device indicates a mismatch of the digits or an invalid Card. Do not accept the Card. Once you receive an Authorization Approval Code, verify that the Card number on the Transaction Receipt matches the number embossed on the Card. If it does not match, do not accept the Card.

## Characteristics Of Most Cards

These characteristics typically apply to most Card Brands.

- **Overall Card Quality:** A Card may be any color (but is never faded or washed out) or feature a background pattern or photograph. The Card’s edge should be smooth and clean, never rough. The print should be crisp and clear. Check for any visible damage to the Chip or Magnetic Stripe.
- **Matching Account and BIN Numbers:** An identical series of numbers (known as the Bank Identification Number or BIN) is printed directly above or below the first four embossed numbers on the Card and in the signature panel.
- **Embossing Quality:** A hot iron is sometimes used to smooth embossed numbers and then emboss new numbers. When this is done, the numbers can appear irregular in spacing or in vertical alignment, or there can be a slight “halo” around the numbers. This technique is also used to modify the expiration date, so check both the month and the year for alterations. Refer to the *Examples of Tampering* section of Chapter 3 for details.
- **Hologram Quality:** An authentic hologram should reflect light and change in appearance as you move the Card. It should barely catch on a fingernail, but should not be such that it will peel off. A fake hologram is often a sliver of tin foil that lacks the features of an authentic hologram.
- **Card Account Number and Card Identification Number:** The signature panel on the back of the Card should include either the entire Card account number or its last four digits, followed by the Card Identification Number. These numbers should be printed in reverse italics and should match the embossed numbers.
- **Signature Panel Quality:** The signature panel should not be defaced (e.g., peeled-off white plastic, smudged imprinting, or “void” appearing in the signature panel). Refer to the *Examples of Tampering* section below for details.

- **Signature Panel Print Design:** With the exception of some ATM Cards and various store-branded Cards, signature panels are rarely plain white. They usually contain an overprint or watermark.

### Unique Card Characteristics

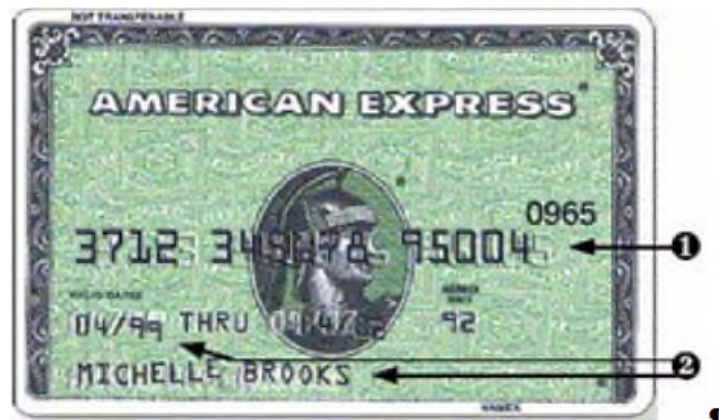
For the unique Card design elements specific to the Cards, please visit the following Card websites.

- Mastercard: <http://www.mastercard.com/us/personal/en/aboutourcards/credit/index.html>
- Visa: <https://usa.visa.com/support/consumer/security.html>
- American Express: <http://www201.americanexpress.com/getthecard/home>
- Discover Network: <http://www.discovercard.com>

### Examples of Tampering

The following section identifies common Card tampering techniques. Although an American Express Card is used in the examples, these tampering methods are widespread among all Card types.

1. **Fraudulent Embossing.** Characteristics of fraudulent embossing include:



**Figure 4-5. Example of Fraudulent Embossing**

- a. The black ink on the Card number (1) or Cardholder name (2) is smudged or messy.
  - b. The embossed numbers are crooked, out of line, or unevenly spaced (2).
  - c. The typeface of the Card account number does not match the rest of the Card typeface (2).
  - d. The Card number embossed on the front does not match the number printed on the back (1).
2. **Altered Magnetic Stripe.** Characteristics of altered Magnetic Stripes include:
    - a. The Card number on the printed Transaction Receipt does not match the number embossed on the front of the Card or imprinted on the back.
    - b. The name printed on the Transaction Receipt does not match the name embossed on the Card.
    - c. The Magnetic Stripe or Chip is deliberately scratched or altered making it necessary to manually key the Card account number.
    - d. The signature panel has been whited out, taped over or erased.

## IDENTIFYING SUSPICIOUS EMPLOYEE ACTIONS

Be aware – not all Card fraud is committed by Customers. Sometimes employees engage in fraud using the following activities:

- **Recording Card Numbers:** Employees may pocket receipts left behind by Cardholders or may write Card numbers on another piece of paper.
- **Using Card Skimmers:** Employees may use a Card skimmer (i.e., a battery-operated, hand-held electronic device) that reads a Card's Magnetic Stripe and records it to memory. Card numbers are then downloaded from the skimmer and used to make counterfeit Cards or make unauthorized purchases. Some Card companies offer a reward for information leading to the arrest and conviction of anyone involved in the manufacture or use of counterfeit Cards.
- **Processing Credit Transactions to Personal Card Accounts:** Employees may issue credits to their own Card or to an accomplice's Card using Company's POS Device. Often these credits do not have an offsetting prior sale.

**NOTE:** Most POS Device products allow a Company to require a password in order to process a Credit Transaction.

To help prevent employee-related fraud, do the following:

- Reconcile work daily rather than monthly.
- Password protect the POS Device, if this feature is available.
- Disable the credit function on the POS Device.
- Secure the POS Device during non-business hours.

## FACTORING

Factoring (also known as laundering) occurs when you process another person's transactions through a Company account. Processing transactions which belong to another person or business is in violation of the Agreement and is prohibited by law in many states. Factoring may result in the termination of Company's Card acceptance privileges.

Be wary of the "fellow business person" who offers to pay you to process card transactions in return for a fee. These transactions are often questionable or fraudulent. These schemes typically result in a flood of Chargebacks which are debited from the DDA. By the time you realize this has occurred, the other business will most likely have relocated under a different name.

To protect you from these schemes and the devastating losses that ensue, educate yourself and your staff about this serious problem and immediately report factoring propositions to us or to the U.S. Secret Service. Remember, Company is responsible for all transactions processed using the Company MID, so make sure that all transactions processed through that account represent transactions between Company and the Cardholder.

**Company will not present for processing or credit, directly or indirectly, any Transaction not originated as a result of a transaction directly between Company and a Cardholder or any Transaction Company knows or should know to be fraudulent or not authorized by the Cardholder. Perpetrators of fraudulent Transactions will be referred to law enforcement officials. Company will not deposit any Transaction Receipt representing the refinancing of an existing obligation of a Cardholder.**

## CHAPTER 4.

# CODE 10 PROCEDURES

Code 10 is a term used by the Payment Networks to refer to suspicious or questionable Transactions, Cards, or Cardholders.

If you are suspicious of a Card Transaction, contact the Voice Authorization Center and request a Code 10 Authorization. Using the term “Code 10” allows you to call the Voice Authorization Center to question the Transaction without alerting the Cardholder. Follow the instructions given to you on how to proceed to minimize any discomfort between you and the Cardholder.

**NOTE:** Be alert to individuals who contact Company via phone or the Internet attempting to make large purchases for overseas shipment, direct or through a freight forwarder. These individuals may use one or more Cards in their “urgent” request. If Company receives such a request, Elavon recommends contacting the Voice Authorization Center to request a Code 10, specifically identifying the Transaction as a large foreign shipment Transaction.

**NOTE:** Fraudulent transactions, even when authorized, are subject to Chargebacks, and final payment is not guaranteed.

### CODE 10 AUTHORIZATION NUMBERS

To request a Code 10 Authorization for a Discover Network, Visa, Mastercard, or American Express Transaction, call the telephone number on the Voice Authorization sticker (located on the POS Device).

### WHAT TO DO WITH AN UNAUTHORIZED CARD

If you are informed that a Card has been reported lost or stolen, or is otherwise invalid, do not complete the Transaction.

**Card Recovery.** If Company chooses to recover any Card, Company will use reasonable, peaceful means to recover any Card: (i) on Visa Cards, if the printed four digits below the embossed account number do not match the first four digits of the embossed account number; (ii) if Company is advised by Elavon (or its designee), the Issuer, or the designated voice authorization center to retain it; (iii) if Company has reasonable grounds to believe the Card is lost, stolen, counterfeit, fraudulent, or otherwise invalid, or its use is not authorized by the Cardholder; or (iv) for Mastercard Cards, if the printed four digits below the embossed account number do not match the first four digits of the embossed account number, or the Card does not have the “Twin Globes” hologram on the lower right corner of the Card face.

If you are instructed to retain the Card, follow these procedures:

- Cut the Card through the account number lengthwise without damaging the Magnetic Stripe.
- Gather the following information:
  - Company’s name, MID, telephone number, and address
  - Employee’s name, telephone number, and address
  - Card account number
  - Reason for recovery
- Mail the information to:

Exception Processing  
ATTN: Card Pick Up  
Elavon, Inc.  
7300 Chapman Highway Knoxville, TN 37920

**NOTE:** Do not challenge the Card user. Avoid any physical confrontation with anyone who may be using a lost, stolen, or otherwise invalid Card. Do not jeopardize your safety or that of your employees or Customers.

Once the person leaves your location, note in writing his or her physical characteristics and any other relevant identification information. Keep in mind that a reward may be offered by the Issuer for the recovery and return of a lost, stolen, or otherwise invalid Card.



## CHAPTER 5.

# RETRIEVAL REQUESTS AND CHARGEBACKS

A Cardholder or Issuer may dispute a Transaction for any number of reasons, including a billing error, a quality dispute, or non-receipt of goods or services. This Chapter describes the process for handling disputed Transactions by explaining Retrieval Requests and Chargebacks.

**Disputes with Cardholders.** All disputes by any Cardholder relating to the sale underlying any Transaction will be settled between Company and the Cardholder. Elavon does not bear any responsibility for Transactions or disputes, other than with respect to processing Chargebacks.

### NOTIFICATION OF RETRIEVAL REQUESTS AND CHARGEBACKS

Company is responsible for all Retrieval Requests and Chargebacks under the Payment Network Regulations. When Elavon receives a Retrieval Request or Chargeback from a Payment Network, it will forward the request or documentation to Company. Company is responsible for responding, as appropriate, to each Retrieval Request or Chargeback, including providing a copy of the relevant information to Elavon. In addition, Company will cooperate with Elavon in complying with the Payment Network Regulations regarding Retrieval Requests and Chargebacks. The following is a non-exhaustive list of reasons why Company might incur a Chargeback. It is not a complete list and is intended only to highlight the most commonly encountered situations where a Chargeback may occur:

- Failure to respond to a Retrieval Request or failure to provide a legible, complete, or proper copy of a Transaction Receipt in response to a Retrieval Request
- Unauthorized use of a Card as alleged by the Cardholder
- Dispute by the Cardholder over the quality of goods or services
- Failure by Company to provide goods or services
- The Transaction Receipt does not bear the Cardholder's signature
- The Transaction Receipt represents a Transaction for which Authorization was initially declined and was subsequently obtained by means of multiple Authorization attempts or other means not permitted hereunder
- The Transaction Receipt fails to comply with the terms and conditions of the Agreement or fails to comply with the Payment Network Regulations
- The Transaction evidenced by a Transaction Receipt or any other credit extended in respect thereof includes a cash disbursement made by Company
- The Transaction evidenced by a Transaction Receipt or any other credit extended in respect thereof is for any reason illegal, null or void
- The Transaction Receipt refers to a Card which has expired or which Elavon has notified Company not to honor
- Copies of the Transaction Receipt have been deposited by Company more than once or Elavon has credited the account more than once with the same Transaction Receipt
- Company has processed a Transaction for goods sold or services performed (or alleged to have been sold or performed) by parties other than Company

Company may elect to receive Retrieval Requests and Chargeback notices by U.S. mail, Autofax (dedicated 24-hour fax line), email or online. To update or change the way you receive a Retrieval Request or Chargeback notification,

contact Customer Service or the Dispute Resolution department at the toll-free telephone number listed on Company's notice.

## RETRIEVAL REQUESTS

A Retrieval Request (also known as a copy request) is initiated by the Issuer on behalf of the Cardholder for a copy of the Transaction Receipt. A Retrieval Request occurs when a Cardholder:

- Loses his or her copy of the Transaction Receipt;
- Does not remember the Transaction; or
- Questions the Transaction for any reason.

The Retrieval Request notice will include the following information to help identify the Transaction:

- **Card number.** Retrieval Request notices do NOT include the Cardholder's name, because this information is not provided by the Issuer.
- **Dollar amount.** For Transactions charged on foreign Cards, the dollar amount may vary because of currency exchange rates.
- **Transaction date.** The Transaction date listed on the Retrieval Request may differ a few days from the date of the actual Transaction. If you cannot locate a specific Transaction Receipt in the Company records for the date specified on the Retrieval Request notice, search the records for three days before and three days after the Transaction date listed.

Upon receiving a Retrieval Request notice, Company is required to provide Elavon with a copy of the applicable Transaction Receipt so Elavon can send it to the Issuer on Company's behalf. The Transaction Receipt copy must be clear and legible and provided within the time frame specified in the notice.

Elavon suggests Company maintain Transaction Receipts in chronological order so that you can retrieve them quickly and easily when needed. Records may be stored off site, provided they are secure and readily accessible to the appropriate personnel.

Company's response to a Retrieval Request may be sent by U.S. mail, Autofax, email or online, as outlined in the Retrieval Request notice. Due to possible delays using U.S. mail, Elavon recommends submitting the response via Autofax, email, online or via overnight mail. If sending the response via U.S. mail, please allow sufficient time to meet the deadline.

If Elavon does not receive the response to the Retrieval Request by the deadline given, a Chargeback could be issued and Elavon will debit the DDA for the amount of the Transaction. This type of Chargeback cannot be reversed. To avoid such Chargebacks, make it a priority to respond to Retrieval Request notices within the time frame specified in the notice.

## CHARGEBACKS

A Chargeback is a Transaction disputed by the Cardholder or the Issuer. If Company receives a Chargeback, Elavon will debit the DDA for the amount of the Transaction, including any applicable currency fluctuations, and will send Company a Chargeback notice. This notice includes the details of the Transaction as well as specific instructions on how to respond.

There are several situations in which Chargebacks may occur. The most common Cardholder-initiated disputes include:

- Dissatisfaction with the quality of merchandise or services received
- Failure to receive merchandise or services
- A questionable Transaction
- A processing error by Company staff
- Unauthorized use of a Card

While it may not be possible to eliminate Chargebacks entirely, companies can reduce their occurrence by resolving issues and disputes directly with the Cardholder and by following the proper Authorization and processing procedures. Because Chargebacks can be costly to Company, you should make every effort to prevent them. Generally, remember to:

- Avoid duplicate processing of a Transaction.
- Work with the Cardholder to resolve disputes regarding the quality of merchandise or services rendered.
- Refuse to process a Transaction after receiving a Declined Code during Authorization.
- Call for Voice Authorization, if needed.
- Call for a Code 10 Authorization if the Cardholder, Card, or Transaction still seems suspicious after receiving an Authorization Approval Code.
- Follow the procedures for processing Transactions as outlined in Chapter 2, *Processing Transactions*.
- Include a description of the goods or services on the Transaction Receipt.
- Deliver merchandise or services within the approved time frame of charging the Card.
- Obtain a valid Authorization Approval Code.
- Obtain valid CVV2/CVC2/CID and AVS codes for Card Not Present Transactions, if applicable.
- Submit Transaction Receipts on the same day Transactions are authorized.
- Make sure an Imprint appears on a manual Transaction Receipt or that the relevant Transaction Information appears on the POS Device-generated Transaction Receipt (see Chapter 2, *Transaction Receipts* for more details).
- Never accept expired Cards or Cards having effective dates prior to the date of the Transaction.
- Make sure the signature on the Transaction Receipt matches the signature on the back of the Card.
- Obtain a signature from the Cardholder when merchandise is delivered.
- Be cautious of shipments to an address other than the Cardholder's billing address.

### **How to Respond to a Chargeback**

A Company's written reply to a Chargeback is known as a Chargeback rebuttal.

Company must submit a rebuttal to Elavon in a timely manner so Elavon can present it to the Issuer. If Company submits a valid rebuttal within the time frame specified in the notice, Elavon will issue a provisional credit in the amount of the Transaction to the DDA. The Issuer will then review the rebuttal to determine if the Chargeback is remedied. If the Issuer determines that the Chargeback is not remedied, they will initiate a second Chargeback or Pre-Arbitration that could result in a second debit to the DDA.

Company must submit a legible and valid rebuttal within the time frame specified in the Chargeback notice. Failure to do so could delay credit to the DDA and may result in a waiver of Company's right to rebut the Chargeback.

For more information on rebuttal procedures, contact the Dispute Resolution department using the toll free number provided in the Chargeback notice.

### **Chargebacks That Cannot Be Reversed**

There are specific instances when a Chargeback cannot be reversed. In these cases, Company is responsible to Elavon for the Transaction amount regardless of the Authorization Response received. These situations include:

- When the Card is present but it is not swiped, dipped or manually Imprinted;
- When the Card is present but Company did not have the Cardholder sign the Transaction Receipt; and
- When the signature on the Transaction Receipt does not match the signature of the Cardholder on the back of the Card.

### **EXCESSIVE ACTIVITY**

Company's presentation to Elavon of Excessive Activity will be a breach of the Agreement and cause for termination of the Agreement if the Excessive Activity thresholds outlined in this section are met for Company's accounts as a whole. Alternatively, in Elavon's sole reasonable discretion, if Excessive Activity occurs for any one or more POS Device identification numbers or MIDs, only the accounts that meet the Excessive Activity threshold may be terminated. "**Excessive Activity**" means, during any monthly period, Chargebacks or Retrieval Requests in excess of one percent (1%) of the gross dollar amount of Company's Transactions, or returns in excess of two and one-half percent (2.5%) of the gross dollar amount of Transactions. Company authorizes Elavon to take additional actions as either of them may deem necessary upon the occurrence of Excessive Activity, including suspension of processing privileges or creation or maintenance of a Reserve Account in accordance with the Agreement.

## CHAPTER 6.

# INTERNATIONAL TRANSACTIONS

### DYNAMIC CURRENCY CONVERSION TRANSACTIONS

Dynamic Currency Conversion (DCC) is a service that allows Company to offer international Cardholders the option to pay in their home currency rather than the currency used at Company's point-of-sale. The following describes how to process Dynamic Currency Conversion Transactions for the designated Cards. These guidelines can help Company: (1) understand Company's responsibilities for DCC Transactions; (2) handle mail order and telephone order DCC Transactions; (3) process Electronic Commerce DCC Transactions; and (4) accept Priority/Express Check-Out Transactions (in limited Travel and Entertainment (T&E) situations) as DCC Transactions.

### COMPANY RESPONSIBILITIES AND RESTRICTIONS

- Company must register with the Payment Networks through Elavon prior to offering DCC service to Cardholders
- Company must inform the Cardholder that the DCC Transaction is optional and that the Cardholder must actively choose to have the Transaction processed in his or her home currency. The Cardholder must expressly agree to the DCC Transaction and check the "accept" box on the Transaction Receipt.
- If the Cardholder does not actively choose to have the Transaction processed in his or her home currency, Company must not complete the DCC Transaction, but may complete the Transaction in the local currency. Depending on the POS Device, Company may be required to reverse or void the DCC Transaction when the Cardholder does not actively choose to have the Transaction processed in his or her home currency. Please refer to the Quick Guide Reference or Point-of-Sale Operating Guide for complete instructions. If a void or reversal is necessary, Company can complete the Transaction in the local currency.
- Company prohibited from converting a Transaction in the local currency into an amount in a Cardholder's home currency after the Transaction has been completed with the Cardholder but not yet entered into Interchange.
- Failure to follow the Payment Network Regulations may result in a Chargeback of the Transaction. If the Transaction is processed in a currency different from the currency listed on the Transaction Receipt, a Chargeback may be issued for the full amount of the Transaction. There is no right of re-resentation or rebuttal of the Chargeback.
- If a Cardholder states in writing that he or she was not offered a choice during the DCC Transaction process or did not know that a DCC Transaction would occur, a Chargeback may be issued for the full amount of the Transaction. Re-resentments may be requested using Company's local currency but may not include DCC Transaction commissions, fees, or mark-ups.
- Payment Networks have the right to terminate their provision of the DCC services to Company. Failure to comply with the DCC requirements may result in fines, penalties, and/or termination of the DCC services.
- The Agreement may be terminated for Company's failure to comply with the DCC requirements.

### DCC WRITTEN DISCLOSURE REQUIREMENTS

Company must comply with the following DCC Cardholder written disclosure requirements in all acceptance environments, with the exception of telephone order (TO) Transactions.

- Currency symbol of Company's local currency.
- Transaction amount of the goods or services purchased in Company's local currency.

- Exchange rate used to determine the Transaction amount in the Cardholder's home currency.
- Any currency conversion commission, fees, or mark-up on the exchange rate over a wholesale rate or government mandated rate.
- Currency symbol of the proposed Transaction currency.
- Total Transaction amount charged by Company in the proposed Transaction currency.

For TO Transactions, Company must verbally notify the Cardholder of all the disclosure requirements listed above before initiating a DCC Transaction.

#### **DCC TRANSACTION RECEIPT REQUIREMENTS**

In addition to the appropriate electronic or manual Transaction Receipt requirements, DCC Transaction Receipts must also include:

- The price of the goods or services in Company's local currency, accompanied by Company's local currency symbol next to the amount.
- The total price in the Transaction currency, the Transaction currency symbol, and the words "Transaction Currency."
- The exchange rate used to convert the total price from Company's local currency to the Transaction currency.
- The currency conversion commission, fees, or mark-up on the exchange rate over a wholesale rate or government mandated rate.
- A statement in an area easily seen by the Cardholder stating that the Cardholder was offered the option to pay in Company's local currency.
- Cardholder expressly agrees to the Transaction Receipt information by marking an "accept" box on the Transaction Receipt.
- An indication that DCC is conducted by Company.

#### **MAIL ORDER (MO) TRANSACTIONS**

Prior to initiating an MO DCC Transaction, Company must ensure that the following information is included on the MO form:

- Specific Transaction currency agreed to by the Cardholder and Company.
- A statement that the exchange rate that will be used to convert the Transaction amount from Company's local currency to the Cardholder's home currency will be determined at a later time without additional consultation with the Cardholder.
- Currency conversion commission, fees, or mark-up on the exchange rate over a wholesale rate or government mandated rate.
- That the Cardholder has a choice of payment currencies, including Company's local currency.
- An "accept" box that Cardholder may mark to indicate acceptance of the DCC Transaction.

## **ELECTRONIC COMMERCE TRANSACTIONS**

Prior to initiating an Electronic-Commerce (EC) DCC Transaction, Company must inform the Cardholder of all of the DCC Written Disclosure Requirements listed above. Company must provide this information with an “accept” or other affirmative button that requires Cardholder agreement to proceed.

## **PRIORITY/EXPRESS CHECK-OUT TRANSACTIONS (LIMITED T&E SITUATIONS)**

Prior to initiating a Travel and Entertainment DCC Transaction, Company must inform the Cardholder of all of the following information:

- The specific currency in which the DCC Transaction will take place.
- That the Cardholder has a choice of payment currencies, including Company’s local currency.
- The Cardholder has agreed that a DCC Transaction will take place.
- That the exchange rate is determined at a later time without further Cardholder consultation.
- Currency conversion commissions, fees, or mark-up on the exchange rate over a wholesale rate or government mandated rate.
- That Dynamic Currency Conversion is conducted by Company.

This information must be documented in a written agreement that is signed by the Cardholder before checkout or rental return that authorizes Company to deposit a Transaction Receipt without the Cardholder’s signature for the total amount of their obligation. Further, the Cardholder must expressly agree to DCC by marking the “accept” box on the written agreement. Company must send the Cardholder a copy of the Transaction Receipt through the postal service (or by email if selected by the Cardholder) within three (3) business days of completing the Transaction.

## **MULTI-CURRENCY CONVERSION**

Multi-Currency Conversion (MCC) is a service that allows a Company to display the price of goods or services in a currency other than, or in addition to, the local currency. No DCC is conducted. Company has the sole responsibility to comply with Laws and Payment Network Regulations governing MCP, including all of the following:

- The displayed price and currency selected by the Cardholder must be the same price and currency charged to the Cardholder, printed on the Transaction Receipt and entered into Interchange by Elavon.
- At least one of the currencies of the prices displayed cannot be Company’s local currency.
- The Cardholder makes a purchase decision based on the price and currency displayed by Company.
- The Transaction must be completed with the price and currency selected by the Cardholder, with no currency conversion performed by Company.

In addition to the appropriate electronic or manual Transaction Receipt requirements, the Transaction Receipt should clearly show the Transaction currency and the corresponding currency symbol or code, or the receipt will be assumed to be in Company’s local currency, which may give rise to Chargeback rights. The currency code is the three digit ISO alpha country code. Elavon provides the currency exchange from the selling currency to the Company’s domestic settlement currency. The exchange rate applied to each Multi-Currency transaction is inclusive of a mark-up percentage from Elavon’s wholesale exchange rate or “cost.” The specific mark-up percentage on each currency is determined by Elavon based on its risk assessment of handling that currency. The risk assessment for any currency can change without notice.

## CHAPTER 7.

# PIN-LESS BILL PAYMENT TRANSACTIONS

This Chapter describes how to process PIN-less Bill Payment Transactions using PIN-authorized Debit Cards. A PIN-less Bill Payment Transaction is a PIN-less Debit Card payment Transaction resulting in funds transfer from Cardholders to companies in connection with payments for recurring services (excluding casual or occasional purchases) for which a corresponding invoice is periodically presented to the Cardholder by Company, and which Transaction is initiated via a telephone (Voice Recognition Unit, Interactive Voice Recognition) or Internet device.

### Acceptance of Pin-Less Bill Payment Debit Cards

**Authentication.** Prior to entering into a PIN-less Bill Payment Transaction, Company must authenticate the Cardholder using information that is not commonly known, but is only known by the Cardholder and Company, such as the Cardholder's account number with Company or information present on the Cardholder's hard copy bill from Company. Company must submit its authentication procedures to Elavon for approval by the appropriate EFT Networks, and Company warrants that it will follow such authentication procedures for each PIN-less Bill Payment Transaction. The use of an authentication procedure, or the approval of such procedure by an EFT Network, is not a guarantee of payment, and Company remains liable for any Chargebacks resulting from any PIN-less Bill Payment Transactions.

**No Minimum or Maximum.** Company will not establish minimum or maximum PIN-less Bill Payment Transaction amounts. Company must accept PIN-less Bill Payment Transactions on terms no less favorable than the terms under which Company accepts other Payment Devices.

**Convenience Fees.** Company may not add any amount to the posted price of goods or services Company offers as a condition of paying with a Debit Card unless permitted by the applicable Debit Card Rules.

**Purchases Only.** Company will support PIN-less Bill Payment Transactions involving purchases only. Company may not initiate a Debit Card Transaction or a Credit Card Transaction for returns or refunds, and must use other payment avenues (such as cash, check, or invoice adjustment) to return funds to a Cardholder.

**Prohibited Transactions.** Company will initiate Transactions only for services approved by Elavon. In no event will Company initiate, allow, or facilitate a gambling or gaming transaction, or fund a stored value account for such purposes.

### Internet Transaction Receipt Requirements

At the time of any Internet PIN-less Bill Payment Transaction, Company will make available to each Cardholder a Transaction Receipt (printable from a screen or via e-mail) that complies fully with all Laws and containing, at a minimum, the following information:

- Amount of the PIN-less Bill Payment Transaction, or if a Convenience Fee applies, the amount debited from the Cardholder's account (exclusive of the Convenience Fee, shipping, handling and other fees), and the amount debited from the Cardholder's account (inclusive of the fees);
- Date and local time of the PIN-less Bill Payment Transaction;
- Type of Transaction;
- Type of account accessed;
- Truncated Debit Card number (showing the final four (4) digits);



- Trace or retrieval number;
- Company name;
- MID;
- Company's web site home page URL;
- Promised shipment time period (for Internet Transactions which involve shipment of goods);
- Cardholder's name;
- Authorization Approval Code;
- Description of the bill payment;
- Customer service contact information; and
- Fees imposed by Company on the Cardholder, including shipping and handling fees, taxes, and Convenience Fees, as applicable.

#### **Additional Internet Requirements**

- **Internet Payment Screen and Sales Policy.** Company must prominently display on the Internet Payment Screen Company's name, telephone number, city and state. Company must also obtain explicit confirmation that the Cardholder understands and agrees that the funds will be immediately debited from their account upon approval of the Transaction, before submission of the PIN-less Bill Payment Transaction. Company must display a clearly visible and conspicuous notice on the Internet Payment Screen of the imposition of any Convenience Fee or the payment of a rebate for a PIN-less Bill Payment Transaction prior to submitting the payment request from the Cardholder. Such notice must include: (i) a heading of "Fee Notice" in at least 14-point type; (ii) text in at least 10-point type; and (iii) the amount of the Convenience Fee or rebate and the name of the party imposing the Convenience Fee or the company that receives the Convenience Fee. "Internet Payment Screen" means the screen displayed to a Cardholder during an Internet PIN-less Bill Payment Transaction payment process which allows the Cardholder to select the payment method and to confirm understanding and agreement with payment terms, shipping and return policy.
- **Communication and Encryption.** Company must participate in an approved authentication program as designated by the EFT Networks. All authentication information must be encrypted upon entry into the Internet device and must never leave the Internet device in cleartext form. The Internet device used by Company must meet or exceed the minimum communication and encryption protocol set forth by the EFT Networks.

#### **Telephone Transaction Requirements**

At the time of a telephone PIN-less Bill Payment Transaction, Company will provide each Cardholder with Transaction Information that complies fully with all Laws and containing, at a minimum, the following information:

- Approval or denial of the PIN-less Bill Payment Transaction,
- Amount of the PIN-less Bill Payment Transaction, or if a Convenience Fee applies, the amount debited from the Cardholder's account (exclusive of the Convenience Fee, shipping, handling and other fees), and the amount debited from the Cardholder's account (inclusive of the fees);
- Trace number;
- Authorization Approval Code or confirmation number;
- Customer service contact information; and

- Fees imposed by Company on the Cardholder, including shipping and handling fees, taxes, and Convenience Fees, as applicable.

**Technical Problems.** Company will ask a Cardholder to use an alternative means of payment if the Elavon Debit System or the electronic interface with any EFT Network is inoperative.

**Company Warranty.** In order to accept PIN-less Bill Payment Transactions, Company warrants that it is: (i) a municipal, state or other public utility system operated for the manufacture, production, or sale of electricity, natural or artificial gas, water or waste collection; (ii) an insurance service provider that is licensed by a state to sell property, casualty, life and health insurance policies and that the Transaction involves the payment of premiums on such policies; (iii) a public or private provider of telecommunications services, including telephone, cellular, digital and cable services, which is licensed and governed by any federal, state or municipal authority; (iv) a public or private provider of cable or satellite media services, which is regulated by the Federal Communications Commission or any other federal, state or municipal authority, or (v) any other acceptable Company type, or covered under a pilot program approved by, the EFT Networks.

**Termination/Suspension of Bill Payment.** When requested by any EFT Network in its sole discretion, Company will immediately take action to: (i) eliminate any fraudulent or improper Transactions; (ii) suspend the processing of PIN-less Bill Payment Transactions; or (iii) entirely discontinue acceptance of PIN-less Bill Payment Transactions.

## CHAPTER 8.

# NO SIGNATURE/PIN REQUIRED TRANSACTIONS

**No Signature/PIN Required Program.** Certain Payment Networks have waived signature requirements that allow qualifying Companies to process under-floor-limit transactions without having to obtain a Cardholder signature or provide a Transaction Receipt unless a Cardholder requests a Transaction Receipt. The No Signature/PIN Required Program is limited to qualified Companies. Company is responsible for validating that its Merchant Category Code (MCC) is eligible for participation in a No Signature/PIN Required Program and that it has been approved by Elavon to participate in the program. The No Signature Required Program is available to those Companies in a qualifying MCC segment if the following Transaction criteria are met:

1. Transaction amount is less than \$25.00 for Visa and UnionPay Transactions (\$50.00 for Visa transactions under MCCs of 5310 Grocery and 5411 Discount Stores), and less than \$50.00 for American Express, Discover, and Mastercard Transactions.
2. Transaction occurs in a qualifying MCC. Please contact Elavon to determine if Company's MCC is eligible.
3. The Cardholder is present and the Transaction occurs in a face-to-face environment.
4. The full and unaltered content of Track 1 or Track 2 data of the Card's Magnetic Stripe is read and transmitted as part of the Authorization, or the Transaction is processed via Contactless processing or unaltered Chip data is sent for Authorization.
5. One Authorization is transmitted per clearing Transaction.
6. Applies to transactions conducted at U.S. merchants only.
7. Currency conversion is not performed.
8. For American Express transactions, Company is not classified as high-risk.
9. Transaction is not a Chip fallback transaction.
10. Transaction is not an Account Funding Transaction, Cash-back, Quasi-Cash Transaction, nor Prepaid Load Transaction.

Eligible Companies that submit Transactions meeting these requirements will receive Chargeback protection against the signature requirement for Transactions that qualify under the specific Payment Network's No Signature/PIN Required Program.

**Limitations.** Participation in a No Signature Required Program provides only limited protection against specific Chargebacks as designated by the sponsoring Payment Network.

**POS Device.** It is Company's responsibility to determine if a POS Device is configured properly for No Signature/PIN transactions.

## CHAPTER 9.

# WIRELESS SERVICE TRANSACTIONS

This Chapter describes how to process wireless Transactions using a wireless data service (the “**Wireless Services**”). Companies that process wireless Transactions will adhere to the requirements set forth in this Chapter.

**Use of Wireless Services.** Company may use the Wireless Services solely as a means of establishing wireless (cellular) connectivity between a POS Device that allows wireless processing, (a “**Wireless POS Device**”) and Elavon’s systems. Company will not use the Wireless Services for remote medical monitoring or any unlawful, fraudulent, abusive or other unauthorized purposes. Company will promptly notify Elavon in writing if Company becomes aware of any actual or suspected use of the Wireless Services in violation of the Agreement or the Operating Guide. Company will locate all Wireless POS Devices accessing the Wireless Services within the areas served by the wireless network of the Elavon subcontractor that facilitates the Wireless Services and will ensure that all equipment with roaming capabilities will not be permanently located in a roaming area. Company will not use the Wireless Services in connection with any server devices, host computer applications or other systems that drive continuous heavy traffic or data sessions, or as substitutes for private lines or frame relay connections. Further, Company will not use the Wireless Services in a manner that results in highly concentrated usage in limited areas of the wireless network through which the Wireless Services are provided. If Company violates the terms and conditions in this Chapter, Elavon may suspend or terminate the Wireless Services.

**Limitations of Wireless Technology.** Company acknowledges and agrees that because of the emerging nature of wireless technology, certain limitations exist that may affect the performance, geographic area in which wireless Transaction processing is available to Company (the “**Coverage Area**”), and reliability of wireless technology and wireless processing. Without limiting the generality of the foregoing, wireless processing and the use of a Wireless POS Device are limited to the Coverage Area and may further be limited by a variety of other factors, circumstances, and considerations such as the following: (i) use of a Wireless POS Device outside the Coverage Area will not be possible; (ii) within the Coverage Area, there may be certain weak coverage areas or other fringe areas where wireless Transaction processing may be intermittent or otherwise interrupted; (iii) within the Coverage Area, be certain geographic areas in which wireless Transaction processing may be intermittent or not possible; and (iv) at any time and without notice, any wireless network may become inoperative due to technical difficulties or for maintenance purposes, thereby affecting Company’s use of the Wireless Services. If Company’s ability to use the Wireless Services is limited or prevented for any reason, Company will not process any Transaction through the use of Wireless Services, and will instead obtain an Authorization Response for any such Transaction through means other than wireless processing, as described in the Agreement.

**Hardware Devices and Applications.** Company may only use hardware devices and applications approved by Elavon in conjunction with the Wireless Services. Company acknowledges and agrees that hardware devices and applications that have not be approved by Elavon may not function or may function improperly when used in conjunction with the Wireless Services.

**Completing Unauthorized Transactions.** If Company chooses to complete a Transaction without an Authorization Response because wireless coverage is not available (i.e., stores Transaction Information in a Wireless POS Device, provides the Cardholder goods or services and subsequently request Authorization of the Transaction), Company does so at its own risk. Company understands the risk associated with not obtaining an Authorization Response prior to completing the Transaction (i.e., Company subsequently may receive a “decline” or “error” message in response to the later Authorization request). Company is fully liable for all Transactions whether or not an Authorization Response is received.

**Prohibition on Use of Regeneration Equipment.** Company must obtain written approval from Elavon prior to installing, deploying or using any regeneration equipment or similar mechanism (for example, a repeater) to originate, amplify, enhance, retransmit or regenerate the Wireless Services provided hereunder.

**Relationship Between Company and Underlying Wireless Services Provider.** Company understands and agrees that it has no contractual relationship whatsoever with the operator of the wireless network (or any of its affiliates or contractors) through which the Wireless Services are provided and that Company is not a third party beneficiary of any agreement between Elavon and any such network operator. In addition, Company acknowledges and agrees that the operator of the wireless network through which the Wireless Services are provided and its affiliates and contractors will have no legal, equitable, or other liability of any kind to Company, and Company hereby waives any and all claims or demands thereof. Company further acknowledges that representatives of the operator of the wireless network through which the Wireless Services are provided may have met with Company individually or together with Elavon to discuss and review printed materials that explain such network operator's understanding of the services provided by Elavon and such network operator hereunder. Company acknowledges that it has had the opportunity to fully investigate the capabilities, quality and reliability of the Wireless Services and has satisfied itself that such Wireless Services satisfactorily meet its business needs. Company agrees that the operator of the wireless network through which the Wireless Services are provided and its affiliates and contractors will have no legal, equitable, or other liability of any kind to Company arising from or related to any meeting, discussions or explanations regarding the Wireless Services, and Company hereby waives any and all claims or demands it may have against the operator of the wireless network through which the Wireless Services are provided and its affiliates and contractors therefor.

## CHAPTER 10.

# STAND-IN/STORE AND FORWARD APPLICATION TRANSACTIONS

This Chapter describes how to process Stand-In/Store and Forward Transactions using specific product applications. Specifically, Elavon has developed certain product applications which allow Companies to store Transaction Information in a POS Device at the time of the sale if a communication channel for transmittal of authorization is not available, and forward such Transaction Information to Elavon at a later time when a communication channel is available (“**Store and Forward Application**”).

The Store and Forward Application Transactions general requirements are as follows:

**Participation.** Once Company has been approved by Elavon to accept Transactions using the Store and Forward Application and its POS Device has been programmed with the Store and Forward Application, Company may use the Store and Forward Application, but only when a communication channel for transmittal of Authorization information cannot be obtained.

**Limitations.** Company will not use the Store and Forward Application to process any type of PIN-based Debit Card Transactions, Electronic Gift Card Transactions or ECS Transactions.

**Forwarding Transaction Data.** Company will forward Transaction Information to Elavon via a POS Device within 24 hours of the Transaction.

**Risk.** Company understands that there is significant risk associated with using the Store and Forward Application and not obtaining an Authorization at the time of the sale (i.e., Company may receive a “decline” or “error” message in response to the subsequent Authorization request). Company acknowledges and agrees it is fully liable for all Transactions whether or not an Authorization Approval Code is received.

**Changes to Store and Forward Application; Termination.** Elavon may make changes to or terminate the Store and Forward Application at any time. Company will indemnify and hold Elavon harmless for any action Elavon may take pursuant to this Chapter.

### Limitation of Liability

1. Elavon is not responsible for Store and Forward Transactions.
2. Company understands that Transactions processed via the Store and Forward Application are high risk and may be subject to a higher incidence of declined Authorization requests and Chargebacks. Company is liable for all Chargebacks, losses, fees, fines, and penalties related to Transactions processed via the Store and Forward Application, including those resulting from or related to declined Authorization requests and fraudulent Transactions. Further, Elavon is not liable to Company in the event the Transaction Information is not stored within the POS Device for any reason. Notwithstanding the provisions of the Agreement or this Chapter, the liability of Elavon under this Chapter for any claims, costs, damages, losses and expenses for which they are or may be legally liable, whether arising in negligence or other tort, contract, or otherwise, will not exceed in the aggregate One Thousand Dollars (\$1,000.00).

## CHAPTER 11.

# VEHICLE RENTAL OR LEASING AUTHORIZATION PROCEDURES

In addition to the Authorization procedures set out in Chapter 2, Companies that provide vehicle rental will follow the procedures set out in this Chapter.

### PREPARATION OF TRANSACTION RECEIPTS

#### Execution

Company must prepare Transaction Receipts for all Transactions as described in Chapter 2, *Transaction Receipts*. The Cardholder must sign the Transaction Receipt or the transaction must be conducted with another acceptable Cardholder Verification Method (CVM). However, the Cardholder must not be required to sign until the total Transaction amount is known and indicated on the Transaction Receipt.

In addition to the information described in Chapter 2, Transaction receipts must contain the following information:

- Daily rental rate
- Any applicable taxes
- Dates of pick-up and return
- Description of additional costs

#### Multiple Card Transaction Sales

Company will include all items of goods and services purchased or leased in a single Transaction in the total amount of a single Transaction Receipt except:

- When the balance of the amount due is paid by the Cardholder at the time of sale in cash or by check or both
- When Company is providing vehicle rental or leasing and the Transaction involves an additional ancillary charge or a calculation error for which a separate Transaction Receipt is completed and deposited

If Company is engaged in vehicle rental or leasing, Company may obtain Authorization for such Transactions based upon estimates of the Transactions according to the following procedures:

1. Company estimates the amount of the Transaction based on the Cardholder's intended rental period at the time of rental, the rental rate, tax and mileage rates and ancillary charges. The estimate may not include an extra amount for possible car damage, or for the insurance deductible amount if the Cardholder has waived insurance coverage at the time of rental.
2. If Company later estimates that the Transaction amount will exceed the initial estimated Transaction amount, Company may obtain incremental authorizations for additional amounts (not cumulative of previous amounts) at any time before the rental return date. Company must disclose to the Cardholder the authorized amount for the estimated car rental or leasing Transaction on the rental date. A final or additional authorization is not necessary for American Express, Discover, and Visa transactions if the actual Transaction amount does not exceed 115% of the sum of the authorized amounts. All Mastercard authorizations and incremental authorizations should equal the final transaction amount. Authorization reversals should be processed for any pending authorization amounts that will not have a subsequent clearing transaction.

3. If Company alters a Transaction Receipt or prepares an additional Transaction Receipt to add delayed or add-on charges previously specifically consented to by the Cardholder, Company must deliver an explanation of the change to the Cardholder (i.e., mail a copy of the amended or additional Transaction Receipt to the Cardholder), and Company must fully comply with the requirements in Chapter 11, *Vehicle Rental Or Leasing Ancillary Charges*.
4. Regardless of the terms and conditions of any written pre-Authorization form, the Transaction Receipt amount for a vehicle rental or lease Transaction cannot include any consequential charges. Company may pursue consequential charges set forth in its terms and conditions by means other than Card Transaction.

#### **VEHICLE RENTAL OR LEASING ANCILLARY CHARGES**

If Company discovers additional ancillary charges or an error in calculation after the rental car is returned, Company may bill the Cardholder provided that the signed rental contract allows for additional charges and final audit.

Company may not recover charges related to car damage, theft or loss, unless the Cardholder expressly agrees to approve the charge before Company processes the Transaction. A Transaction of this type must be processed within 90 days of the vehicle return date. Company must first provide disclosure to the Cardholder that:

- Explains the charge and connects the charge to the Cardholder's use of the merchandise or services during the rental period;
- Includes any accident, police, or insurance report;
- For damage to a rental vehicle, provides at least two quotes from entities that are legally permitted to perform repairs;
- Specifies the portion of the loss, theft, or damage that will be paid by insurance and the reason that the Cardholder is liable for the amount claimed; and
- Informs the Cardholder that payment for loss, theft, or damage with the Cardholder's Card is optional and not a required or default payment option.

Other Valid charges may include (i) taxes, (ii) mileage charges, (iii) fuel, (iv) insurance, (v) rental fees, and (vi) parking tickets and other traffic violations. For parking tickets and traffic violations: the incident must have occurred while the Cardholder was in possession of the vehicle, and Company 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.

These charges must be processed on a delayed or amended Transaction Receipt within 90 calendar days of the rental return or lease end date. A copy of this Transaction Receipt must be mailed to the Cardholder's address as indicated in the rental contract or folio.



## CHAPTER 12.

# LODGING ACCOMMODATIONS AUTHORIZATION PROCEDURES

In addition to the Authorization procedures set out in Chapter 2, Companies that provide lodging accommodations in the hotel and hospitality industry must follow the procedures set out in this Chapter.

### PREPARATION OF TRANSACTION RECEIPTS

#### Execution

Company must prepare Transaction Receipts for all transactions as described in Chapter 2, *Transaction Receipts*. The Cardholder must sign the Transaction Receipt/ folio, or the transaction must be conducted with another acceptable Cardholder Verification Method (CVM). However, the Cardholder must not be required to sign until the total Transaction amount is known and indicated on the Transaction Receipt.

In addition to the information described in Chapter 2, Transaction receipts/ folios must contain the following information:

- Dates of check-in and check-out
- Daily room charge
- Taxes
- Description and dates of individual purchases
- Authorization dates, amounts, and Authorization Approval Codes

#### Multiple Card Transaction Sales

Company must include all goods and services purchased or leased in a single Transaction in the total amount of a single Card Transaction except:

- When the balance of the amount due is paid by the Cardholder at the time of sale in cash, check or both,
- When Company is providing lodging accommodations and the Transaction involves (1) Advance Deposit Services or (2) an additional ancillary charge for which a separate Transaction Receipt is completed and deposited.

Company may obtain authorizations for Card Transactions involving the provision of lodging accommodations based upon estimates of the transactions according to the following procedures:

1. Company must estimate the amount of the Transaction based on the Cardholder's intended length of stay at check-in time, the room rate, applicable tax or service charge and any Company-specific methods for estimating additional ancillary charges. Company must request Authorization for the estimated amount of the Transaction.
2. If Company later estimates that the Transaction amount will exceed the amount previously authorized based on the Cardholder's actual charges, Company must obtain an incremental authorization for the increase in the estimated Transaction amount. If necessary, Company may obtain and record additional Authorizations for additional amounts (not cumulative of previous amounts) at any time before the check-out date.

A final or additional authorization is not necessary for American Express, Discover, and Visa transactions only if the actual Transaction amount does not exceed 115% of the sum of the authorized amounts. All Mastercard authorizations and incremental authorizations should equal the final transaction amount. Authorization reversals should be processed for any pending authorization amounts that will not have a subsequent clearing transaction.

3. Company must record on the Transaction Receipt the Authorization amount(s), Authorization date(s), and Authorization Approval Codes for all authorizations obtained. If Authorization is declined, Company must follow its normal procedures for a declined Authorization.
4. If Company alters a Transaction Receipt or prepares an additional Transaction Receipt to add delayed or add-on charges previously specifically consented to by the Cardholder, Company must deliver an explanation of the change to the Cardholder (i.e., mail a copy of the amended or additional Transaction Receipt to the Cardholder), and Company must fully comply with the requirements in Chapter 12, *Lodging Accommodations Ancillary Charges*.
5. Company understands that its right to use special Authorization procedures under this section may be terminated at any time if Elavon, Discover Network, Visa, or Mastercard determines in its sole discretion that Company has been abusing its privileges under or not complying with prescribed procedures.

#### **LODGING ACCOMMODATIONS ANCILLARY CHARGES**

If Company discovers additional ancillary charges after the Cardholder has checked out, Company may bill the Cardholder provided that the Cardholder agreed to be liable for such charges.

Valid charges may include room, food, beverage and tax charges. Company may not recover charges related to theft, damage, or loss except as set out below.

All delayed or amended charges must be processed on a separate or amended Transaction Receipt within 90 calendar days of the check-out date. A copy of this Transaction Receipt must be mailed to the Cardholder's address as indicated on the itemized hotel bill.

#### **Transactions for Loss, Theft, and Damages Charges**

For Visa and Mastercard Transactions, charges for loss, theft, or damages must be processed as a separate transaction from the underlying rental, lodging, or similar transaction. The Cardholder must authorize the charge in writing after being informed of the loss, theft, or damage. To obtain the Cardholder Authorization for damages, Company must prepare a Transaction Receipt with proof of Card presence, provide the estimated amount for repairs (indicating that the amount will be adjusted accordingly pursuant to completion of the repairs and submission of the invoice for said repairs), and obtain the Cardholder's signature. Company must submit a credit if the final cost of repairs is less than the estimated amount on the Transaction Receipt. Company has thirty (30) days from the date of the subsequent transaction related to damages to submit the item into clearing. The charge for damages must be directly related to the services provided by the merchant to the cardholder during the service period, and must be the actual cost for replacement/repair of damage to the merchant's property or for an insurance deductible, whichever is less.

To support the charge, the merchant must provide documentation within 10 days of the check-out or disembarkation date, and before processing any additional transactions. The documentation must:

- Explain the charge and connect the charge to the cardholder's use of the merchandise or services during the service period;
- Include any accident, police, or insurance report;

- Specify the portion of the damage or loss that will be paid by insurance and the reason that the cardholder is liable for the amount claimed; and
- Inform the cardholder that payment for loss or damage with the cardholder's Card is optional and not a required or default payment option

## **LODGING RESERVATION SERVICE**

In order to be eligible to accept Discover Network, Visa and/or Mastercard Cards to guarantee reservations for lodging accommodations, Company will satisfy the following requirements and procedures:

### **1. Reservation Procedures**

- a. Company will accept all Discover Network, Mastercard or Visa Cards without discrimination for all Cardholders requesting reservations under the applicable Payment Network Regulations.
- b. Company must obtain the Cardholder's name, account number, and expiration date embossed or printed on the Card, and will also inform the Cardholder of the estimated authorization amount.
- c. Company will inform the Cardholder that the accommodations are held until check-out time on the day following the scheduled arrival date unless canceled by 6:00 p.m. establishment time (defined as the time zone in which the physical premises of Company are located) on the scheduled arrival date. Company must not require more than 72 hours cancellation notification prior to the scheduled arrival date or as otherwise permitted under the applicable Payment Network Regulations.
- d. Company will advise the Cardholder that if he or she has not checked in (registered) by check-out time the following day after his or her scheduled arrival date and the reservation was not properly canceled, the Cardholder is billed for one night's lodging plus applicable tax. If Company has other terms related to the reservation or cancellation those should also be disclosed to the Cardholder during the reservation process.
- e. Company will quote the rate of the reserved accommodations, the exact physical address of the reserved accommodations, including name, address, city, state and country and provide the Cardholder a reservation confirmation code, advising that it be retained.
- f. Company will verbally confirm and, if requested, provide a written confirmation to the Cardholder of the reservation including the Cardholder name provided by the Cardholder, account number and Card expiration date embossed or printed on the Card, the reservation confirmation code, name and exact physical address of the reserved accommodations, the provisions of the applicable Payment Network Regulations relating to the Cardholder's obligation, including cancellation procedures and any other details related to the accommodations reserved, and the rate of the accommodations.

### **2. Cancellation Procedures**

- a. Company will accept all cancellation requests from Cardholders, provided the cancellation request is made prior to the specified cancellation time.
- b. Company will provide the Cardholder with a cancellation code and advise the Cardholder that it must be retained to preserve his or her rights in case of dispute. If requested, Company will provide (by mail) the Cardholder written confirmation of the cancellation including the Cardholder account number, expiration date and name embossed on the Card, the cancellation code, and the details related to the accommodations canceled, including the name of Company's employee that processed the cancellation.

3. **Scheduled Arrival Date Procedures (Unclaimed Accommodations)**
  - a. If accommodations reserved under the applicable Payment Network Regulations, have not been claimed or canceled prior to the specified cancellation time (a “No Show”), Company must hold the room(s) available according to the reservation until check-out time the following day.
  - b. If the Cardholder does not cancel the reservation or does not check-in within the prescribed time, Company will deposit a Transaction Receipt for one (1) night’s lodging plus applicable tax indicating the amount of one (1) night’s lodging plus applicable tax, the Cardholder account number, expiration date and name embossed or printed on the Card, and the words “No Show” on the Cardholder signature line.
  - c. Company will obtain an Authorization Response for the No Show Transaction.
4. **Alternate Accommodations.** If accommodations that were guaranteed pursuant to the Payment Network Regulations are unavailable, Company will provide the Cardholder with the following services at no charge:
  - a. Company will provide the Cardholder with comparable accommodations for one (1) night at another establishment.
  - b. Company will provide transportation for the Cardholder to the location of the alternative establishment.
  - c. If requested, Company will provide the Cardholder with a three (3) minute telephone call.
  - d. If requested, Company will forward all messages and calls for the Cardholder to the location of the alternative establishment.

#### **LODGING PRE-PAYMENT/ADVANCE DEPOSIT**

In order to participate in partial or full pre-payment under which a Cardholder uses his or her Card for payment to guarantee the reservation as required by Company to reserve lodging accommodations (“**Pre-Payment**”), Company will adhere to the following procedures and requirements set forth below:

1. **Reservation Procedures**
  - a. Company will accept all Cards for a pre-payment when the terms of the reservation are agreed to by the Cardholder.
  - b. Company must hold a valid Pre-Payment service contract with us, either as part of the Agreement or as a separate contract.
  - c. Company will determine the amount of a Pre-Payment Transaction by the intended length of stay, which amount must not exceed the cost of seven nights of lodging (inclusive of applicable taxes). The amount of the Pre-Payment Transaction must be applied to the total obligation.
  - d. Company will inform the Cardholder in writing (i) of Company’s advance deposit requirements, (ii) of the reserved accommodation and the Transaction amount, (iii) of the exact Company name and location, (iv) of Company’s cancellation policy requirements, and (v) that the accommodations are held for the number of nights used to determine the amount of the Pre-Payment Transaction.
  - e. Company will obtain the Card account number, Card expiration date, the name embossed or printed on the Card, telephone number, mailing address, scheduled date of arrival, and intended length of stay.

- f. Company will inform the Cardholder (i) that Company will hold the accommodations according to the reservation, and (ii) that if changes in reservation are requested, written confirmation of such changes is provided at the Cardholder's request.
  - g. Company will advise the Cardholder that if (i) he or she has not checked in by check-out time the day following the last night of lodging used to determine the amount of the Pre-Payment Transaction, or (ii) the reservation was not canceled by the time and date specified by Company, the Cardholder will forfeit the entire amount of the Pre-Payment Transaction or a portion of that amount. Company will not, under any circumstances, present any additional No Show Transaction in connection with a Transaction made under the Pre-Payment service.
  - h. Company will quote the rate of the reserved accommodation, the amount of the Pre-Payment Transaction and the exact location of the reserved accommodations. Company will provide the Cardholder with a confirmation code (advising that it must be retained) and with the actual date and time the cancellation privileges expire.
  - i. Company will complete a Transaction Receipt for the amount of the advance deposit, indicating the Cardholder account number, Card expiration date, the name embossed on the Card, telephone number, mailing address, and the words "Advance Deposit" on the signature line. The Cardholder's confirmation code, scheduled arrival date, and the last day and time the cancellation privileges expire without forfeiture of the deposit if the accommodations are not used must also be indicated on the Transaction Receipt.
  - j. Company will follow normal Authorization procedures for lodging Transactions. If the Authorization request results in a decline, Company will so advise the Cardholder and will not deposit the Transaction Receipt.
  - k. Company will mail the Cardholder's copy of the Transaction Receipt and Company's written cancellation policy to the address indicated by the Cardholder within three (3) business days from the date of the Transaction Receipt.
  - l. Company will deposit the Transaction Receipt in accordance with usual procedures as specified in this guide and the requirements for normal deposit for lodging Companies as specified in the Payment Network Regulations.
2. **Cancellation Procedures.** Company will adhere to the following procedures when the Cardholder cancels the reservation on a timely basis:
- a. Company will accept all cancellation requests from Cardholders, provided the cancellation request is made prior to the specified cancellation date and time.
  - b. Company will provide a cancellation code and advise the Cardholder that it must be retained to preserve his or her rights in the case of dispute.
  - c. Company will complete a Credit Transaction Receipt including the entire amount of the Pre-Payment Transaction, the Cardholder account number, Card expiration date, the name embossed or printed on the Card, mailing address, the cancellation code, and the words "Advance Deposit Cancellation" on the signature line.
  - d. Company will (1) deposit the Credit Transaction Receipt within three (3) calendar days of the Transaction date, and (2) mail the Cardholder's copy of the credit voucher to the address indicated by the Cardholder within three (3) business days from the date of the issuance of the Transaction Receipt.
3. **Alternate Accommodations**

- a. If accommodations which were reserved under the Pre-Payment Service are unavailable, Company will complete and deliver to the Cardholder a Credit Transaction Receipt to refund the entire amount of the Pre-Payment Transaction.
  - b. Company will provide the following services at no charge to the Cardholder:
    - i. At least comparable accommodations at an alternative establishment (a) for the number of nights used to determine the amount of the Pre-Payment Transaction, not to exceed seven (7) nights, or (b) until the reserved accommodations are made available at the original establishment, whichever occurs first.
    - ii. Transportation to the location of the alternative establishment and return transportation to the original establishment. If requested, transportation to and from the alternate establishment must be provided on a daily basis.
    - iii. If requested, forward all messages and calls for the Cardholder to the location of the alternate establishment.
4. **Central Reservation Services.** In the event that Company is a “Central Reservation Service” (defined as an entity holding operating agreements with various geographically contiguous lodging establishments to act as a reservations resource for such establishments), Company further agrees and warrants as follows:
- a. Company will have a written contract with each such lodging establishment, which will be duly executed by an officer or manager of the lodging establishment, setting out the respective rights and duties of Company and such lodging establishment; and
  - b. Company will be registered with the Card Brands as a Central Reservation Service; will not use an agent to perform such services; will follow the procedures for reservations, cancellations, alternate accommodations and Chargebacks herein set out; and will accept full responsibility for resolving any Cardholder problems related to the Pre-Payment Service.

#### PRIORITY/EXPRESS CHECK-OUT SERVICES

In order to participate in a service under which a Cardholder authorizes the use of his or her Card for payment of his or her total obligation to Company, with or without prior knowledge of the total amount (“**Priority/Express Check-out**”), Company will follow the following procedures and requirements (also see the *Priority/Express Check-Out Transactions (Limited T&E Situations)* of Chapter 6):

#### Check Out Procedures

1. Company must provide the Cardholder with a Priority/Express Check-out agreement which must contain, at a minimum, the following information:
  - a. Cardholder account number
  - b. Cardholder’s name and address
  - c. Expiration date of the Card
  - d. Company’s name, address and telephone number
  - e. Check-in date and departure date of the Cardholder
  - f. A statement authorizing Company to charge the designated Cardholder Account number for the amount of the bill and to present the Transaction Receipt without the Cardholder’s signature
  - g. Space for Cardholder’s signature
  - h. Transaction date

- i. Transaction amount indicated in the Transaction currency
2. Company will inform the Cardholder that the Priority/Express Check-out agreement must be completed, signed and returned, and that the Cardholder's mailing address must be included to receive a copy of the hotel bill supporting the final Transaction amount.
3. Company will obtain the completed Priority/Express Check-out agreement and ensure that the Cardholder account number identified in such agreement is identical to the account number imprinted on the Transaction Receipt.
4. Company will follow the Authorization procedures for lodging transactions as set forth in this guide.
5. When the Cardholder has checked out, Company will complete the Transaction Receipt, indicating the total amount of the Cardholder's obligation and the words "Signature on File - Priority/Express Check-out" on the signature line.
6. Upon the Cardholder's departure, Company will provide the Cardholder's copy of the Transaction Receipt, the itemized hotel bill, and, if requested, the signed Priority/Express Check-out agreement to the Cardholder in the manner identified on the Priority/Express Check-out Agreement within three business days of the Cardholder's departure.

## CHAPTER 13.

# PETROLEUM SERVICES

This Chapter describes certain services that are available to Companies engaging in Transactions related to petroleum products or services, including SmartLink Services, Voyager® commercial fleet Card acceptance, and Wright Express Card acceptance (“**Petroleum Services**”). Companies that use the Petroleum Services will adhere to the requirements set forth in this Chapter.

### PROVISIONS APPLICABLE TO ALL PETROLEUM SERVICES

#### 1. **Definitions.**

“**Equipment**” means all equipment identified in the Agreement, including: (i) for SmartLink Services, SmartLink payment gateway devices; or (ii) for Voyager® commercial fleet Card acceptance or Wright Express Card acceptance, Fleet terminals.

“**Software**” means the software identified in the Agreement for SmartLink Services, SmartLink Access Module or other programs supplied by Elavon and used for Internet-based electronic payment processing.

#### 2. **Access.**

a. Elavon and Elavon’s authorized representatives may access, during normal business hours and occasionally after normal business hours, the Equipment and Software and Company’s premises, including offices, facilities, equipment, personnel and other Company resources as required for Elavon to perform the site survey, Equipment and Software installation, inspection, maintenance, and other Petroleum Services. Company will arrange permitted access to areas of third-party facilities as necessary. Elavon will comply with reasonable rules, regulations, and security restrictions regarding access that Company provides in advance and in writing. Company will allow Elavon electronic access to the Equipment and Software at all times. Company will make sure that Elavon’s representatives have access to electrical power at Company’s location as required for Elavon to efficiently perform the Petroleum Services.

b. Elavon reserves the right not to provide Petroleum Services with respect to any Equipment at a Company location where Elavon reasonably determines that physical access to such Equipment or other conditions at the locations are unsafe. Elavon will notify Company of the unsafe condition so that Company can correct the safety issue.

#### 3. **Unpermitted Access.** Company will not attempt to obtain Petroleum Services by rearranging, tampering or making unpermitted connection with Elavon’s (or its vendors’ or subcontractors’) system. Company will not, and will not assist anyone else to, (i) copy or duplicate the Software, or (ii) decompile, disassemble, modify, create derivative works of, tamper, reverse engineer or emulate the Equipment or Software. Company will not sell, rent, lend or allow physical or electronic access to any Equipment, Software or Petroleum Services without Elavon’s written consent.

#### 4. **Cooperation.** Company will make sure that its personnel assist Elavon as necessary to install and integrate the Equipment and Software, to troubleshoot and isolate faults in the Equipment or Software, and to otherwise perform Petroleum Services. Company will also make sure that its locations are adequately staffed during installation and maintenance to assist Elavon to commission, troubleshoot, and isolate faults in any locations. Elavon will not be liable for any delay in performing, or inability to perform, its duties under this Chapter to the extent caused by any failure by Company to perform the duties assigned to it or to provide such resources. Company will reimburse Elavon for the reasonable expenses Elavon incurs as a direct result of Company failing to meet such obligations.



5. **Fraud Prevention.** Company will take reasonable steps to reduce, detect and manage fraud. Company will appoint a representative available to Elavon or its vendors or subcontractors to promptly respond to any fraud-related matters.
6. **Title to Software.**
  - a. Company acknowledges that any Software and related updates Elavon supplies in connection with the Petroleum Services are subject to the proprietary rights of Elavon or its vendors (the “Licensors”). The Licensors will retain all right, title and interest in the Software, all copies, partial copies, compilations and translations of the Software, and underlying intellectual property.
  - b. Company will have no ownership interest or proprietary right in the Software, or any enhancements or derivative works, regardless of whether Company requests the development of or pays for such Software, enhancement, or derivative work. If Company pays for such Software, enhancement or derivative work, Company will have the right to use such Software, enhancement or derivative work to receive the Petroleum Services.
  - c. Company acknowledges that the Software constitutes trade secrets of the Licensors and that the Software is protected by copyright law. Company will use the Software and its related documentation for its internal use only and will not distribute, sell, assign, transfer, offer, disclose, reproduce, modify, lease or license the Software. Company will not use the Software to process the data of third parties or in a service bureau operation. Company will notify Elavon immediately of the unauthorized possession, use or knowledge of the Software.
  - d. Company agrees that its breach of this Section 6 will cause the Licensors irreparable harm.

#### COMPANY’S OBLIGATIONS FOR SMARTLINK SERVICES

1. **Internet Access.** “SmartLink Services” means Internet based operations for electronic payment processing using Equipment or Software, and including Software support and Equipment maintenance services. Prior to using SmartLink Services, Company must supply at its expense a high speed Internet connection (e.g., business class DSL or cable Internet or the equivalent). Company will make such high speed Internet connections available for SmartLink Services at all times. Elavon not be liable for such Internet services, and Company will be responsible for managing and repairing problems associated with Company’s own telecommunications and processing systems (both hardware and Software).
2. **Integration.** Company will cooperate with Elavon to integrate SmartLink Services at Company’s locations, including by reasonably assisting Elavon with interfacing the SmartLink Services with Elavon’s vendors and subcontractors. Company is responsible for properly installing the Equipment and Software and is responsible for providing suitable secure space, power, network connectivity and other services for the proper operation of the Equipment and Software, in each case at its expense.
3. **Included Maintenance.** In consideration for Company’s payment of the monthly access and maintenance fees set forth in the Agreement, Elavon will provide corrective maintenance for SmartLink Services.
4. **Excluded Maintenance.** Maintenance does not include the following services, unless specifically requested by and paid for by Company at Elavon’s then-current rates: maintenance, repair, or replacement of parts damaged or lost through catastrophe, accident, lightning, theft, misuse, fault or negligence of Company, or causes external to the Equipment or Software, including failure of, or faulty, electrical power or air conditioning, operator error, failure or malfunction of data communication Equipment or Software not provided to Company by Elavon, or from any cause other than intended and ordinary use; modifications or alterations to the Equipment or Software other than Elavon-approved upgrades and configuration; modifications or alterations to the Equipment or Software by anyone other

than Elavon; and deinstallation, relocation or removal of the Equipment or Software or any accessories, attachments, or other devices.

5. **Modifications.** Company is responsible for any alterations or modifications to the Equipment required to comply with any applicable Law.

#### VOYAGER CARD ACCEPTANCE

Company agrees to abide by all terms and conditions that apply to accepting Voyager® commercial fleet Cards and receiving payment, including the following:

1. Company will honor all valid Voyager® Cards for purchases under the terms and conditions of the Operating Guide and the Agreement.
2. Company is responsible for checking the expiration date and any printed restrictions for both electronic and manual Transactions. Company will electronically authorize all Transactions. If the POS Device authorization system malfunctions, Company will obtain an Authorization by calling the designated Voyager® phone number. If a sale is declined, the Voyager® Card will not be used to complete the sale.
3. At Customer-activated POS Devices, the sales draft will include truncated account number, sub number, truncated expiration date of the Voyager® Card, the Transaction date and time, type of fuel sold, the total sale price, Authorization number, as required, and odometer reading.
4. All cashier-assisted electronic sales drafts and credit vouchers will be completed to include POS Device print showing the Card account name encoded in the Magnetic Stripe (if point-of-sale function is applicable), truncated account number, sub number, truncated expiration date of the Card, the signature of the authorized user, the Transaction date and time, type of fuel sold, a description of the service rendered (if requested), odometer reading (as permitted by the electronic POS Device), total sale price, and the Authorization number.
5. Company will provide a copy of the sales draft or receipt and credit vouchers to the Voyager® Card Cardholder at the time of sale or return. Company will retain a copy of the sales draft for a period of six months from the date of purchase.
6. A Chargeback will be made for sales that are disputed for any reason, including (a) required Authorization was not obtained, (b) were for unauthorized merchandise, (c) were fraudulently made by an employee of Company, (d) the procedures for completing and handling sales drafts or receipts or credit vouchers were not followed, or (e) were in violation of printed instructions. Elavon will promptly notify Company of any Chargeback.
7. Company will maintain a fair policy for the exchange and return of merchandise. Company will promptly submit credits for any returns that are to be credited to the Voyager® Card Cardholder's account.
8. Fees for processing Voyager® Card will accrue daily and be collected by electronically debiting Company's DDA at the same time that processing fees for other Payment Devices are debited. If Company's bank rejects or returns Elavon's debit, Company remains liable for payment of Voyager® processing fees, Equipment and Software, along with any collection fees as specified in the Agreement.

#### WRIGHT EXPRESS CARD ACCEPTANCE

If Company has been approved to accept commercial fleet Payment Devices associated with Wright Express, Company agrees to enter into and accept such Payment Devices pursuant to a Wright Express Charge Card Acceptance Agreement. Company acknowledges that Elavon will only provide authorization or data capture

services, or both, for Wright Express, and Company will rely upon Wright Express for all other services, including settlement.

#### **PRIVATE LABEL CARD ACCEPTANCE**

If Company notifies Elavon and obtains Elavon's approval, and enters into and abides by an agreement with the issuer of a Payment Device designed for commercial fleet Transactions issued by party other than Voyager® or Wright Express (a "**Private Label Card**") for the acceptance of such Private Label Cards, then Company may accept such Private Label Card Transactions. Company agrees that Elavon will only provide authorization or data capture services, or both, for such Private Label Cards, and Company will rely upon the issuer of the Private Label Card for all other services, including settlement.

## CHAPTER 14.

# CONVENIENCE FEE AND GOVERNMENT/ PUBLIC INSTITUTION SERVICE FEE REQUIREMENTS

This Chapter describes the requirements applicable to the assessment of Convenience Fees by registered Companies and Government/Public Institution Service Fees (“GPISF”) available to government and public institution Companies operating in certain designated Merchant Category Codes (MCCs). Companies that elect to assess Convenience Fees or Government/Public Institution Service Fees will adhere to the requirements in this Chapter.

### TERMS APPLICABLE TO BOTH CONVENIENCE FEES AND GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES

- 1. Compliance with Laws and Payment Network Regulations.** Convenience Fees/GPISF may be prohibited by Laws in some States, and Company may not charge Convenience Fees/GPISF where prohibited by Laws. If an applicable government authority has passed legislation or regulation that imposes requirements regarding the assessment of a Convenience Fee/GPISF or other fees or charges as a component of Payment Device acceptance, such Laws will control if they conflict with Payment Network Regulations. If assessment of any Convenience Fee/GPISF or other fees or charges as a component of Payment Device acceptance is not required by Law, Company bears all responsibility associated with the assessment of such fees. As between Company and Elavon, Company remains responsible for all fines, penalties, assessments or charges assessed by the Payment Networks as a result of non-compliance with Laws or the Payment Network Regulations. Convenience Fees/GPISF may be prohibited by Laws in some States, and Company may not charge Convenience Fees/GPISF where prohibited by Laws.
- 2. POS Devices.** Company will ensure that its software, POS Devices and Payment Device acceptance procedures comply with Elavon’s instructions and Payment Network Regulations, including with respect to programming of software and POS Devices handling of eligible Transactions, for the proper assessment of Convenience Fees/GPISF and modification of the amount of Convenience Fees/GPISF charged upon request from Elavon. Company will also comply with all requirements provided by Elavon to appropriately process the eligible Transactions to qualify for optimal Interchange rates within five days of Elavon’s communication to Company of the same. If Company fails to make changes to its POS Devices or Payment Device acceptance procedures, or fails to adjust the amount of the Convenience Fee/GPISF charged per Transaction within five days of Elavon’s request Elavon may discontinue the program, or suspend a certain payment type, or bill Company for charges in excess of the Convenience Fee/GPISF to recover losses related to Transactions that did not qualify for optimal interchange rates or did not include the Convenience Fee/GPISF amount requested by Elavon.
- 3. Chargebacks.** Company remains responsible for all Chargebacks. Elavon will not refund to Company the amount of the Convenience Fee/GPISF in the event of a Chargeback.
- 4. Additional Processing Requirements.** If Company voids an underlying eligible transaction, the associated Convenience Fee/GPISF must be voided as well. If Company processes a refund for an underlying eligible transaction, Company will disclose to Customers that the associated Convenience Fee/GPISF is non-refundable. Company will be assigned separate MIDs for use in connection with eligible transactions and related Convenience Fees/GPISFs. Company will use MIDs assigned for use with eligible transactions or Convenience Fees/GPISFs only to process eligible transactions.
- 5. Company-Managed Convenience Fee/GPISF.** If Company is eligible to charge a Convenience Fee or GPISF, and has elected to manage such Convenience Fees or GPISF (with or without the use of a Service Provider), then Company will:

- a. Receive and retain the Convenience Fee/GPISF;
  - b. Pay standard per-transaction fees to Elavon for Convenience Fee/GPISF Transactions;
  - c. Not assess or adjust a Convenience Fee/GPISF unless Company has disclosed such fees to Elavon previously in writing and Company has been approved by Elavon to assess such fees. If Company completes a Transaction and assesses a Convenience Fee/GPISF without having disclosed such fee previously in writing and obtained Elavon's consent, Company will be in breach of the Agreement and Elavon may terminate the Agreement in addition to any other remedies available under the Agreement, Laws, and Payment Network Regulations.
  - d. Make conspicuously available to the Customer appropriate terms and conditions regarding the Convenience Fee/GPISF that are in line with industry standards and comply with applicable Law.
6. **Elavon-Managed GPISF.** If Company is eligible to charge a GPISF and has elected to have Elavon manage the GPISF, then:
- a. Elavon will assess the GPISF as determined by Elavon, Elavon will retain the GPISF as payment for the processing of the Transactions, and Company will have no right, title or interest in such amounts, including if the underlying Transaction is subject to Chargeback.
  - b. Elavon may adjust the GPISF from time to time as necessary to accommodate changes in Payment Network fees (including interchange), material changes in average ticket size or monthly Transaction volume, interchange classification or downgrades, Chargeback rates, Payment Devices accepted or payment channels offered by Company, or if at any time the GPISF does not cover Elavon's costs for the Transactions processed by Company.
  - c. Elavon may immediately terminate the GPISF Services if Company's Chargeback rates materially exceed industry averages or if Company's GPISF program presents a financial risk to Elavon.
7. **Partner-Managed Convenience Fee/GPISF.** If Company is eligible to charge Convenience Fees or GPISF and has elected to have a Sales Partner manage the Convenience Fees/GPISF, then:
- a. Company will assess the Convenience Fee/GPISF set by the Sales Partner, and Elavon will retain the Convenience Fee/GPISF as payment for the processing of the Transactions and will remit a portion of the fee to the Sales Partner. Company will have no right, title or interest in such amounts, including if the underlying Transaction is subject to Chargeback.
  - b. The Sales Partner may request that Elavon adjust the Convenience Fee/GPISF from time to time as necessary to accommodate changes in Payment Network fees (including interchange), material changes in average ticket size or monthly Transaction volume, interchange classification or downgrades, Chargeback rates, Payment Devices accepted or payment channels offered by Company, or if at any time the Convenience Fee/GPISF does not cover the costs for the Transactions processed by Company.
  - c. Elavon may immediately terminate the Convenience Fee/GPISF Services if Company's Chargeback rates materially exceed industry averages or if Company's Convenience Fee/GPISF program presents a financial risk to Elavon or the Sales Partner.

**"Sales Partner"** means a registered third party sales organization selling Elavon services. For clarification, a Sales Partner is not a third-party contractor of Elavon, and Elavon assumes no responsibility or liability for the acts of any Sales Partner.

## CONVENIENCE FEES

### Convenience Fee Requirements

Companies who accept both Visa and Mastercard Credit Cards or Debit Cards and desire to assess a Convenience Fee must comply with each of the following requirements:

- Company must provide a true “convenience” in the form of an alternative payment channel outside Company’s customary face-to-face payment channels, and the Convenience Fee must be disclosed to the Customer as a charge for the alternative payment channel convenience that is provided. (Companies that do not accept face-to-face payments are not eligible to assess Convenience Fees.)
- A Convenience Fee cannot be assessed for recurring payments. The Convenience Fee is designed for one-time payments and not for payments in which a Customer authorizes recurring charges or debits for recurring goods or services. Examples of recurring charges include insurance premiums, subscriptions, internet service provider monthly fees, membership fees, and utility charges.
- The Convenience Fee must be disclosed prior to the completion of the Transaction, and the Customer must be given the option to cancel the Transaction if they do not want to pay the fee.
- The Convenience Fee must be (i) included in the total amount of the Transaction (it cannot be “split” out from the Transaction amount), and (ii) assessed by the same Company actually providing the goods and services and not by a different merchant or any third party.
- If a Convenience Fee is assessed, it must be for all payment types (Visa, Mastercard, Discover, American Express and ACH) within a particular payment channel (mail order, telephone order, or internet).
- The Convenience Fee must be flat regardless of the value of the payment due (not tiered or percentage based), except that an ad valorem amount is allowed where Company’s pricing is subject to regulatory controls that make a flat fee infeasible.

If Visa is not among the types of Credit Cards or Debit Cards accepted by Company, then the Convenience Fee may be:

- Charged in face-to-face Transactions;
- Tiered, percentage based, or flat;
- Authorized and settled separately from the primary transaction; and
- Assessed by Company’s third-party agents.

## GOVERNMENT/PUBLIC INSTITUTION SERVICE FEES

The following provisions apply to such Eligible Transactions and the related GPISF charged.

1. **Definition of Government/Public Institution Service Fee.** A Government/Public Institution Service Fee, or “GPISF,” is the fee charged by Elavon or Company, at Company’s election, to Customers conducting Eligible Transactions (defined below) where Company is operating in an eligible MCC. GPISFs include fees referred to as a “service fee”, where the fee is processed as a separate Transaction from the underlying purchase or payment Transaction.
2. **Requirements for GPISFs.** If Company accepts both Visa and Mastercard-branded Credit Cards or signature Debit Cards for Eligible Transactions, Company will comply with the most restrictive of these Payment Network requirements for all Transactions so as not to discriminate among different Payment Devices or Payment Networks. Company may assess or have Elavon assess a GPISF to Transactions

involving Discover Network Payment Devices on the same terms as GPISFs are assessed to the other Payment Devices Company accepts.

- a. **Eligible Transactions.** Eligible Companies (as defined in (b) and (c) below) may charge or have Elavon charge a GPISF only in connection with the following transactions (“**Eligible Transactions**”):
  - i. Payments to elementary and secondary schools for tuition and related fees, and school-maintained room and board;
  - ii. Payments to colleges, universities, professional schools, junior colleges, business schools and trade schools for tuition and related fees, and school-maintained room and board;
  - iii. Payments to federal courts of law that administer and process court fees, alimony and child support payments;
  - iv. Payments to government entities that administer and process local, state and federal fines;
  - v. Payments to local, state and federal entities that engage in financial administration and taxation; or
  - vi. Payments to Companies that provide general support services for the government.
- b. **Companies Accepting Visa Cards for Eligible Transactions.** The following requirements apply if Company accepts Visa Credit Cards or Visa signature Debit Cards and wants to charge or to have Elavon charge a GPISF.
  - i. **Eligible Companies.** Companies operating in MCCs 8211 (Elementary and Secondary Schools), 8220 (College Tuition), 8244 (Business and Secretarial Schools), 8249 (Trade Schools), 9211 (Court Costs), 9222 (Fines), 9311 (Tax) and 9399 (Miscellaneous Government Services) are eligible to charge or to have Elavon charge a GPISF to Customers in connection with Eligible Transactions listed in Section (2)(b)(ii) below.
  - ii. **Transaction Requirements.** The following requirements apply to Eligible Transactions under this Section (2)(b):
    - (1) Company must provide Elavon with the necessary documentation to facilitate Elavon’s registration of Company in the “Government and Higher Education Payment Program” as applicable within the Payment Network Regulations.
    - (2) The GPISF must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the GPISF.
    - (3) Company may not also assess a separate Convenience Fee or U.S. Credit Card Surcharge (as such terms are defined in Visa’s Payment Network Regulations).
    - (4) The GPISF must be disclosed as a fee assessed by Company or Elavon.
    - (5) Companies accepting Visa cards for Eligible Transactions must include the words “Service Fee” in the “Company name” field of the Visa Transaction clearing record for the collection of the GPISF.
    - (6) Company must accept Visa as a means of payment in all channels (i.e., face-to-face, mail/telephone, and Internet environments, as applicable).
- c. **Companies Accepting Mastercard Cards for Eligible Transactions.** The following requirements apply if Company accepts Mastercard Credit Cards or signature Debit Cards and wants to charge or to have Elavon charge a GPISF.

- i. **Eligible Companies.** Companies operating in MCCs 8211 (Elementary Schools), 8220 (Colleges/Universities), 8299 (Miscellaneous School and Education Services), 9211 (Courts), 9222 (Fines), 9223 (Bail and Bonds), 9311 (Taxes), 9399 (Miscellaneous Government Services) and 9402 (Government Postal Services) are eligible to charge or to have Elavon charge a GPISF to Customers in connection with Eligible Transactions listed in Section (2)(c)(ii) below.
  - ii. **Transaction Requirements.** The following requirements apply to Eligible Transactions under this Section (2)(c).
    - (1) The GPISF must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the GPISF.
    - (2) The GPISF structure may be set as a tiered, percentage, or a flat fee. This fee would not have to be assessed for payments made by ACH, cash, check or PIN-based Debit Card.
    - (3) The GPISF for Mastercard consumer Credit Cards can be different than the GPISF for Mastercard commercial Credit Cards. Similar product types among the various Payment Networks should be assessed equal fees as to not disadvantage one Payment Network over the other.
    - (4) The GPISF must not be advertised or otherwise communicated as an offset to the Company discount rate.
    - (5) Merchant may use a two transaction processing model or a one transaction processing model.
3. **Service Provider.** If Company is permitted by the Payment Network Regulations to use a Service Provider to manage and assess Company's GPISF, the "Company name" field of the Transaction clearing record must include the Service Provider's name rather than Company's name. The Service Provider must be clearly identified to the Cardholder as the entity that is assessing the GPISF.
4. **Payment and Transaction Types Supported.** GPISF capability for Credit Cards and signature Debit Cards depends on Company's MCC and the Payment Network Regulations of the applicable Payment Network. Not all payment and transaction types are supported for all products. Company's proprietary software, POS Devices, or Service Providers must be certified to process Elavon-managed GPISF Transactions. Closed network prepaid cards, electronic benefits transfer, and dynamic currency conversion are not supported for GPISF processing.



## CHAPTER 15.

# GATEWAY SERVICES

This Chapter describes the Gateway Services available to Companies. Companies that use the Gateway Services will adhere to the requirements set forth in this Chapter.

### GATEWAY SERVICES AND FUNCTIONALITY

The following Services are the “**Gateway Services:**”

#### 1. **General.**

- a. The Gateway Services will support Payment Device authorization data and facilitate the transmission of authorization and settlement information related to Transactions to and from various Origination Points (e.g., POS Devices or other integrations) used by Company. A list of Payment Devices and Transaction types supported by the Gateway Services is available from Elavon upon request. Company must obtain and maintain certification from Elavon, as set forth in this Chapter, with respect to each supported Payment Device that Company wants to accept.
- b. The Gateway Services include a browser-based user interface operated by Elavon and located at the URL designated by Elavon (the “**Service Web Site**”), that provides Company with the functionality for Batch management, settlement balancing, and research and reporting of Transactions. System reporting will be available to all Authorized Users via secure password and log-on access. The Service Web Site application features and services available to Company vary depending on the Gateway Services used by Company.
- c. The Gateway Services will submit Transactions received from an Origination Point in accordance with this Chapter for authorization to the Destination Point designated by Company, and will return to the Origination Point the authorization response message received from such Destination Point.

#### 2. **Settlement Functions.**

- a. The Gateway Services will facilitate the following settlement functions in connection with Transactions:
  - i. Upon Elavon’s receipt through the Gateway Services of a settlement file from Company, the Gateway Services will initiate the transfer of the settlement file to the designated Destination Points for Company’s Transactions. Company understands that Elavon receives the settlement file from Company as-is for transmission to the designated Destination Points and Company hereby agrees that Elavon will not be responsible for the content or accuracy of the settlement file Company provides except that Elavon will accurately communicate the settlement file to the Destination Points as received from Company. In no event will Elavon be responsible for the content or accuracy of Transactions received from Company, and Elavon will not be responsible for the actions or inactions of the designated Destination Points regarding processing the settlement file or any Transactions.
  - ii. Within one business day of receiving written notice from Company of a Transaction settlement discrepancy (which notice must include details of the asserted discrepancy), Elavon will initiate an investigation, make a preliminary assessment of the situation and recommend a plan for resolution to Company to resolve the discrepancy.

- b. Company is responsible for reconciling settlement on a daily basis to ensure proper transmission and deposit of funds. If Company discovers a discrepancy in Transaction settlement Batch amounts, interchange rates, late fees or any other element during Company's daily reconciliation process, Company must notify Elavon in writing (via email to [gatewaysupport@Elavon.com](mailto:gatewaysupport@Elavon.com)) and provide supporting detail within two business days of the expected funding of the affected settlement file. Elavon will not be responsible for any damages, costs, claims, fees, fines or penalties suffered by Company, even if resulting from errors caused by the Gateway Services, if Company does not satisfy the obligations contained in this Chapter. If Company is enabled for Store and Forward Transactions, the terms of Chapter 10, *Stand-In/Store and Forward Transactions*, will apply.

## GATEWAY SERVICES GENERAL TERMS AND CONDITIONS

The following terms and conditions apply to the Gateway Services:

### 1. Gateway Services and Hosted System.

- a. **Company Access to and Use of Gateway Services and Hosted System.** Elavon grants Company the right to access and use the Hosted System and Gateway Services as provided in this Chapter. Specifically, subject to the terms, conditions and limitations set forth in this Chapter, Elavon grants Company a limited, revocable, non-exclusive, non-assignable, non-transferable right in the Territory, as applicable, during the term to
  - i. use the Gateway Services to exchange information with the Hosted System, and
  - ii. access and use the Service Web Site solely for Company's own internal business purposes in accordance with the terms and conditions of this Chapter.All such access and use of the Gateway Services and the Hosted System will be from systems and facilities located within Territory, as applicable.
- b. **Elavon Certification.** In order to provide Gateway Services with respect to a certain Destination Point, Elavon must be certified with that Destination Point for the applicable Gateway Services and Transactions requested by Company. Company acknowledges that
  - i. all Gateway Services may not be available for all Destination Points, and
  - ii. Elavon may not be certified with, or remain certified with, each Destination Point in order to provide the Gateway Services in connection with or to submit Transactions to that Destination Point.
- c. **Updates.** Elavon may provide Updates to the Gateway Services, the Hosted System and applicable Elavon materials from time to time. Any such Update will be provided to Company at no additional cost, provided that such Update is provided to other Elavon merchants generally at no additional cost.
- d. **Hosting Facilities.** As further described herein, Elavon will:
  - i. host the Gateway Services and "**Gateway Data**" (all Cardholder Data and Transaction Information provided to Elavon by or on behalf of Company in order for Elavon to provide the Gateway Services) at a facility operated by or on behalf of Elavon;
  - ii. maintain the operation, communications infrastructure, and security of such facility in accordance with this Chapter; and
  - iii. provide access to and use of the Gateway Services and Gateway Data by Company under the terms of this Chapter.

- e. **Settlement Funds.** Elavon has no responsibility for Company's receipt of settlement funds in connection with any Transaction pursuant to this Chapter, whether or not the Transaction or other data in connection with such Transaction was transmitted through the Gateway Services. It is Company responsibility to reconcile funds received in settlement of Transactions against actual Transaction activity, including any Transaction Receipts transmitted using the Gateway Services. Further, Elavon has no responsibility under this Chapter for the characterization or classification of any Transaction by any Transaction Processor or Payment Services Entity for interchange or other fee purposes.
- f. **Monitoring.** Company acknowledges and agrees that the Gateway Services may allow Elavon to monitor access to the Gateway Services and Hosted System and to prohibit any access or use of data or information within the Gateway Services and Hosted System that Elavon reasonably believes is unauthorized, may violate Law or Payment Network Regulations or that may pose an unacceptable risk of material harm to Elavon, other Elavon Companies or the Hosted System. Elavon has no obligation to detect or prevent, and will not be liable for failing to detect or prevent, any unauthorized access to or use of the Gateway Services using any password or user ID assigned to or by Company.
- g. **Company Location Set-up and Boarding.** Company will cooperate with Elavon in relation to Company boarding and validation process. If Elavon requires information from third parties that interact with Company to complete the boarding or validation process, Company will provide or cause such third parties to provide to Elavon all such information (including specifications and data) so that Elavon may confirm that the Hosted System and each Company location and Origination Point are configured to make use of the applicable Services and to process Transactions through the Hosted System. Elavon is entitled to rely on the information provided by Company in connection with Elavon's set-up and boarding of a Company location and Origination Point in the Hosted System and in Elavon's performance of the Gateway Services, including identification and set-up of Destination Points, Payment Services Entities, Company ID, Company category code, and any other information that may impact the Gateway Services or the processing of Transactions by Elavon or any Payment Services Entity. Company will notify Elavon of any changes to any Company location information, including any Company ID, in writing at least ten (10) days prior to the effective date of such changes and will identify in the notice the date as of which Elavon should implement the change within the Hosted System. Elavon will use commercially reasonable efforts to implement any such changes in accordance with Company's reasonable instructions. In no event will Elavon be liable for any errors in the handling of Gateway Data, the processing of Transactions or in the performance of the Gateway Services that are attributable to (i) inaccurate or incomplete information or data provided by Company or (ii) Elavon's reliance upon Company's instructions with respect to Company boarding and validation.
- h. **Demand Deposit Account.** Unless otherwise indicated in the Agreement, Elavon may debit any fees Company owes to Elavon via ACH or similar direct transfer from Company's DDA within 30 days of the occurrence of the Transaction or other event that caused such fees to be payable to Elavon, and Elavon will submit a statement showing the amounts owed and debited within 30 days of debiting any DDA. If invoicing is indicated in a schedule or addendum to the Agreement, instead of direct debiting of DDAs when fees are owed, Elavon will submit to Company an invoice for such fees owed by Company in connection with the Agreement on a monthly basis. Company will pay amounts reflected in such invoices within the time period set forth in the applicable schedule or the invoice.
- i. **Conflict of Provisions.** The provisions of this Chapter will govern and prevail as to any purchase orders, statements of work or order forms signed in connection with this Chapter regardless of when signed.

## 2. Company Resources.

- a. **Access to Gateway Services and Connectivity.** Company is responsible for implementing and maintaining Company's access to the Gateway Services, including with respect to all Company Connectivity Software, in accordance with Elavon's specifications and requirements. "**Company Connectivity Software**" means any software provided by or on behalf of Company, whether integrated at Company's or a third party hosting or service provider's operating environment, and the associated interfaces and data collection routines implemented by or on behalf of Company to access and use the Gateway Services, including plug-ins, agents, and operating system components. Company is responsible for the physical and technical security and safeguards of Company resources. If Company is using a third party provider to host any of its equipment, resources or software necessary to access or interface with the Hosted System, or if Company will access the Gateway Services or transmit data to the Hosted System through a third party hosting provider, Company will be responsible for compliance by that third party hosting provider with the terms and conditions of this Chapter and for the acts and omissions of that third party hosting provider.
- b. **Gateway Data; Retention and Delivery.**
  - i. Elavon will not be liable for Company's use of Company's or a third party's telecommunications services and related networks, or for any connectivity failure, erroneous transmission, corruption or loss of data, or inability to access the Gateway Services or the Hosted System, resulting from Company's or a third party's telecommunications systems, equipment, resources, or software.
  - ii. The Gateway Services rely on the data and directions provided by Company and its Authorized Users. Elavon is not responsible for ensuring or verifying the accuracy of the content or format of any Gateway Data it receives, and Elavon does not guarantee the accuracy, completeness or adequacy of any Gateway Data or other information provided or made available by Company or its Authorized Users. Elavon will not be liable for any error, omission, defect, deficiency, or nonconformity in data or results obtained through Company's use of the Gateway Services, except to the extent caused by Elavon's breach of this Chapter.
  - iii. Elavon may rely on instructions and approvals submitted by Company regarding access to and use of Gateway Data. The Gateway Services enable Company (and its Authorized Users) to view and transmit certain Gateway Data via the Service Web Site. If Company wants to access or receive Gateway Data that is not accessible or downloadable via the Service Web Site, Company may request that Elavon provide such Gateway Data and Elavon will work with Company to provide such Gateway Data on mutually agreed upon terms, but Elavon will provide access to clear-text Cardholder Data only upon Company's execution of a completed clear card request form, which is available from Elavon upon request. Following the expiration or the termination of this Chapter, if Company wants to access or receive copies of Gateway Data stored by Elavon, Company will be required to (a) enter into a data access agreement to be separately executed by the parties and (b) pay any fees imposed by Elavon in connection with such access.
  - iv. Subject to Elavon's obligations under this Chapter, Elavon will not be responsible for any Gateway Data that Company accesses or downloads from the Hosted System. Company will be responsible for maintaining "backups" of information and data (e.g., Transaction Receipts or detailed reporting) as Company deems necessary in order to permit Company to reconstruct any information or data lost due to any malfunction of Company's or Elavon's systems, including the Gateway Services or the Hosted System.
  - v. The Gateway Services or the Hosted System may permit Authorized Users to send and receive Gateway Data to and from third parties in connection with the viewing and transmission of Gateway Data pursuant to this Chapter. Elavon is not obligated to

regulate or track the viewing, transmittal or receipt of any data to or by such third parties and will not be liable or responsible for

- (1) the viewing or use of Gateway Data by a third party who has accessed or received such data (a) from Company or any Authorized User, or (b) using any user ID assigned to Company; or
- (2) Any transmission of Gateway Data outside of the Hosted System by Company, an Authorized User or any third party using any user ID assigned to Company or any Authorized User.

By transmitting any data to any third party or providing any third party with access to data, Company warrants that it has the right and authority to transmit or provide access to that data to each such third party.

3. **Confidential Information.** Irrespective of the confidentiality obligations set forth in the Agreement, Elavon will not be responsible for the confidentiality obligations of, or the maintenance of confidentiality of any information by, any Payment Services Entity (other than Elavon) or any other third party to whom Elavon may transmit information at the direction of Customer or as part of performing the Gateway Services.
4. **Effect of Termination or Expiration.** If the Gateway Services terminate or expire, all permissions granted to Company to use the Gateway Services will immediately cease, and Elavon may disable connectivity and all access by Company and Authorized Users to the Gateway Services, the Service Web Site(s) and the Hosted System, including all user IDs and passwords. Company will promptly pay Elavon all fees due to Elavon up to the effective date of termination or expiration. If Company continues accessing the Hosted System or using the Gateway Services following the expiration or the termination of this Chapter, Company will be subject to all of its duties and obligations under this Chapter consistent with such access or use, including Company's obligation to comply with Law and Payment Network Regulations and pay the fees and other amounts due to Elavon for such access and use, until Elavon or Company terminates such access and use.

## CHAPTER 16.

# CONVERGE SERVICES

This Chapter describes certain services that are available to Companies that have been approved by Elavon for Converge Services, including Converge Tokenization Services if selected by Company. “**Converge Services**” means the payment acceptance and processing services (whether for Card Present or Card Not Present) enabled through Elavon’s Converge omni-channel commerce platform (the “**Converge Platform**”). Companies that use Converge Services will adhere to the requirements set forth in this Chapter.

### USE OF CONVERGE SERVICES

Elavon provides access the Converge Platform to Company under the terms and conditions of the Converge Terms of Use, which may be updated from time to time and which are incorporated by reference into the Operating Guide.

BY ACCESSING THE CONVERGE PLATFORM, COMPANY AGREES TO BE BOUND BY ALL OF THE TERMS AND CONDITIONS OF THE CONVERGE TERMS OF USE. IF COMPANY DOES NOT ACCEPT THE TERMS OF USE, COMPANY MAY NOT USE THE CONVERGE PLATFORM.

Depending on the desired implementation, Company may access the Converge Platform through multiple integration methods (e.g., full gateway integration/API, via a virtual terminal, via the Converge Platform mobile application (the “**Converge Application**”). Company’s use of the Converge Application is subject to the Converge Terms of Use and the End User License Agreement for the Converge Application, which is available on the Converge Application.

In connection with the Converge Services, Company is responsible for:

- Compliance with the Developer Guide to the Converge Services, which is available at <http://www.convergepay.com>, as the same may be updated by Elavon from time to time.
- All content, design and development of any Customer-facing payments website or interface, except to the extent such content, design and development is exclusively controlled by Elavon as set forth in the Developer Guide to the Converge Services.
- Configuring the Converge interface in accordance with the Developer Guide to the Converge Services.

### ADDITIONAL TERMS APPLICABLE TO CONVERGE SERVICES

1. **License Grant.** Subject to paragraph 2 below, Elavon grants to Company a nonexclusive, nontransferable license (without a right of sublicense) to access and use, as applicable, the Converge Platform (including APIs and software, the Converge Application, and documentation), exclusively for Company’s internal business use to receive the Converge Services.
2. **Converge Services Restrictions.** Company will not, and will ensure that its employees, agents, contractors, and vendors do not:
  - a. copy (other than maintaining one backup or archival copy for Company’s internal business use only), re-sell, republish, download, frame or transmit in any form or by any means the Converge Platform, or any part thereof;

- b. rent, lease, subcontract, operate or otherwise grant access to, or use for the benefit of, any third party, the Converge Platform;
  - c. decompile, disassemble, reverse engineer or translate the Converge Platform;
  - d. change, modify, alter or make derivative works of the Converge Platform;
  - e. without Elavon's prior written consent, grant any third party access to the computers, hardware, system or equipment on which the Converge Platform or the Converge Services are accessible;
  - f. attempt to interfere with or disrupt the Converge Platform or attempt to gain access to any other services, hardware or networks owned, maintained or operated by Elavon or its suppliers;
  - g. disclose any passwords or other security or authentication device with respect to the Converge Platform to any person other than the person to whom it was issued;
  - h. remove, conceal or alter any identification, copyright or other proprietary rights notices or labels on the Converge Platform;
  - i. directly or indirectly, ship, export or re-export the Converge Platform;
  - j. directly or indirectly resell or re-offer the Converge Services; or
  - k. act as a gateway through which a third party may gain access to the Converge Platform or the Converge Services.
3. **Implementation.** Company will pay for any preparation of its facilities necessary for it to access the Converge Platform and use the Converge Services in connection with this Chapter.
4. **Ownership.** The Converge Platform, Elavon's Internet websites, and any related intellectual property will remain the exclusive property of Elavon or its licensors, as applicable. Company has no right in or license grant to any source code contained in or related to the Converge Platform. As between Elavon and Company, Elavon or its licensors, as applicable, will retain all rights, title and interest in the Converge Platform and the intellectual property. Any information obtained or works created in violation of this Chapter will be both the intellectual property and the Confidential Information of Elavon or its licensors, as applicable, and will automatically and irrevocably be deemed to be assigned to and owned by Elavon or its licensors, as applicable.
5. **Use by Third Parties.** Company may allow one or more third party service providers/developers to access the Converge Platform and use the Converge Services, but only for Company's benefit and in connection with Company's internal business operations and activities, including access to the Converge Platform and use of the Converge Services from backup equipment at a secure off-site backup location and for testing purposes, subject to the restrictions of this Chapter and provided such third parties have agreed to be bound by the licensing terms and restrictions of this Chapter.
6. **Upgrades.** Elavon will make available to Company any updates, upgrades or modifications to the Converge Platform that Elavon generally makes available to its other customers, and each such update, upgrade or modification will be deemed to be part of the Converge Services and will be governed by the terms of this Chapter. If Company action is needed to facilitate an upgrade, Company will promptly take such action.
7. **Customer E-mails/Phone Numbers.** If Elavon makes Customer e-mail addresses or wireless phone numbers obtained through the use of the Converge Services available to Company, then Company will, with respect to the use of such information, comply with (and Company understands that the collection, use and disclosure of Customer email addresses and phone numbers is regulated and that Company's access to such addresses or numbers is subject to Company agreeing to comply with) all applicable (a) privacy laws, including by publishing a privacy policy that accurately reflects Company's data collection,

use, and sharing practices, and (b) anti-spam laws, including TCPA and CAN-SPAM in the United States and CASL in Canada.

8. **Billing and Invoicing.** Company is responsible for ensuring that the quotes and invoices it produces through the use of the Converge billing & invoicing functionality comply with applicable Laws and are sufficient to fulfill Company's business needs. Company acknowledges that Elavon has no responsibility or liability to Company or Customers regarding such quotes or invoices, including with respect to compliance with Laws. Elavon does not provide legal advice with respect to compliance with Laws, and Company should consult its own legal counsel if it has questions regarding compliance..

## TERMS APPLICABLE TO CONVERGE TOKENIZATION SERVICES

### Converge Tokenization Services.

The Converge Tokenization Services consist of a tokenization feature pursuant to which Elavon will provide Company with randomized surrogate identifiers (each, a **"Token"**) in substitution for the account numbers associated with certain types of cards and other payment devices as further specified in the Converge Developers Guide, as the same may be updated by Elavon from time to time (each such number, a **"Card Account Number"**; such services, the **"Converge Tokenization Services"**). More specifically, when a Card Account Number associated with a Transaction is transmitted from Company to Elavon through the Converge Services, Elavon will:

- generate a Converge Token;
- associate the Converge Token with the Card Account Number; and
- send the Converge Token, instead of the Card Account Number, back to Company in the Transaction authorization response message.

As long as Company elects to purchase the Converge Tokenization Services, the Converge Token, rather than the associated Card Account Number, may be submitted by Company to Elavon through the Converge Services to process additional Transactions to the Credit Card or Signature Debit Card associated with such Converge Token across all Company locations. The Card Account Number associated with each Converge Token generated by Elavon can be retrieved by Elavon, on Company's written request, until the date that is three years after the expiration or termination of the Converge Tokenization Services, provided that the retrieval of Card Account Numbers after the expiration or termination of this Chapter will be subject to additional terms and conditions and at an additional cost to Company. Company acknowledges that the Converge Tokens will be formatted in Elavon's reasonable discretion and may not be compatible with other Company software and systems.



## CHAPTER 17.

# SAFE-T INSTANT TOKENIZATION™ SERVICES

This Chapter describes Elavon's card-not-present tokenization solution for back office payment processing and e-commerce environments (the "Instant Tokenization Services") available to Companies. Companies that use the Instant Tokenization Services will adhere to the requirements set forth in this Chapter.

1. **Tokenization.** To facilitate a pre-authorization tokenization request, Elavon will provide three options for Company to implement Instant Tokenization into Company's payment process – (1) a Elavon-generated pop-up window (for use with Company's point-of-sale or property management system software application), (2) iFrame (for use with Company's point-of-sale or property management system browser-based application), or (3) Customer's browser-based payment form field. By way of the API, Elavon will provide Company with randomized surrogate identifiers (each, a "Token") in substitution for Credit Card and Debit Card account numbers (each such number, a "Card Account Number"). More specifically, when a Card Account Number is captured via one of the implementation methods noted above, and transmitted to Elavon, Elavon will:
  - a. generate a Token;
  - b. associate the Token with the Card Account Number; and
  - c. send the Token, instead of the Card Account Number, back to Company for inclusion in the Transaction authorization request.

The Token, rather than the associated Card Account Number, may be submitted by Company to Elavon to process additional Transactions to the Credit Card or Debit Card associated with such Token across all Company locations. The Card Account Number associated with each Token generated by Elavon can be retrieved by Elavon, on Company's written request, until the date that is three years after the expiration or termination of the Agreement, provided that the retrieval of Card Account Numbers after the expiration or termination of the Agreement will be subject to additional terms and conditions and at an additional cost to Company. Company acknowledges that the Tokens will be formatted in Elavon's reasonable discretion and may not be compatible with other Company software and systems.

2. **De-Tokenization.** Company may request a reversal of the Tokenization process as follows:
  - a. To reverse the Tokenization process on an individual Token basis, Company may access an Elavon web portal and, with appropriate authentication credentials, retrieve the Card Account Number associated with any Token.
  - b. To reverse the Tokenization process on a bulk basis (i.e., in excess of 100 Tokens at a time), an officer of Company must make a request in writing to Elavon and provide Elavon with the Tokens for which Company wishes to reverse the Tokenization process. Elavon will provide Company's requesting officer with an encrypted file containing the Card Account Numbers associated with such Tokens within 30 days of receiving the request. Company acknowledges and agrees that additional terms and conditions may apply to reversal of Tokenization on a bulk basis.
3. **Company Responsibilities and Acknowledgements.**
  - a. Elavon does not store Credit Card or Debit Card expiration dates. In order to use a Token to process a Transaction, Company must provide the Token (in lieu of a Card Account Number) together with the expiration date for the original Credit Card or Debit Card.

- b. Company is responsible for properly integrating in accordance with the Documentation and maintaining its software and systems for use with the Instant Tokenization Services.
- c. Company has sole responsibility for the legality, integrity, accuracy and quality of the data inputted by Company or its Customers in the use of the Instant Tokenization Services.
- d. Elavon does not in any way guarantee the valid or non-fraudulent use of any payment method for the purchase of goods or services or of any of the Instant Tokenization Services by Customers. Fraudulent or invalid use of a payment method cannot be exhaustively checked for and, without prejudice to the other terms of this Schedule, Elavon expressly disclaims and excludes any liability for invalid or fraudulent use of any payment method.

4. **Use of API.**

- a. Subject to the terms of this Schedule, Elavon hereby grants Company the non-exclusive rights to use, copy, modify, or merge, copies of the applicable application programming interface (“API”), and to permit persons to whom the API is furnished to do so.
- b. Company acknowledges that Elavon will only be able to provide Instant Tokenization Services to Company and that Company will only be able to access the functionality relevant to the Instant Tokenization Services if Company (i) properly uses the API to integrate and maintain integration of Company’s software and systems into the Elavon system in accordance with the Documentation; and (ii) does not alter, modify, translate, adapt, decompile, disassemble or reverse engineer the API so as to affect or in any way prejudice the functionality of the API.
- c. Company will include in all copies and portions of the API that Company makes available to third parties the permission and copyright notice incorporated into such API from time to time, and Company will not remove or alter in any way whatsoever any copyright notice or acknowledgements appearing on the API from time to time.

## CHAPTER 18.

# ELECTRONIC GIFT CARD (EGC) SERVICES

This Chapter describes certain services that are available to Companies that have been approved by Elavon for Electronic Gift Card Services. Companies that process Electronic Gift Card Transactions will adhere to the requirements set forth in this Chapter.

### EGC PROCESSING SERVICES

#### 1. **General Obligations.**

- a. Company will comply with all Laws applicable to the issuance, sale, distribution, use, or acceptance of Electronic Gift Cards (including all Laws relating to purchase, service and dormancy fees, Laws relating to expiration dates, Laws governing the treatment of unused or unclaimed funds or other property, Laws relating to money transmission, and Laws relating to consumer protection), specifically including the Prepaid Access Rule (31 CFR Parts 1010 and 1022) and all other rules promulgated and guidelines published by the Financial Crimes Enforcement Network division of the United States Department of the Treasury. Elavon does not provide legal advice with respect to compliance with Laws, and Company should consult its own legal counsel if it has questions regarding compliance. Companies located in jurisdictions that do not allow service fees (e.g., Arizona, New York) will not charge a service fee with respect to Electronic Gift Cards.
- b. Company will establish procedures to verify the identity of a person who purchase Electronic Gift Cards worth \$10,000 or more during any one day and obtain identifying information concerning such a person, including name, date of birth, address, and identification number. Company must retain such identifying information for five years from the date of the sale of the Electronic Gift Cards.
- c. Until EGC Cardholder Data and Transaction Information have been received and validated by Elavon, Company will maintain enough “backup” information and data (e.g. Transaction Receipts or detailed reporting) with respect to Electronic Gift Cards sold to reconstruct any information or data loss due to a system malfunction or transmission error.
- d. Elavon must participate in all Electronic Gift Card Transactions. If a third party must also participate in such a Transaction, Company will use an Elavon-approved third party.
- e. All Electronic Gift Cards must be printed by Elavon or an Elavon-approved third party.
- f. Company is responsible for all card production and delivery costs.

2. **Direct Settlement.** Company authorizes Elavon to initiate credit and debit entries among Company’s individual chain locations for any transactions that change the balance of an Electronic Gift Card. If Elavon cannot accomplish a credit or debit entry to reflect the effect of a Transaction, Company authorizes Elavon to credit or debit (as applicable) the designated Master Account or Primary Company. Elavon may offset any debits against the related credit Transactions of the applicable chain or Company location. Company will notify Elavon in writing of any asserted errors within 45 days of the statement date on which the asserted error first appeared and understands that any failure to do so will preclude further claims or assertion of the error. Company will pay (or will cause its individual chain locations to pay) related direct settlement fees.

3. **Loss, Theft, and Fraud.** Elavon is not responsible for lost, stolen or fraudulent Electronic Gift Cards.

4. **Additional Locations.** Locations added to this processing relationship will be boarded on Elavon’s system according to the paperwork submitted by Company to Elavon. If Company submits paperwork reflecting

an error or omission of fees payable by Company, the Services fees and other monthly fees applied to the locations during the initial set up or subsequent negotiations will be applied to such locations.

5. **Closing Locations.** If a location closes or changes its Merchant Identification Number (MID), Elavon may bill the Primary Company for any fees associated with subsequent Transactions processed on Electronic Gift Cards activated by the closed MID, including system generated transactions, such as deduction and points conversion transactions. Elavon may also bill to the Primary Company any monthly fees billed for Loyalty Cards or members activated at the closed location.
6. **Post Termination.** Following termination of the Electronic Gift Card Services, Company will pay Elavon a transfer fee based on, among other things, the number of issued Electronic Gift Cards that must be converted to another processor and the data specifications required by Company or such other processor.
7. **Additional Fees.** Company agrees to pay Elavon for EGC production once Company has approved the EGC design proof. Company accepts full responsibility for all EGC production costs. One proof per EGC order is included in the cost of EGC production, and Company agrees to pay thirty-five dollars (\$35) for additional proofs. If any order is cancelled prior to EGC production, Company agrees to pay to Elavon a one hundred dollar (\$100) cancellation fee.

#### WEBSUITE SERVICES

“**WebSuite Services**” means an electronic commerce solution provided by Elavon’s third party service providers that permits Customers to purchase or add value to Electronic Gift Cards through Company’s “WebSuite” site. Customers submit payment for the Electronic Gift Card via a Payment Device through the Processing Services.

**If Company has elected to receive WebSuite Services, the following terms will apply:**

1. **General Obligations.**
  - a. Company will timely provide to Elavon specifications for the customization of Company’s WebSuite site, including Customer options, web and e-mail content. Company modifications subsequent to the initial submission are subject to change fees.
  - b. Elavon is not responsible for any Electronic Gift Card information Company posts to Company’s WebSuite site.
  - c. Elavon is not responsible for incomplete or inaccurate payment information provided by any Customer in connection with the WebSuite Services. Company acknowledges that additional Transaction verification and fraud prevention data elements and processes may be available through a particular Payment Network (including address verification) to reduce Transaction risk, and Company agrees that Elavon will only be responsible for implementing the Transaction risk controls that are specifically requested in writing by Company. The use of such Transaction risk controls does not constitute a guarantee of payment or prevent a Transaction from being disputed or subject to Chargeback.
  - d. Company acknowledges that Elavon may provide sample terms of use, privacy policy, and other content and disclosure for use on Company’s WebSuite site. Company’s use of the WebSuite site confirms that Company has had an opportunity to review the sample disclosures and agrees to be solely responsible for all content and disclosures on the WebSuite site.
  - e. Company is responsible for all Retrieval Requests and Chargebacks under the Payment Network Regulations in connection with Transactions processed using the WebSuite Services. Upon receipt of a Retrieval Request or documentation related to a Chargeback from a Payment Network, Elavon will forward such request or documentation to Company. Company is responsible for responding, as appropriate, to each Retrieval Request or Chargeback.

2. **Electronic Gift Card Order Fulfillment.** Elavon will fulfill all WebSuite Electronic Gift Card orders and include with each order a Company-approved standardized letter customized with the order detail. All orders will be shipped pursuant to the method directed by the Customer.
3. **Electronic Gift Card Loss Protection Program.** Company will determine which data elements it will require its Customers to provide to establish an account or register an Electronic Gift Card on Company's WebSuite site. Company is responsible for notifying its Customers that to take advantage of the Electronic Gift Card loss protection program, the Electronic Gift Card must be registered prior to the loss. Once a registered Electronic Gift Card is reported lost or stolen via the WebSuite site, Elavon will notify Company and freeze the unused balance of the Electronic Gift Card. Company is responsible for transferring the unused balance to a new Electronic Gift Card, sending a replacement Electronic Gift Card to the Customer, and notifying Elavon of the replacement Electronic Gift Card via the WebSuite site.
4. **Reloading of Electronic Gift Cards.** Company will determine the Electronic Gift Card reloading options available to its Customers. While the WebSuite Services permit the anonymous reloading of Electronic Gift Cards, Elavon recommends that Company require its Customers to register the Electronic Gift Card in order to reload value onto the Electronic Gift Card.
5. **Customer Information.** The WebSuite Services will permit Company to have access to Customer information and other data that Company requires to establish an account or register an Electronic Gift Card. Company is responsible for maintaining the appropriate safeguards to protect such Customer information, and to properly disclose the use of such information and its privacy policies on Company's WebSuite site or website. Company must maintain the confidentiality of all Transaction Information and EGC Cardholder Data as provided in the Agreement.
6. **E-Certificates.** Company may choose to use the E-Certificate module, which delivers a "virtual gift card" electronically. The terms applicable to Electronic Gift Cards in this Chapter apply equally to E-Certificates.

## PROCESSING ELECTRONIC GIFT CARD TRANSACTIONS

In connection with processing Electronic Gift Card Transactions, Company must comply with the following requirements:

- Supply Elavon with all information and data required by Elavon to perform services related to Company's acceptance of Electronic Gift Cards, including the location of POS Devices and EGC Cardholder Data.
- Maintain all Transaction Receipts and any other receipts as required by Laws.
- When Company sells an Electronic Gift Card from its physical location or locations, including sales completed via electronic commerce, Company is responsible for the collection and settlement of all funds relating to the sale of the Electronic Gift Card, including processing costs associated with such purchase (such as any Credit Card transaction fees or bank service fees, where applicable).

### Electronic Gift Card Processing Services

**Electronic processing of Transactions and purchases made by Customers using Electronic Gift Cards.** Elavon will confirm electronically that the Cardholder presenting the Electronic Gift Card for the purchase of goods or services through Company has an active account on Elavon's Electronic Gift Card processing system and that there is sufficient value associated with the Electronic Gift Card to allow the Customer to complete the purchase. Elavon will adjust the Cardholder's account through either a debit or credit, as applicable, in the amount of any approved Transaction.

**Transaction Record Maintenance.** Elavon will maintain an accessible electronic record of the Transactions conducted using an Electronic Gift Card for the lifetime of the card balance and after the balance on the card has been depleted for a period not less than sixty (60) days.

**Downtime.** Company will not process Electronic Gift Card Transactions if the Electronic Gift Card processing system is down and not able to verify the validity and available balance on an Electronic Gift Card. Company will be solely liable for any losses or damages incurred if Company processes an Electronic Gift Card Transaction without receipt of such verification.

### Electronic Gift Card Artwork

**Electronic Artwork.** If applicable, Company is responsible for submitting electronic artwork to Elavon for approval, as described in the Graphic Specifications and Procedures manual provided separately by Elavon (the “**Graphic Specifications and Procedures**”). Company will comply with the Graphic Specifications and Procedures. Company understands that the card proof cannot be created without the submission of artwork, if requested or required. Failure to submit artwork or comply with the Graphic Specifications and Procedures may result in additional fees charged to Company for design work performed to correct the artwork and will result in the delay of the card production process. Elavon and card manufacturer cannot be held responsible for the quality of cards produced using artwork that does not meet the Graphic Specifications and Procedures. Digital artwork should be submitted to:

Artwork@elavon.com  
OR  
Elavon, Inc.  
Attn: Boarding – EGC  
7300 Chapman Highway  
Knoxville, TN 37920

When sending in artwork, please include:

1. Company name and MID
2. Indicate standard or custom card order
3. Name and telephone number of graphic contact should there be any questions or issues with the artwork submitted

For complete detailed specifications, please send a request for Graphic Specifications and Procedures to Artwork@elavon.com. In the request please indicate either standard card or custom card specifications.

**Proofing and Production Procedure.** Proofs for custom card orders are provided electronically and sent to the email provided. Please print the proof, sign and fax back pursuant to the instructions on the proof. One proof is included in the card production costs. Each additional proof will be billed at thirty-five dollars (\$35) each. All proofs for standard card orders are provided electronically as an Adobe pdf document. The proof will be sent to the email address then currently on file with Elavon. If the proof is acceptable, simply reply to the email and indicate approval. Provide detailed information if changes are required. In some instances Company may also receive a printer’s proof and will be required to follow the instructions included with the proof. **IMPORTANT: Incorrect graphics WILL delay an order. After Company approves the proof, normal production timeframe for card delivery is 2-3 weeks for standard cards and 6-8 weeks for custom cards.**

## CHAPTER 19.

# FANFARE LOYALTY AND GIFT CARD SERVICES

This Chapter describes certain services that are available to Companies that have been approved by Elavon to receive Fanfare Services. Companies that use Fanfare Services will adhere to the requirements set forth in this Chapter.

### FANFARE-RELATED DEFINITIONS

**“Elavon Fanfare Privacy Policy”** means Elavon’s privacy policy applicable to Elavon’s use of Customer Data obtained from consenting Customers in connection with Company’s Fanfare Loyalty Program.

**“Fanfare Basic Registration”** means a Customer’s completion of registration in Company’s Fanfare Loyalty Program at Company’s Fanfare Loyalty Website in which the Customer does not elect to permit Elavon to communicate with the Customer about products and services outside of Company’s Fanfare Loyalty Program.

**“Fanfare Enrolled Customer”** means a Customer of Company that has enrolled to participate in Company’s Fanfare Loyalty Program.

**“Fanfare Full Registration”** means a Customer’s completion of registration in Company’s Fanfare Loyalty Program at Company’s Fanfare Loyalty Website in which the Customer elects to permit Elavon to communicate with the Customer about products and services outside of Company’s Fanfare Loyalty Program.

**“Fanfare Gift Card”** means a special card, code or device purchased by or provided to a Customer (including any promotional card, code or device) that is redeemable for merchandise, services or other Transactions with Company.

**“Fanfare Gift Card Program”** means a program established and managed by Company using the Fanfare Platform in accordance with the Agreement and the Operating Guide.

**“Fanfare Gift Card Services”** means Fanfare Gift Card Program setup and Services provided by Elavon to Company as described in the Agreement and the Operating Guide.

**“Fanfare Loyalty Card”** means a plastic card obtained from Elavon and branded with Company’s logo displayed within one of Elavon’s pre-defined styles, which card is encoded with a magnetic stripe for use with Company’s Fanfare Loyalty Program.

**“Fanfare Loyalty Program”** means a program established and managed by Company, using the Fanfare Platform, through which Company may endeavor to promote Customer loyalty and increased spending by offering promotions, rewards and incentives to Fanfare Enrolled Customers.

**“Fanfare Loyalty Program Account”** means the Fanfare Loyalty Program account established within the Fanfare Platform for each Fanfare Enrolled Customer, which account may be managed by the Fanfare Enrolled Customer through the Fanfare Loyalty Website when such Fanfare Enrolled Customer becomes a Fanfare Registered Customer.

**“Fanfare Loyalty Services”** means a loyalty program platform that supports Company establishment of a Fanfare Loyalty Program, Customer enrollment in the Fanfare Loyalty Program, establishment and maintenance of the Fanfare Loyalty Website, the ability to generate marketing campaigns and offer promotions to Customers, and Services related to redemption of Customer rewards, in each case as more fully described in the Agreement and the Operating Guide.

**“Fanfare Loyalty Website”** means a Customer-facing website hosted by Elavon and co-branded by Elavon (Fanfare) and Company through which (i) Customers that have not enrolled in Company’s Fanfare Loyalty Program may enroll online as part of the registration process, (ii) Fanfare Enrolled Customers may access Company’s Fanfare Loyalty Program disclosures, (iii) Fanfare Enrolled Customers may un-enroll in the Fanfare Loyalty Program, or (iv) Registered Customers may manage their Fanfare Loyalty Program Accounts, in each case as more fully described in the Agreement and the Operating Guide.

**“Fanfare Platform”** means the systems hosted directly or indirectly by Elavon through which (i) Company establishes its Fanfare Loyalty Program and/or Fanfare Gift Card Program, and (ii) the Fanfare Services are provided to Company.

**“Fanfare Registered Customer”** means a Fanfare Enrolled Customer that has also completed Fanfare Basic Registration or Fanfare Full Registration at Company’s Fanfare Loyalty Website.

**“Fanfare Services”** means the Fanfare Loyalty Services and/or Fanfare Gift Card Services provided by Elavon and used by Company in accordance with the Agreement and the Operating Guide.

**“Fanfare Web Portal”** means a web-based portal provided by Elavon through which Company may obtain information and guides pertaining to the Fanfare Services and Fanfare Platform, and may access Company-specific program metrics via dashboards, view information about a Customer’s purchase Transactions at Company, create additional Customer offers and retrieve reports regarding Company’s Fanfare Gift Card Program and/or Fanfare Loyalty Program, in each case as applicable to the Fanfare Services elected by Company hereunder.

**“Primary Fanfare Company”** means the Merchant Identification Number (MID)/location originally enrolled for the Fanfare Services and set up to be billed for all Fanfare Services provided by Elavon.

**“Supported Hardware”** means the equipment, systems and hardware, including POS Devices, necessary for Company to make use of Company’s selected Fanfare Services.

## GENERAL FEATURES AND REQUIREMENTS

**Overview of Fanfare Services.** Company has elected to receive from Elavon one or both of the Fanfare Loyalty Services and/or the Fanfare Gift Card Services. Elavon delivers the Fanfare Services through the Fanfare Platform. Company’s access to and use of the Fanfare Services and the Fanfare Platform are subject to the Agreement, the provisions of the Operating Guide, and the materials made available to Company by Elavon that relate to the Fanfare Services, including any quick reference guides and best practices guides.

**Fanfare Web Portal.** Elavon will provide Company with access to the Fanfare Web Portal. Company agrees to review and to comply with any materials made available by Elavon through the Fanfare Web Portal from time to time in connection with Company’s use of the Fanfare Services and its operation of its Fanfare Loyalty Program and/or Fanfare Gift Card Program.

### General Provisions.

- Elavon will host and make available to Company the Fanfare Web Portal.
- Company must use Supported Hardware in order to make full use of the Fanfare Services, and certain or all Fanfare Services may be unavailable or may function improperly if Company does not use them in connection with Supported Hardware. Company may obtain a current list of Supported Hardware from Elavon upon request, which Elavon may update from time to time. Elavon will have no responsibility or liability in connection with the performance or non-performance of the Fanfare Services, including in connection with any errors or malfunctions that may occur in connection with the Fanfare Services, if Company uses the Fanfare Services with any POS Devices that are not Supported Hardware.



- Company will not acquire any Intellectual Property Rights or any goodwill, know-how or any other proprietary rights in any form whatsoever or howsoever in the Fanfare Platform or the Fanfare Services. Any and all Intellectual Property Rights in and to the Fanfare Platform or the Fanfare Services, and related goodwill, know-how and other proprietary rights are and will remain the absolute exclusive property of Elavon or its licensors.
- Company will (i) cooperate with Elavon in connection with the Fanfare Services, and (ii) provide Elavon with reasonably requested information and access (which may be remote access) to equipment and to Company's personnel for purposes of facilitating setup of POS Devices for use in connection with the Fanfare Services.
- Company will use all reasonable means to prevent any unauthorized access to or use of the Fanfare Platform and the Fanfare Services, and if such access or use occurs, Company will notify Elavon immediately.
- Company acknowledges and agrees that it is Company's sole responsibility to comply with all Laws related to its use of the Fanfare Services and all Laws governing its relationships with Customers and use of any Customer Data in connection with the Fanfare Services, including (i) the collection, storage and use of Customer Data for promotional or marketing purposes (including the compliance of any such storage or use with Company's applicable privacy policies and terms and conditions), (ii) the distribution (including by e-mail or short message service (SMS)) of marketing or promotional materials to Customers (including through any use of communication or marketing services made available to Company through the Fanfare Platform), and (iii) the issuance, sale, distribution, use and acceptance of gift cards, gift certificates, Loyalty Cards or prepaid cards that may be applicable to Fanfare Gift Cards (including all laws related to purchase, service and dormancy fees, Laws relating to expiration dates, Laws governing the treatment of unused or unclaimed funds or other property and Laws related to money transmission). Further, Company agrees to comply in a timely manner with any such Laws. Additionally, Companies located in New York will not charge a service fee with respect to Fanfare Gift Cards.
- Company acknowledges and agrees that Elavon has no responsibility for recording or storing any Customer Data or information related to the sale of any Fanfare Gift Card until such information has been received and validated by Elavon.
- Company understands and agrees that its data security obligations under the Agreement apply to any Customer Data it collects or receives in connection with the Fanfare Services, and Company agrees to comply with such data security obligations with respect to all Customer Data Company may collect, access or receive in connection with the Fanfare Services.
- Company will exclusively use Elavon (including Elavon-designated service providers) for services similar to the Fanfare Services, and Company will not receive services similar to the Fanfare Services from any third parties not approved by Elavon in writing.
- Company or Elavon may terminate the Fanfare Services for any of the reasons that Elavon or Company, as applicable, may terminate the Agreement.
- ELAVON IS NOT RESPONSIBLE FOR THE UNAUTHORIZED ACCESS TO OR USE OF ANY PROMOTIONAL OFFER, REWARDS VALUE, OTHER FANFARE LOYALTY PROGRAM OFFER, OR ANY FANFARE GIFT CARD. FURTHER, ELAVON MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE SUITABILITY OR PROFITABILITY FOR COMPANY OF ANY (I) OFFER, PROMOTION OR REWARD ADOPTED BY COMPANY IN CONNECTION WITH ITS FANFARE LOYALTY PROGRAM, OR (II) FANFARE GIFT CARD ARRANGEMENT OR SOLUTION ADOPTED BY COMPANY IN CONNECTION WITH ITS FANFARE GIFT CARD PROGRAM, IN EACH CASE EVEN IF ELAVON PROMOTES SUCH A SOLUTION AS COMMON OR HISTORICALLY SUCCESSFUL IN COMPANY'S INDUSTRY OR MARKET.
- If a particular location closes or changes its Merchant Identification Number (MID), then Elavon may bill the Primary Fanfare Company for any fees associated with subsequent transactions processed on Fanfare Gift Cards activated by the closed MID. This would apply to any system generated transactions, including

deduction and points conversion transactions. Monthly fees billed for Fanfare Services provided with respect to the closed location may also be billed to the Primary Fanfare Company.

## FANFARE LOYALTY SERVICES

Companies that elect to use the Fanfare Loyalty Services will have access to the Fanfare Services and Fanfare Platform made available by Elavon for Company's development, implementation and maintenance of its Fanfare Loyalty Program.

- **Company Enrollment and Set Up.** Company must enroll and be approved by Elavon to participate in and use the Fanfare Loyalty Services. Once approved, Elavon will provide Company with a welcome kit that may include Model Documents, generic branded marketing materials to help Company promote its Fanfare Loyalty Program to Customers, marketing tips, staff training tips, and a terminal quick reference guide. Only Fanfare Enrolled Customers may participate in Company's Fanfare Loyalty Program.
- **Model Documents.** A sample set of customer terms and conditions and a privacy policy provided by Elavon to Company for Company's use in developing its own Customer-facing terms and conditions and privacy policy governing Customer participation in the Fanfare Loyalty Program.
- **Customer Enrollment.** Company's Customers must affirmatively enroll in Company's Fanfare Loyalty Program in order to participate. Company may not use an opt-out or other negative consent campaign to enroll Customers in its Fanfare Loyalty Program. A Customer is considered a Fanfare Enrolled Customer when the Customer explicitly opts into participation in Company's Fanfare Loyalty Program and agrees to be subject to Company's Fanfare Loyalty Program terms and conditions and related privacy policy. A Fanfare Enrolled Customer's election to participate in Company's Fanfare Loyalty Program will be communicated to Elavon through Company's properly-enabled Supported Hardware (for point-of-sale enrollments) or when the Customer registers for Company's Fanfare Loyalty Program at Company's Fanfare Loyalty Website (for Customers that do not enroll at the point of sale).

**Company Fanfare Loyalty Website.** As part of the Fanfare Loyalty Services, Elavon will provide and host a Fanfare Loyalty Website for Customer registration and Fanfare Loyalty Program Account management. Company must ensure that the internet address of its Fanfare Loyalty Website is included on every Transaction Receipt Company prints for Customers that enroll in Company's Fanfare Loyalty Program at Company's point of sale (as described below). The Fanfare Loyalty Website will:

- Make available to Customers all Company Fanfare Loyalty Program disclosures;
- Enable Customers to enroll and un-enroll in Company Fanfare Loyalty Program;
- Collect Customer Data; and
- Provide Customers with access to information about available rewards and programs, rewards eligibility, and progress toward achieving rewards.

### Methods of Customer Enrollment In Company's Fanfare Loyalty Program

**Enrollment at Point of Sale.** Customers may initially enroll in Company's Fanfare Loyalty Program at the time of a point-of-sale purchase Transaction at a Company location. Company offers Customers the opportunity to enroll at the point-of-sale through prompting via Company's Supported Hardware. Company may not offer point-of-sale Fanfare Loyalty Program enrollment other than through Supported Hardware. **Company is responsible for ensuring that any Customer offered enrollment in Company's Fanfare Loyalty Program is notified that such enrollment is optional and is not a condition to completing the purchase Transaction.** When Company is collecting information in connection with enrolling a Customer in Company's Fanfare Loyalty Program at the point of sale, Company should clearly communicate to the Customer that the purpose for collecting such information is loyalty program enrollment and not a part of the Transaction.

- Company must obtain a phone number from the Customer at the time of the Customer's enrollment at the point-of-sale, and must input the phone number into the POS Device so that Elavon may reflect the Customer as a Fanfare Enrolled Customer in Company's Fanfare Loyalty Program.
- Company may present a Customer electing to enroll at the point-of-sale with the option to (i) link the Customer's Credit Card or Debit Card with the Fanfare Enrolled Customer's Fanfare Loyalty Program Account, or (ii) receive a Fanfare Loyalty Card linked to the Fanfare Enrolled Customer's Fanfare Loyalty Program Account. Each of these options is described further below.
- When a Customer enrolls at the point-of-sale, the Transaction Receipt provided to the Customer at the conclusion of the Transaction must confirm enrollment and direct the Fanfare Enrolled Customer to follow the internet link disclosed on the Transaction Receipt to Company's Fanfare Loyalty Website where the Fanfare Enrolled Customer may view the full terms and conditions and privacy policy governing the Fanfare Enrolled Customer's participation in Company's Fanfare Loyalty Program.

**Enrollment through Fanfare Loyalty Website.** Customers that do not enroll at the point of sale may enroll by visiting Company's Fanfare Loyalty Website and completing the online registration process described under "Fanfare Loyalty Program Registration" below.

### **Fanfare Loyalty Program Registration and Additional Features**

**Fanfare Loyalty Program Registration.** Customers that wish to enroll in Company's Fanfare Loyalty Program online, and Customers that have enrolled at Company's point-of-sale but wish to enhance their Fanfare Loyalty Program experience, may register at Company's Fanfare Loyalty Website. Each registering Customer will be required to provide a phone number and other identifying information to register through Company's Fanfare Loyalty Website. Fanfare Registered Customers may also elect to link a Credit Card or Debit Card, and/or a Fanfare Loyalty Card, with their Fanfare Loyalty Program Account, each as further described below.

**Linking a Credit Card or Debit Card to a Fanfare Enrolled Customer's Fanfare Loyalty Program Account.** A Fanfare Enrolled Customer may link a Credit Card or Debit Card to the Fanfare Enrolled Customer's Fanfare Loyalty Account. Linking a Credit Card or Debit Card may be completed at Company's point-of-sale using Supported Hardware (including at the time of initial enrollment) or at Company's Fanfare Loyalty Website.

**Linking a Fanfare Loyalty Card to a Fanfare Enrolled Customer's Fanfare Loyalty Program Account.** If Company's selected Fanfare Loyalty Program supports this feature, Company may choose to offer a Fanfare Enrolled Customer the option to receive and use a Fanfare Loyalty Card as a means of accessing the Fanfare Enrolled Customer's Fanfare Loyalty Account. Linking a Fanfare Loyalty Card may be completed at Company's point-of-sale using Supported Hardware or at Company's Fanfare Loyalty Website. Fanfare Loyalty Cards must be ordered through Elavon and must comply with Elavon's requirements related to Fanfare Loyalty Cards.

**Rewards.** Company may use the Fanfare Web Portal to create offers and establish rewards and qualifications. All offers and rewards established under Company's Fanfare Loyalty Program are available to all Fanfare Enrolled Customers, except where Elavon supports and Company elects to make certain offers or rewards available only to a select segment of Fanfare Enrolled Customers. Company is solely responsible for ensuring that all offers and rewards established by Company (including any offers or rewards suggested by Elavon for Company's use) are suitable for Company's situation and business, and that all such offers and rewards (including how such offers and rewards are promoted or marketed) comply with all Laws. Company will not make or promote offers or rewards that are unrelated to Company's business or that include infringing, obscene, threatening, defamatory, fraudulent, abusive or otherwise unlawful or tortious material, including material that is harmful to children or violates third party privacy rights. Company is solely responsible for the costs and any other expenses or liabilities arising from or in connection with any offers or rewards made or promoted by Company.

### **Fanfare Loyalty Program Customer Terms and Customer Data**

Company is responsible for creating (i) a set of terms and conditions governing its Fanfare Loyalty Program, and (ii) a privacy policy addressing Company's collection and usage of Customer Data. Elavon will post (which may be by cross-reference link) Company's terms and conditions and privacy policy, on Company's behalf, on the Fanfare Loyalty Website hosted by Elavon. Elavon will provide Company with Model Documents that Company may adapt and use to govern its Customers' participation in the Fanfare Loyalty Program. Elavon makes no warranties with respect to the legality or legal sufficiency of the Model Documents. In addition, Company acknowledges that it has sole responsibility for ensuring compliance with all applicable Laws and any pre-existing commitments or obligations of Company to Customers in connection with (i) Company's use of the Model Documents; (ii) the content of the Model Documents, and (iii) any adaptations that Company may make to the Model Documents in developing its own Customer-facing terms and conditions and privacy policy regarding the Fanfare Loyalty Program. Company acknowledges that Elavon will not review Company's privacy policy or terms and conditions governing its Fanfare Loyalty Program for any purpose, including specifically for purposes of assessing the legality or legal sufficiency of such disclosures, regardless of whether Company uses the Model Documents, in whole or in part. Company represents, warrants and covenants to Elavon that the Customer terms and conditions and privacy policy governing Company's Fanfare Loyalty Program will (i) establish sufficient rights for Company and Elavon to exercise all rights and perform all obligations contemplated under the Agreement, including the Operating Guide, (ii) prevent Company from sharing Customer Data with any third party, affiliated or unaffiliated, except as permitted by applicable Law and (iii) not be inconsistent with any provision included in the Model Documents provided by Elavon unless Elavon has granted its prior written consent to any such inconsistency. Company must notify Elavon, in writing prior to the launch of Company's Fanfare Loyalty Program, of the Customer-facing terms and conditions and privacy policy Company wishes Elavon to post (by cross-reference link) to Company's Fanfare Loyalty Website. If Company does not so notify Elavon of modified or different Customer-facing terms and conditions and privacy policy that should govern Company's Fanfare Loyalty Program prior to the launch of Company's Fanfare Loyalty Program, Company will be deemed to have instructed Elavon to post the Model Documents, in the form provided by Elavon to Company, as Company's Customer-facing terms and conditions and privacy policy. Company agrees that it has fully reviewed and approved, as appropriate for Company and its Customers, the Model Documents Elavon posts to Company's Fanfare Loyalty Website.

Company represents and warrants that it will only use Customer Data in accordance with its Fanfare Loyalty Program privacy policy and terms and conditions. In addition, Company will obtain for the benefit of Elavon and its licensor(s) any necessary consents, approvals or notifications required for Elavon or its licensor(s) to use any Customer Data for the purpose of providing Customers with services related to the Fanfare Loyalty Program. Company understands that Elavon will have the authority to use and share Customer Data as described in the Elavon Fanfare Privacy Policy available at [www.elavon.com](http://www.elavon.com).

Elavon may use the Fanfare Loyalty Website for purposes of obtaining Customer consent to use Customer Data in accordance with the Elavon Fanfare Privacy Policy. Elavon may use Customer Data for any of the purposes permissible under the Elavon Fanfare Privacy Policy.

Company will not share Customer Data with any third parties, including any Company Affiliates, without Elavon's prior written consent.

Company will not collect or receive Customer Data from any source other than directly from the Customer (including as a result of any Customer transactions at Company) or Elavon, and Company will not supplement or enhance any Customer Data collected in connection with the Fanfare Loyalty Program with any data or information from sources other than the Customer or Elavon.

### **Company Fanfare Loyalty Program Marketing and Communication**

Companies using the Fanfare Loyalty Services will have access to e-mail marketing services supported by the Fanfare Platform for communicating with and marketing to Fanfare Registered Customers regarding Company's

Fanfare Loyalty Program. Fanfare Registered Customers will be able to manage their marketing preferences through their Fanfare Loyalty Program Account accessible at the Fanfare Loyalty Website. Company will control, and is solely responsible for, the marketing or communication characteristics (such as frequency, timing, recipients, and opt-out lists associated with such marketing or communications) and the content of any such marketing or communication efforts through the Fanfare Platform. Further, Company assumes full responsibility and liability for ensuring that any such marketing efforts or communications comply with (i) Laws, including where Company's marketing materials are based on templates or make use of services provided by Elavon, (ii) are conducted in accordance with the terms and conditions and privacy policy governing the Fanfare Registered Customer's participation in Company's Fanfare Loyalty Program; and (iii) are consistent with any other disclosure made by Company to a Fanfare Registered Customer concerning Company's marketing and information use practices generally.

**E-mail marketing and communication.** Elavon provides Company with the ability to send marketing and communication e-mails to its Fanfare Registered Customers through the Fanfare Platform. Such e-mails must follow any format specifications provided to Company by Elavon. Elavon does not review the content of any e-mail message requested to be sent by Elavon on behalf of Company to its Fanfare Registered Customers. Company acknowledges and agrees that it is solely responsible for the content of any such e-mail message, and that all e-mail messages sent using the Fanfare Platform will relate to Company's Fanfare Loyalty Program relationship with the Fanfare Registered Customers. Nonetheless, Elavon reserves the right to refuse to send any e-mail communication requested by Company that Elavon deems to be in violation of any Law, that is unrelated to Company's business, that is infringing, obscene, threatening, defamatory, fraudulent, abusive, unlawful, tortious, threatening or inappropriate for children, or that is outside the scope of the Fanfare Loyalty Services.

**Customer "Unsubscribe" Option.** All marketing and communication e-mails sent by Company through the Fanfare Platform will contain an "unsubscribe" link, which will direct the Fanfare Registered Customer to a Fanfare-hosted "landing page" where the Customer can register his/her election to stop receiving marketing e-mails from Company. Elavon will track the marketing preferences specified by Company's Fanfare Registered Customers, including those who have elected to unsubscribe or opt-out from marketing e-mails from Company, which information will be accessible by Company through the Fanfare Web Portal. In addition, the Fanfare Web Portal will enable Company to manually "unsubscribe" Fanfare Registered Customers who have communicated their opt-out election to Company outside of the Fanfare Platform.

#### **Important: Company Requirements for E-Mail Marketing to Customers**

The Federal CAN-SPAM Act of 2003 (CAN-SPAM) places certain responsibilities on "senders" of e-mail. As a Company sending e-mails to Fanfare Registered Customers through the Fanfare Loyalty Program, it is Company's responsibility to comply with these CAN-SPAM requirements. Among these requirements, when a customer responds to a commercial e-mail from a sender, and requests that the sender not send future commercial e-mail communications to the customer, this request must be promptly honored. This is true *regardless* of whether these requests are in response to an e-mail sent to a customer by Company through the Fanfare Loyalty Program, or *outside* of the Fanfare Loyalty Program.

For Fanfare Registered Customers who opt-out/unsubscribe from receiving future Company marketing e-mails through the Fanfare Platform, the Fanfare Platform will automatically "block" further marketing e-mails from Company to those Fanfare Registered Customers. However, it is Company's sole responsibility to ensure that these customers are also blocked (i.e., unsubscribed) from receiving any future commercial e-mails which Company may send *outside* of the Fanfare Platform. Additionally, when a Fanfare Registered Customer responds to a commercial e-mail sent by Company *outside* of the Fanfare Platform, and opts-out/unsubscribes from receiving further commercial e-mails from Company, it is Company's sole responsibility to record such opt-out request within the Fanfare Platform to ensure that future Fanfare marketing e-mails from Company to the Fanfare Registered Customer are blocked.

To help facilitate compliance with these requirements, Fanfare provides Companies with access to all relevant opt-out/unsubscribe information within the Fanfare Platform at all times. With this access, it is Company's responsibility to:

- (1) Review the list within the Fanfare Web Portal of those Fanfare Registered Customers who have opted-out/unsubscribed from receiving commercial e-mails from Company through the Fanfare Loyalty Program and ensure that these Fanfare Registered Customers are similarly blocked (or removed) from any other commercial e-mail list that Company maintains or uses outside of the Fanfare Loyalty Services; and
- (2) Regularly access the Fanfare Web Portal to manually block any Fanfare Registered Customer from receiving marketing e-mails from Company through the Fanfare Platform, when such Fanfare Registered Customer has provided Company with a request, *outside* of the Fanfare Platform, to opt-out/unsubscribe from receiving future commercial e-mails from Company.

Additional information regarding CAN-SPAM can be found at the Federal Trade Commission's Business Center, a website designed to help small businesses understand and comply with various laws, including CAN-SPAM. The business center can be found at <http://business.ftc.gov/> and a CAN-SPAM guide for business can be found at <http://www.business.ftc.gov/documents/bus61-can-spam-act-compliance-guide-business>. Elavon particularly encourages those Companies that conduct e-mail marketing campaigns in addition to those conducted by Company through the Fanfare Loyalty Services to understand the compliance obligations imposed by CAN SPAM, and to seek legal guidance on this issue if necessary.

## **FANFARE GIFT CARD SERVICES**

Companies that elect to use the Fanfare Gift Card Services will have access to the Fanfare Services and Fanfare Platform made available by Elavon for Company's deployment and maintenance of its Fanfare Gift Card Program.

### **Processing Fanfare Gift Card Transactions**

In connection with processing Fanfare Gift Card Transactions, Company must comply with the following requirements:

- Supply Elavon with all information and data required by Elavon to perform services related to Company's acceptance of Fanfare Gift Cards, including the location of POS Devices and Customer Data.
- Maintain all Transaction Receipts and any other receipts as required by Laws.
- Comply with all Laws applicable to the sale, distribution, redemption and escheat of prepaid gift cards and related balances, specifically including the Prepaid Access Rule (31 CFR Parts 1010 and 1022) and all other rules promulgated and guidelines published by the Financial Crimes Enforcement Network division of the United States Department of the Treasury. Elavon does not provide legal advice with respect to compliance with Laws, and Company should consult its own legal counsel if it has questions regarding compliance.
- Establish procedures to verify the identity of a person who purchase FanFare Gift Cards worth \$10,000 or more during any one day and obtain identifying information concerning such a person, including name, date of birth, address, and identification number. Company must retain such identifying information for five years from the date of the sale of the FanFare Gift Cards.
- Ensure that no fees or expiration dates apply to the Fanfare Gift Cards.
- When Company sells a Fanfare Gift Card from its physical location or locations, including sales completed via electronic commerce, Company is responsible for the collection and settlement of all funds relating to the sale of the Fanfare Gift Card, including processing costs associated with such purchase (such as any Credit Card transaction fees or bank service fees, where applicable).

- Company agrees that all Fanfare Gift Cards will be printed by Elavon or an Elavon-approved vendor.

#### Fanfare Gift Card Processing Services

- **Electronic processing of Transactions and purchases made by Customers using Fanfare Gift Cards.** Elavon will confirm electronically that the Cardholder presenting the Fanfare Gift Card for the purchase of goods or services through Company has an active Fanfare Gift Card account on the Fanfare Platform and that there is sufficient value associated with the Fanfare Gift Card to allow the Customer to complete the purchase. Elavon will adjust the Customer's Fanfare Gift Card account through either a debit or credit, as applicable, in the amount of any approved Transaction.
- **Direct Settlement.** Company authorizes Elavon to initiate credit and debit entries among Company's individual chain locations for any Transactions that change the balance of a Fanfare Gift Card. If Elavon is unable to accomplish a credit or debit entry to reflect the effect of a Transaction, Company further authorizes Elavon to credit or debit (as applicable) the designated Master Account or Primary Fanfare Company. Company also understands that Elavon may, in its sole discretion, offset any debits against the related credit Transactions of the applicable chain or Company location. Both Company and the individual chain locations agree to pay related direct settlement fees.
- **Transaction Record Maintenance.** Elavon will maintain an accessible electronic record of the Transactions conducted using a Fanfare Gift Card for the lifetime of the card balance and after the balance on the card has been depleted for a period not less than sixty (60) days.
- **Downtime.** Company will not process Fanfare Gift Card Transactions if the Fanfare Platform or Fanfare Services is down and not able to verify the validity and available balance on a Fanfare Gift Card. If Company's system are unable to communicate electronically with the Fanfare Platform, Company may call Fanfare Services customer service at 1-800-725-1243 to verify the validity and available balance on a Fanfare Gift Card. Company will be solely liable for any losses or damages incurred if Company processes a Fanfare Gift Card Transaction without receipt of such verification.

#### Electronic Gift Card Artwork

**Electronic Artwork.** If applicable, Company is responsible for submitting electronic artwork to Elavon for approval, as described in the Graphic Specifications and Procedures manual provided separately by Elavon (as it may be updated from time to time, the "**Graphic Specifications and Procedures**"). Company understands that the card proof cannot be created without the submission of artwork, if requested or required. Company will comply with the Graphic Specifications and Procedures. Failure to submit artwork or comply with the Graphic Specifications and Procedures may result in additional fees charged to Company for design work performed to correct the artwork and will result in the delay of the card production process. Elavon cannot be held responsible for the quality of cards produced using artwork that does not meet the Graphic Specifications and Procedures. Digital artwork should be submitted to:

Artwork@elavon.com  
OR  
Elavon, Inc.  
Attn: Boarding – EGC  
7300 Chapman Highway  
Knoxville, TN 37920

When sending in artwork, please include:

1. Company name and MID
2. Indicate standard or custom card order

3. Name and telephone number of graphic contact should there be any questions or issues with the artwork submitted

For complete detailed specifications, please send a request for Graphic Specifications and Procedures to [Artwork@elavon.com](mailto:Artwork@elavon.com). In the request please indicate either standard card or custom card specifications.

**Proofing and Production Procedure.** Proofs for custom card orders are provided electronically and sent to the e-mail provided. Please print the proof, sign and fax back pursuant to the instructions on the proof. One proof is included in the card production costs. Each additional proof will be billed at thirty-five dollars (\$35) each. All proofs for standard card orders are provided electronically as an Adobe pdf document. The proof will be sent to the e-mail address then currently on file with Elavon. If the proof is acceptable, simply reply to the e-mail and indicate approval. Provide detailed information if changes are required. In some instances Company may also receive a printer's proof and will be required to follow the instructions included with the proof. **IMPORTANT: Incorrect graphics WILL delay an order. After Company approves the proof, normal production timeframe for card delivery is 2-3 weeks for standard cards and 6-8 weeks for custom cards.**



## CHAPTER 20.

# PAYMENT NAVIGATOR SERVICES

This Chapter describes the Payment Navigator Services available to Companies. The “**Payment Navigator Services**” include Payment Navigator, Healthcare Payment Processing Services and, if selected, Healthcare Administration Services, all as described in this Chapter. Companies that use the Payment Navigator Services will adhere to the requirements set forth in this Chapter.

### PROVISIONS APPLICABLE TO THE PAYMENT NAVIGATOR SERVICES

“**Healthcare Administration Services**” means (as selected by (and available to) Company):

- the eligibility services (insurance eligibility/benefit inquiries for patient health plan status, deductible, co-pay information);
- patient payment estimates (estimate of patient responsibility based on planned healthcare services);
- patient statements (production and fulfillment of patient billing statements);
- electronic bill presentment services (online presentment of patient bills/statements); and
- one bill (simplified, consolidated mailed and online statement).

“**Healthcare Payment Processing Services**” means the acceptance and processing of payment through Payment Navigator by cash, check, Electronic Check Service, Credit Card, or Debit Card, acceptance of scheduled payments from checking or savings accounts, Credit Cards, or Debit Cards; posting of payments to patient accounts; receiving patient payments through participating insurance plans; and related customer support.

“**Payer**” means an entity (other than the patient) that makes or administers payments to a healthcare provider for healthcare services (e.g., Medicare, Medicaid, Blue Cross or Blue Shield-branded health plans, commercial insurers and third party administrators (TPAs)).

“**Payment Navigator**” means (i) with respect to companies who are not Payers, a hosted web based patient payment application that enables transactions at the point-of-care (including a patient payment portal for online payments), streamlines back office collections, and automates posting of patient accounts, and (ii) with respect to Payers, a hosted web based application and product offering for managing patient payments, including (a) a patient payment portal for a Payer’s members to make health insurance premium payments to the Payer and healthcare payments to healthcare providers, and (b) billing solutions functionality.

**Business Associate Services.** Company is a covered entity as defined in 45 C.F.R. § 160.103 and the regulations codified at 45 C.F.R. Parts 160 and 164 (“HIPAA Privacy Rule”) promulgated under Subtitle F of Title II of HIPAA. In connection with its performance of services other than certain Payment Navigator Services under the Agreement, Elavon is processing customer card transactions, not performing a HIPAA-covered function on behalf of Company, and is not functioning as a “business associate” (as defined in HIPAA) even if Elavon has access to “individually identifiable health information” or “protected health information” as defined in HIPAA. The Healthcare Administration Services are, and some other Payment Navigator Services such as customer support may be, considered business associate services as defined in HIPAA. With respect to any business associate services, the business associate agreement agreed upon by the parties will apply. Company agrees that the business associate agreement applies only to those Payment Navigator Services provided by Elavon that are business associate services, and not any Healthcare Payment Processing Services or other financial services provided by Elavon under the Agreement.

1. **Payment Navigator License Grant.** Elavon grants to Company a nonexclusive, nontransferable license (without a right of sublicense) to access and use, as applicable, the Payment Navigator application, services and documentation exclusively for Company's internal business use to receive the Payment Navigator Services. Company acknowledges and agrees that it has no right in or license grant to any source code contained in or related to Payment Navigator pursuant to this Chapter.
2. **Payment Navigator Application Services Restrictions.** Company will not, and will ensure that its employees, agents, contractors, and vendors do not:
  - a. Copy (other than maintaining one backup or archival copy for Company's internal business use only), re-sell, republish, download, frame or transmit in any form or by any means Payment Navigator, or any part thereof;
  - b. Rent, lease, subcontract, operate or otherwise grant access to, or use for the benefit of, any third party, Payment Navigator;
  - c. Decompile, disassemble, reverse engineer or translate Payment Navigator;
  - d. Change, modify, alter or make derivative works of Payment Navigator;
  - e. Without Elavon's prior written consent, grant any third party access to the computers, hardware, system or equipment on which Payment Navigator is accessible, provided, however, that only written notice (not consent) will be required with respect to billing services organizations acting as Company's agent for the collection of patient accounts;
  - f. Attempt to interfere with or disrupt Payment Navigator or attempt to gain access to any other services, hardware, or networks owned, maintained or operated by Elavon or its suppliers;
  - g. Disclose any passwords or other security or authentication device with respect to Payment Navigator to any person other than the person to whom it was issued;
  - h. Remove, conceal or alter any identification, copyright or other proprietary rights notices or labels on Payment Navigator;
  - i. Directly or indirectly, ship, export or re-export Payment Navigator;
  - j. Directly or indirectly resell or re-offer Payment Navigator; or
  - k. Act as a gateway through which a third party may gain access to the Payment Navigator Services.
3. **Payment Navigator Implementation.** Company will, at its own expense, pay for any preparation of its facilities necessary for it to access and use Payment Navigator in connection with this Chapter.
4. **Use of Payment Navigator by Third Parties.** Company may allow one or more third parties to access and use Payment Navigator, but only for Company's benefit and in connection with Company's internal business operations and activities, including access to and use of Payment Navigator from backup equipment at a secure off-site backup location and for testing purposes, subject to the restrictions of this Chapter and provided such third parties have agreed to be bound by the licensing terms and restrictions of this Chapter.
5. **Upgrades.** Elavon will make available to Company any updates, upgrades or modifications to Payment Navigator that Elavon generally makes available to its other customers, and each such update, upgrade or modification will be deemed to be part of Payment Navigator and will be governed by the terms of this Chapter.
6. **Termination of Payment Navigator Services.** Upon Termination of the Payment Navigator Services, Company's license to access and use Payment Navigator will terminate. Elavon may terminate Payment

Navigator Services for Payers upon 10 days' prior written notice to Company if Company remains delinquent in its payments to Elavon with respect to the Payment Navigator Services.

7. **Settlement of Transactions.** Transactions settled via the Healthcare Payment Processing Services provided under this Chapter are "net" settled as that term is described in Chapter 2 of the Operating Guide.
8. **Installment Payments.** If Company chooses to use the functionality in Payment Navigator that allows for payment in multiple installments, it will comply with all Laws relating to the offering and marketing of consumer credit "(including the federal Truth in Lending Act, Regulation Z, and any applicable state laws), including by creating compliant disclosures and delivering them to Customers. Company acknowledges that Elavon does not participate in any credit decision and has no responsibility or liability to Customers or Company with respect to offering or marketing of consumer credit.
9. **No FDR.** If Company is a Payer, it acknowledges that Elavon is not a First Tier, Downstream, or Related entity (FDR) as defined in 42 C.F.R. §423.501.

#### HEALTHCARE ADMINISTRATION SERVICES

The terms of this Section apply to Company's use of any of Healthcare Administration Services that Company has elected to receive.

1. **Expenses and Reimbursement for Third Party Transaction Charges.** Company will, at its own expense, pay for any preparation of its facilities necessary for the implementation of, access to and use of the Healthcare Administration Services. Company will reimburse Elavon for all third-party Transaction charges incurred by Elavon in connection with healthcare claim data and other Transaction Information and Transactions submitted by Company in connection with the Healthcare Administration Services (the "**Third Party Costs**"). For the avoidance of doubt, the parties intend that Company will reimburse Elavon for any Third Party Costs imposed on, or incurred by, Elavon in processing Transactions through third parties where such third parties will charge Elavon a fee to process Company's Transactions, such as Transactions destined for the following: Medicare, Medicaid and other government or government-related payers; most Blue Cross Blue Shield plans; some non-participating commercial plans; and all Transaction submissions that cannot be completed electronically and must be submitted and processed and otherwise "dropped" to paper. Please note that the fees for Healthcare Administration Services will include all known Third Party Costs as of the effective date of Company's use of the Healthcare Administration Services.
2. **Pass Through for any Future Taxes/Levies.** Any applicable sales tax, use tax, duty, tariffs, levies or other governmental charge arising from the sales, export, import or use of Payment Navigator in connection with the Healthcare Administration Services (other than taxes levied on the income of Elavon) and any related interest and penalties resulting from any payments made under this Section will be the responsibility of Company and will be paid by Company in the ordinary course and on a timely basis.
3. **Business Associate Agreement.** In connection with its performance of the Healthcare Administration Services, Elavon will have access to "protected health information" as defined in HIPAA. Accordingly, the terms of the business associate agreement agreed to by the parties apply to Company's use of the Healthcare Administration Services.
4. **Terms of Payment.** Elavon will invoice Company on a monthly basis for the Healthcare Administration Services. Company will pay the amounts indicated on such invoice no later than 30 days after the date of such invoice.

## CHAPTER 21.

# TRANSEND PAY SERVICES

This Chapter describes certain services that are available to Companies that have been approved by Elavon to receive the Transend Pay Services. Companies that use the Transend Pay Services will adhere to the requirements set forth in this Chapter.

**Overview of Transend Pay Services.** The “**Transend Pay Services**” are the Services Elavon provides that (i) allow a healthcare provider Company to streamline its revenue cycle management and (ii) are an efficient and secure way for Company to receive healthcare-related and benefit payments from Healthcare Payers. “**Healthcare Payer**” means any third party administrator, payer of healthcare benefits and healthcare-related payments, health plan or self-insured entity that remits a payment to Company in connection with the Transend Pay Services.

**Transend Pay Services Website.** Elavon, through Elavon’s vendor, will provide Company with access to a website hosted by Elavon’s vendor through which Company can access Remittance Data (the “**Transend Pay Services Website**”).

Elavon is not responsible for the form, format or content of the Transend Pay Services Website or any Remittance Data. “**Remittance Data**” means remittance information that is (i) supplied by a Healthcare Payer to Company, and (ii) connected to each of the payments made to Company by a Healthcare Payer via the Transend Pay Services. Company agrees to abide by any terms of use and/or end user license(s) provided by Elavon or Elavon’s vendor in connection with the Transend Pay Services Website.

Questions regarding Payments made via the Transend Pay Services. Questions regarding payments received from Healthcare Payers, including remittance advice, identity of the relevant Healthcare Payer and related questions should be directed to Elavon’s vendor using the procedures outlined in the agreement between Company and Elavon’s vendor or as otherwise indicated on the Transend Pay Services Website. Questions regarding the Transend Pay Services provided by Elavon, including funding settlement and Company reporting, should be directed to Elavon via the general customer service process.

**Waiver of Claims.** Company expressly acknowledges and agrees that, immediately upon Elavon’s receipt of funds that are to be processed via the Transend Pay Services in connection with a payment owed to Company by a Healthcare Payer, Company’s claim relating to such payment from the Healthcare Payer will be extinguished, and Company automatically waives any and all claims against the applicable Healthcare Payer in connection with such payment.

**Fraud Prevention.** Company will take reasonable steps to reduce, detect and manage any fraud-related issues related to Company’s receipt of the Transend Pay Services and Company’s access to the Transend Pay Services Website. Company will appoint a representative available to Elavon or its vendors or subcontractors to promptly respond to any fraud-related matters.

**Warranties and Limitation of Liability.** Company acknowledges that Elavon will engage third party service providers to assist with the provision of the Transend Pay Services, including the provision of the Transend Pay Services Website. Company acknowledges and agrees that Company may be required to enter into a user agreement with, or agree to be bound by certain terms and conditions provided by, Elavon’s vendor in order for Company to access the Remittance Data.

**Termination of Transend Pay Services.** Elavon may terminate the Transend Pay Services at any time upon notice to Company.

**Participation of Healthcare Payers.** Participating Healthcare Payers may change from time to time. Participation by a Healthcare Payer in the Transend Pay Services is at the discretion of the individual Healthcare Payer, and Elavon is not responsible for the participation (or lack thereof) of any Healthcare Payer in the Transend Pay Services.

**Protected Health Information.** No “protected health information” (as defined in HIPAA) will be provided to, or transmitted by, Elavon in connection with the Transend Pay Services. Company acknowledges and agrees that Company will not deem Elavon to be a “business associate” (as defined in HIPAA) and that Elavon will not be required to enter into a business associate agreement in connection with the provision of the Transend Pay Services.

**Disclosure of Information.** Notwithstanding any other provisions in the Agreement, Elavon may disclose information related to Company’s receipt of the Transend Pay Services, including Transaction Information, to third parties to the extent necessary to allow Elavon to provide such services to Company.

## CHAPTER 22.

# BILL PAYMENT SERVICES

This Chapter describes the bill payment services available to Companies. Companies that select the Paycentric Bill Pay Services or the Biller Direct Services will adhere to the applicable requirements in this Chapter, the Paycentric Bill Pay Services Enrollment Form or Biller Direct Services Enrollment Form, as applicable, and the applicable portions of the ECS MOG.

### GENERAL PROVISIONS APPLICABLE TO THE PAYCENTRIC BILL PAY SERVICES

The “**Paycentric Bill Pay Services**” are the electronic bill presentment and payment platform offered by Elavon that allows Company to accept Payment Devices in an online, telephone or Integrated Point of Sale environment in connection with Company’s sale of goods or services or its receipt of bill payments. “**Integrated Point of Sale**” means Company’s point-of-sale environment that is integrated with Elavon’s Paycentric Bill Pay Services. Company will adhere to the requirements in this Chapter and the applicable portions of the ECS MOG.

#### Transactions.

1. **Transaction Requirements.** Before Elavon processes a Transaction on Company’s behalf, the Customer must affirmatively agree to engage in the Transaction through the Paycentric Bill Pay Services payment channels.
  - a. **Customer Authentication.** Company will provide to Elavon such Customer information as Elavon reasonably requests to perform their obligations under the Agreement and this Chapter.
    - i. If Company has selected Secure Handoff Customer authentication for the Paycentric Bill Pay Services, Company will authenticate the identity of each Customer prior to allowing the Customer to access the Paycentric Bill Pay Services to initiate a payment to Company. Elavon may rely on such authentication and the accuracy of the Customer information Company provides. Elavon will not be responsible for authenticating the Customer or for any Transaction (whether or not the result of fraud or other unauthorized access) processed with respect to a Customer that accesses the Paycentric Bill Pay Services after a Company Secure Handoff. “**Secure Handoff**” means a data string in a Paycentric Bill Pay Services-specified format that is passed securely to the Paycentric Bill Pay Services platform after Company’s authentication of a Customer on Company’s website. The data passed to the Paycentric Bill Pay Services platform includes information used to identify the payer, amount due, and other data relevant to the effective processing of the Transaction.
    - ii. If Company has selected Bill Load File Customer authentication for the Paycentric Bill Pay Services, Elavon will authenticate the identity of each Customer on Company’s behalf based solely on the Customer information Company provides and using the authentication criteria as Company directs. Elavon may rely on the accuracy of the Customer information provided by Company, and Elavon will only be responsible for authenticating each Customer as directed by Company in writing. “**Bill Load File**” means a file of data in a Paycentric Bill Pay Services-specified format that is provided by Company to Elavon via data transmission or upload to the Paycentric Bill Pay Services platform on a regularly scheduled basis (including data used to identify the Customer, amount due, and other data relevant to the effective processing of the Transaction).
    - iii. Company will be responsible for, and will indemnify Elavon against, any losses that may result from: (a) errors in the authentication of a Customer or in the processing of Transactions that result from incorrect Customer information provided to Elavon; and

- (b) inaccurate or incomplete authentication of a Customer that does not result from Elavon's errors or omissions. Company grants Elavon and its designated agents access to and use of Customer information and such other data as is necessary for Elavon to perform its obligations under this Chapter. Company represents that Company's provision of such Customer information to Elavon will not breach any agreement to which Company is a party or violate Laws.
- b. **Transaction Risk.** Elavon will attempt to collect from each Customer the payment-related information necessary for Elavon to process a payment Transaction from the Customer to Company in connection with the Paycentric Bill Pay Services. Elavon will not be responsible for incomplete or inaccurate payment information that a Customer may provide in connection with the Paycentric Bill Pay Services. Company acknowledges that additional Transaction verification and fraud prevention data elements and processes may be available through a particular Payment Network, including address verification, to reduce Transaction risk, and that Elavon will only be responsible for implementing any such Transaction risk controls that Company specifically requests in writing. The use of such Transaction risk controls does not constitute a guarantee of payment or prevent a Transaction from being disputed or subject to Chargeback. Regardless of any additional Transaction risk mitigation options Company elects, Company will remain responsible for monitoring Customer account activity for suspicious or fraudulent activity.
  2. **Transaction Controls.** Company will notify Elavon of any material change or anticipated material change in daily dollar activity or type of Transaction processing in connection with the Paycentric Bill Pay Services, and Company will obtain Elavon's consent to any such change. Elavon will not be responsible for any losses or expenses incurred by Elavon or Company arising out of any material change or anticipated material change in Transaction activity that Company does not promptly report.
  3. **Processing Limits.** Elavon may impose a limit on the aggregate dollar amount or individual dollar amount of Transactions that it will process for Company and may change the limit from time to time without prior notice to Company. If Company exceeds the established limit, Elavon may suspend the processing of Transactions in excess of the limit or may process Transactions in excess of the limit but hold the excess funds in a separate account or Reserve Account.
  4. **Recurring Transactions.** For recurring Transactions (e.g., recurring or preauthorized payment of insurance premiums or subscriptions), the Customer must consent to the initiation of the recurring charges using the Customer's designated Payment Device. Elavon will not process recurring Transactions after Elavon receives (i) a cancellation notice from the Customer provided through the Paycentric Bill Pay Services interface; (ii) a notice from Company through the Paycentric Bill Pay Services interface that authority to accept recurring Transactions has been revoked; or (iii) a response from the Issuer of a Payment Device that the Payment Device is not to be honored. If a Customer advises Company that the Customer wishes to revoke its recurring payments authorization, Company will immediately notify Elavon by cancelling the recurring payment instruction through the Paycentric Bill Pay Services interface. Any notices that are not fully processed through the Paycentric Bill Pay Services interface prior to 5:00 p.m. Eastern time one business day before the day a Transaction is scheduled to be processed will not affect that Transaction but will be effective for subsequent Transactions.
  5. **Retrieval Requests and Chargebacks.** Company is responsible for all Transaction receipt retrieval requests ("Retrieval Requests") and Chargebacks under the Payment Network Regulations in connection with Transactions processed using the Paycentric Bill Pay Services. Elavon will forward to Company any received Retrieval Requests or documentation related to a Chargeback from a Payment Network. Company is responsible for appropriately responding to each Retrieval Request or Chargeback, including by retrieving a copy of the relevant Transaction Receipt from the Paycentric Bill Pay Services interface. Company also will cooperate with Elavon to comply with the Payment Network Regulations regarding Retrieval Requests and Chargebacks.

**Fees; Other Amounts Owed; Taxes**

1. **Fees.** Company will compensate Elavon for the Paycentric Bill Pay Services as set forth in the Paycentric Bill Pay Services Enrollment Form.
2. **Billing.** Company acknowledges that the minimum annual Transaction fees it pays to Elavon for Transactions processed using the Paycentric Bill Pay Services will be at least equal to the “Minimum Annual Fees” amount identified on the Paycentric Bill Pay Services Enrollment Form. The Minimum Annual Fees requirement becomes effective on the first day of the first month that begins following the earlier of (i) the date Elavon processes the first Transaction for Company using the Paycentric Bill Pay Services, or (ii) ninety (90) days from Chapter Effective Date. For any partial period of less than a full calendar year, the actual amount of fees Company paid to Elavon for Transactions processed using the Paycentric Bill Pay Services will be annualized to determine if Company has satisfied this obligation. At the end of each year (the first year beginning on the effective date of the Minimum Annual Fees requirement), Elavon may notify Company if the actual Transaction fees Company paid in respect of the Paycentric Bill Pay Services are less than the Minimum Annual Fees amount. If Company’s actual Paycentric Bill Pay Services Transaction processing fees for such period are less than the Minimum Annual Fees, Company will promptly pay Elavon the difference.

**Fraud Controls and Responsibility for Fraud**

Company acknowledges that Elavon monitors Transactions systematically using fraud and risk parameters to minimize Elavon’s financial exposure, and such monitoring may result in a financial benefit for Company. Elavon may suspend processing of Transactions or decline to process one or more individual Transactions if, based upon fraud detection and prevention controls or other security or Transaction verification or validation procedures, Elavon reasonably believes that such Transactions submitted to Elavon are the result of fraud or error. Elavon may suspend the disbursement of funds related to any Transaction for any reasonable period of time required to investigate suspicious or unusual Transaction or deposit activity and that Elavon will not be liable for any losses Company may attribute to a suspension of funds disbursement. Company will be responsible for all fraudulent Transactions unless such fraud results from Elavon’s failure to authenticate a purported Customer as required under this Chapter using information provided to Elavon by Company under Section 1(b) above. Elavon may refer perpetrators of fraudulent Transactions to law enforcement officials.

**Suspension of Paycentric Bill Pay Services.**

Elavon may suspend Company’s or a Customer’s access to (or temporarily restrict the use of) the Paycentric Bill Pay Services if Elavon determines there is a security, credit or legal risk that may interfere with providing the Paycentric Bill Pay Services. Elavon may also permanently terminate a Customer’s access to the Paycentric Bill Pay Services upon notice to Company if Elavon reasonably determines the Customer is misusing the Paycentric Bill Pay Services or is engaged in suspicious or illegal activity. Elavon may refuse any Transaction where Elavon reasonably believes that the Transaction involves a material probability of legal, fraud, or credit risk. Company will cooperate in resolving any claims or errors alleged by a Customer and in investigating any claims of fraud consistent with Laws and Payment Network Regulations.

**PAYMENT DEVICE SERVICE PROVISIONS**

1. **Authorization.** Elavon will attempt to obtain an Authorization Response before completing a Transaction. “**Authorization Response**” means a response sent by the Issuer in response to an authorization request that indicates whether the Transaction is approved. Responses may include: “Approved,” “Declined,” “Declined Pick-Up,” or “Referral” (“Call Auth”). Elavon will only process Transactions that receive an Authorization Response indicating that the Transaction is approved and the Payment Device may be honored (“**Authorization Approval Code**”). An Authorization Approval Code does not:



- a. guarantee Company final payment for a Transaction;
  - b. guarantee that the Transaction will not be disputed later by the Cardholder as all Transactions are subject to Chargeback;
  - c. protect Company in the event of a Chargeback regarding unauthorized Transactions or disputes involving the quality of goods or services; or
  - d. waive any provision of this Chapter or otherwise validate a fraudulent Transaction.
2. **Credit Transaction Receipt.** If Company agrees to grant a Cardholder a refund of a Payment Device Transaction processed by Elavon, Company will request a Credit Transaction Receipt through the Paycentric Bill Pay Services interface and will issue the credit using the Credit Transaction Receipt. Company will not issue cash or a check as a refund for any previous Transactions processed on a Payment Device. Elavon will debit the DDA for the total face amount of each Credit Transaction Receipt Elavon processes. Elavon will not process a Credit Transaction Receipt relating to any Transaction receipt that Elavon did not originally process, and Elavon will not process a Credit Transaction Receipt that exceeds the amount of the original Transaction receipt. **“Credit Transaction Receipt”** means a document, in paper or electronic form, evidencing Company’s refund or price adjustment to be credited to the Cardholder’s account and debited from Company’s DDA. This is also known as a credit slip or credit voucher.
3. **Interchange.** Elavon is not responsible for the Interchange category or pricing (including discount rate, fees and surcharges) applied by the Payment Networks or otherwise owed by Company with respect to any Transaction processed using the Paycentric Bill Pay Services, except to the extent that Company has to pay greater Interchange with respect to a Transaction solely because Elavon fails to comply with the Transaction processing requirements agreed to between Company and Elavon.

#### ECS AND ACH PROVISIONS

1. **General.** If Company’s Agreement is a Master Services Agreement, Company must enter into [Schedule I](#), Electronic Check Services Terms, to receive electronic check services. If Company’s Agreement is a Terms of Service, the terms of Schedule C (Electronic Check Services) will apply. A Customer must provide authorization to Elavon before Elavon will initiate an ACH debit to the Customer’s account, in accordance with the ECS MOG. Elavon will record the Customer’s ACH debit authorization. Elavon will either retain the original or a duplicate record of the Customer’s authorization for the period required by the applicable ECS Rules, and will make a copy of such record available to Company for a fee as indicated on [the Paycentric Bill Pay Services Enrollment Form](#).
2. **Additional Representations.** Company represents, with respect to all ECS and ACH Transactions accepted and processed by Elavon under these Paycentric Terms, that
  - a. for prearranged payment or deposit (PPD) entries or recurring debit entries, the Customer has duly authorized the debiting of the Customer’s account in writing in accordance with Laws and ECS Rules,
  - b. the business transaction represents an obligation of the Customer who is initiating the ECS or ACH Transaction, and
  - c. the ECS or ACH Transaction is for amounts actually owed by the Customer to Company (including tax) and does not involve any element of credit.

## GENERAL PROVISIONS APPLICABLE TO THE BILLER DIRECT SERVICES

The “**Biller Direct Services**” are the electronic bill presentment and payment platform offered by Elavon pursuant to this Chapter that allows a Company to accept Payment Devices in an online, telephone or Integrated Point of Sale environment in connection with Company’s sale of goods or services or its receipt of bill payments. “**Integrated Point of Sale**” means a Company-operated Point of Sale environment that is integrated with Elavon’s Biller Direct Services offering.

### Transactions.

1. **Company Compliance.** Company’s obligation to comply with Laws includes the obligation to comply with all requirements under the Electronic Signatures in Global and National Commerce Act in connection with the Biller Direct Services. Other than for Integrated Point of Sale Biller Direct Services, Company will not receive Transaction Information and therefore does not need to comply with the requirements governing Company receipt and handling of payment information from Customers when using Biller Direct Services.
2. **Transaction Requirements.** Before Elavon processes a Transaction on Company’s behalf, the Customer must affirmatively agree to engage in the Transaction through the Biller Direct Services web site, via the telephone, or in an Integrated Point of Sale environment.
  - a. **Customer Authentication.** Company will provide to Elavon such Customer information as Elavon reasonably requests to perform their obligations under the Agreement and this Chapter.
    - i. If Company has selected Secure Handoff Customer authentication for the Biller Direct Services, Company will authenticate the identity of each Customer prior to allowing the Customer to access the Biller Direct Services to initiate a payment to Company. Elavon may rely on such authentication and the accuracy of the Customer information Company provides. Elavon will not be responsible for authenticating the Customer or for any Transaction (whether or not the result of fraud or other unauthorized access) processed with respect to a Customer that accesses the Biller Direct Services after a Company Secure Handoff. “**Secure Handoff**” means a data string in a Biller Direct Services-specified format that is passed securely to the Biller Direct Services platform after Company’s authentication of a Customer on Company’s website. The data passed to the Biller Direct Services platform includes information used to identify the payer, amount due, and other data relevant to the effective processing of the Transaction.
    - ii. If Company has selected Bill Load File Customer authentication for the Biller Direct Services, Elavon will authenticate the identity of each Customer on Company’s behalf based solely on the Customer information Company provides and using the authentication criteria as Company directs. Elavon may rely on the accuracy of the Customer information provided by Company, and Elavon will only be responsible for authenticating each Customer as directed by Company in writing. “**Bill Load File**” means a file of data in a Biller Direct Services-specified format that is provided by Company to Elavon via data transmission or upload to the Biller Direct Services platform on a regularly scheduled basis (including data used to identify the Customer, amount due, and other data relevant to the effective processing of the Transaction).
    - iii. Company will be responsible for, and will indemnify Elavon against, any losses that may result from: (a) errors in the authentication of a Customer or in the processing of Transactions that result from incorrect Customer information provided to Elavon; and (b) inaccurate or incomplete authentication of a Customer that does not result from Elavon’s errors or omissions. Company grants Elavon and its designated agents access to

and use of Customer information and such other data as is necessary for Elavon to perform its obligations under this Chapter. Company represents that Company's provision of such Customer information to Elavon will not breach any agreement to which Company is a party or violate Laws.

- b. **Transaction Risk.** Elavon will attempt to collect from each Customer the payment-related information necessary for Elavon to process a payment Transaction from the Customer to Company in connection with the Biller Direct Services. Elavon will not be responsible for incomplete or inaccurate payment information that a Customer may provide in connection with the Biller Direct Services. Company acknowledges that additional Transaction verification and fraud prevention data elements and processes may be available through a particular Payment Network, including address verification, to reduce Transaction risk, and that Elavon will only be responsible for implementing any such Transaction risk controls that Company specifically requests in writing. The use of such Transaction risk controls does not constitute a guarantee of payment or prevent a Transaction from being disputed or subject to Chargeback. Regardless of any additional Transaction risk mitigation options Company elects, Company will remain responsible for monitoring Customer account activity for suspicious or fraudulent activity, as more fully described in Section 3 of the General Provisions of this Chapter.
3. **Transaction Controls.** Company will notify Elavon of any material change or anticipated material change in daily dollar activity or type of Transaction processing in connection with the Biller Direct Services, and Company will obtain Elavon's consent to any such change. Elavon will not be responsible for any losses or expenses incurred by Elavon or Company arising out of any material change or anticipated material change in Transaction activity that Company does not promptly report.
4. **Processing Limits.** Elavon may impose a limit on the aggregate dollar amount or individual dollar amount of Transactions that it will process for Company and may change the limit from time to time without prior notice to Company. If Company exceeds the established limit, Elavon may suspend the processing of Transactions in excess of the limit or may process Transactions in excess of the limit but hold the excess funds in a separate account or Reserve Account.
5. **Recurring Transactions.** For recurring Transactions (e.g., recurring or preauthorized payment of insurance premiums or subscriptions), the Customer must consent to the initiation of the recurring charges using the Customer's designated Payment Device. Elavon will not process recurring Transactions after Elavon receives (i) a cancellation notice from the Customer provided through the Biller Direct Services interface; (ii) a notice from Company through the Biller Direct Services interface that authority to accept recurring Transactions has been revoked; or (iii) a response from the issuer of a Payment Device that the Payment Device is not to be honored. If a Customer advises Company that the Customer wishes to revoke its recurring payments authorization, Company will immediately notify Elavon by cancelling the recurring payment instruction through the Biller Direct Services interface. Any notices that are not fully processed through the Biller Direct Services interface prior to 5:00 p.m. Eastern time one business day before the day a Transaction is scheduled to be processed will not affect that Transaction but will be effective for subsequent Transactions.
6. **Retrieval Requests and Chargebacks.** Company is responsible for all Retrieval Requests and Chargebacks under the Payment Network Regulations in connection with Transactions processed using the Biller Direct Services. Elavon will forward to Company any received Retrieval Requests or documentation related to a Chargeback from a Payment Network. Company is responsible for appropriately responding to each Retrieval Request or Chargeback, including by retrieving a copy of the relevant Transaction Receipt from the Biller Direct Services interface. Company also will cooperate with Elavon to comply with the Payment Network Regulations regarding Retrieval Requests and Chargebacks.

**Biller Direct Services; Fees; Other Amounts Owed; Taxes**

1. **Implementation Fees.** Company acknowledges that Elavon will incur significant costs integrating Company's billing process with the Biller Direct Services. As a result, Company will pay to Elavon the implementation fee set forth on the Biller Direct Services Enrollment Form upon the effectiveness of this Chapter. Payment of the implementation fee is not contingent upon use of the Biller Direct Services, and Company will be responsible for payment of the full implementation fee regardless of whether Company discontinues implementation or use of the Biller Direct Services.
2. **Billing.** Company acknowledges that the minimum annual Transaction fees it pays to Elavon for Transactions processed using the Biller Direct Services will be at least equal to the "Minimum Annual Fees" amount identified on the Biller Direct Services Enrollment Form. The Minimum Annual Fees requirement becomes effective on the first day of the first month that begins following the earlier of (i) the date Elavon processes the first Transaction for Company using the Biller Direct Services, or (ii) ninety (90) days from the effectiveness of this Chapter. For any partial period of less than a full calendar year, the actual amount of fees Company paid to Elavon for Transactions processed using the Biller Direct Services will be annualized to determine if Company has satisfied this obligation. At the end of each year (the first year beginning on the effective date of the Minimum Annual Fees requirement), Elavon may notify Company if the actual Transaction fees Company paid in respect of the Biller Direct Services are less than the Minimum Annual Fees amount. If Company's actual Biller Direct Services Transaction processing fees for such period are less than the Minimum Annual Fees, Company will promptly pay Elavon the difference.

**Fraud Controls and Responsibility for Fraud**

Company acknowledges that Elavon monitors Transactions systematically using fraud and risk parameters to minimize Elavon's financial exposure, and such monitoring may result in a financial benefit for Company. Elavon may suspend processing of Transactions or decline to process one or more individual Transactions if, based upon fraud detection and prevention controls or other security or Transaction verification or validation procedures, Elavon reasonably believes that such Transactions submitted to Elavon are the result of fraud or error. Elavon may suspend the disbursement of funds related to any Transaction for any reasonable period of time required to investigate suspicious or unusual Transaction or deposit activity and that Elavon will not be liable for any losses Company may attribute to a suspension of funds disbursement. Company will be responsible for all fraudulent Transactions unless such fraud results from Elavon's failure to authenticate a purported Customer as required under the Agreement using information provided to Elavon by Company under Section 1(b) of the General Provisions of this Chapter. Elavon may refer perpetrators of fraudulent Transactions to law enforcement officials.

**Suspension of Biller Direct Services.**

Elavon may suspend Company's or a Customer's access to (or temporarily restrict the use of) the Biller Direct Services if Elavon determines there is a security, credit or legal risk that may interfere with providing the Biller Direct Services. Elavon may also permanently terminate a Customer's access to the Biller Direct Services upon notice to Company if Elavon reasonably determines the Customer is misusing the Biller Direct Services or is engaged in suspicious or illegal activity. Elavon may refuse any Transaction where Elavon reasonably believes that the Transaction involves a material probability of legal, fraud, or credit risk. Company will cooperate in resolving any claims or errors alleged by a Customer and in investigating any claims of fraud consistent with Laws and Payment Network Regulations.

**PAYMENT CARD SERVICE PROVISIONS**

1. **Authorization.** Elavon will attempt to obtain an Authorization Response before completing a Transaction. Elavon will only process Transactions that receive an Authorization Approval Code. An Authorization Approval Code does not

- a. guarantee Company final payment for a Transaction;
  - b. guarantee that the Transaction will not be disputed later by the Cardholder as all Transactions are subject to Chargeback;
  - c. protect Company in the event of a Chargeback regarding unauthorized Transactions or disputes involving the quality of goods or services; or
  - d. waive any provision of the Agreement or otherwise validate a fraudulent Transaction.
2. **Credit Transaction Receipt.** If Company agrees to grant a Cardholder a refund of a Payment Card Transaction processed by Elavon, Company will request a Credit Transaction Receipt through the Biller Direct Services interface and will issue the credit using the Credit Transaction Receipt. Company will not issue cash or a check as a refund for any previous Transactions processed on a Payment Card. Elavon will debit the DDA for the total face amount of each Credit Transaction Receipt Elavon processes. Elavon will not process a Credit Transaction Receipt relating to any Transaction Receipt that Elavon did not originally process, and Elavon will not process a Credit Transaction Receipt that exceeds the amount of the original Transaction Receipt.
3. **Interchange.** Elavon is not responsible for the Interchange category or pricing (including discount rate, fees and surcharges) applied by the Payment Networks or otherwise owed by Company with respect to any Transaction processed using the Biller Direct Services, except to the extent that Company has to pay greater Interchange with respect to a Transaction solely because Elavon fails to comply with the Transaction processing requirements agreed to between Company and Elavon.

#### ECS AND ACH PROVISIONS

1. **General.** A Customer must provide authorization to Elavon before Elavon will initiate an ACH debit to the Customer's account, in accordance with the ECS MOG. Elavon will record the Customer's ACH debit authorization. Elavon will either retain the original or a duplicate record of the Customer's authorization for the period required by the applicable ECS Rules, and will make a copy of such record available to Company for a fee as indicated on the Biller Direct Services Enrollment Form.
2. **Additional Representations.** Company represents, with respect to all ECS and ACH Transactions accepted and processed by Elavon under this Chapter, that
  - a. for prearranged payment or deposit (PPD) entries or recurring debit entries, the Customer has duly authorized the debiting of the Customer's account in writing in accordance with Laws and ECS Rules,
  - b. the business transaction represents an obligation of the Customer who is initiating the ECS or ACH Transaction, and
  - c. the ECS or ACH Transaction is for amounts actually owed by the Customer to Company (including tax) and does not involve any element of credit

## CHAPTER 23. SERVICES IN CANADA

This Chapter describes certain requirements with which Companies operating in Canada (“**Canadian Companies**”) must comply. Canadian Companies must execute a separate agreement or otherwise be approved to receive Services from Elavon for Transactions accepted at Company locations in Canada. Canadian Companies must comply with the requirements set forth in the Agreement and in the Operating Guide, as such requirements are supplemented and/or modified by the following requirements contained in this Chapter.

For purposes of Transactions in Canada, please note the following:

- All references to “U.S. Mail” also include the Canadian Postal Service.
- All U.S. dollar amounts contained within the Operating Guide should be deemed to be Canadian dollars by Canadian Companies.
- All references to U.S. law enforcement agencies in the Operating Guide are replaced with references to the Royal Canadian Mounted Police or the local police of the jurisdiction, as applicable.

### Chapter 1

The following provisions are hereby added to or amended in Chapter 1 of the Operating Guide, *About Your Card Program*:

- In the “General Operating Guidelines” section of Chapter 1 of the Operating Guide, *About Your Card Program*, in the “Do Not Set Restrictions on Card Transactions” section, the following is hereby added after the second sentence: “Further, Company may provide differential discounts among different Payment Networks. All discounts must be clearly marked at the point-of-sale.”
- In the “General Operating Guidelines” section of Chapter 1 of the Operating Guide, *About Your Card Program*, the “Do Not Discriminate” section is deleted and replaced with the following: “No Obligation to Accept All Cards of a Payment Network: If Company accepts Credit Card payments from a particular Payment Network, it is not obligated to accept Debit Card payments from that same Payment Network, and vice versa. Company can choose to accept only Credit Card or Debit Card payments from a Payment Network without having to accept both.”

### Chapter 2

The following provisions are hereby added to or amended in Chapter 2 of the Operating Guide, *Processing Transactions*:

- In “The Electronic Authorization Process” section of Chapter 2 of the Operating Guide, *Processing Transactions*, Canadian Companies must send “Declined Pick-Up” Cards to the following Canadian address:  
Exception Processing  
ATTN: Card Pick Up  
Elavon Canada Company  
P.O. Box 4373 STN A  
Toronto, Ontario M5W3P6
- The “Transaction Processing Restrictions” section, “Surcharges” paragraph, of Chapter 2 of the Operating Guide, *Processing Transactions*, is inapplicable, as surcharging of Credit Card Transactions is not permitted in Canada.

- o In the “Processing Card Not Present Transactions – Card Identification Number and Address Verification Service” section of Chapter 2 of the Operating Guide, *Processing Transactions*, Canadian Companies needing more information about processing Card Not Present Transactions should call the following numbers for assistance from American Express and Discover Network:
  - o American Express: (800) 268-9824
  - o Discover Network: (800) 263-0104
- In the “Additional Requirements Applicable to PIN-Authorized Debit Card Transactions” section of Chapter 2 of the Operating Guide, *Processing Transactions*, the following provisions are hereby added with respect to PIN-authorized Debit Card Transactions in Canada:

**Surcharges.** Company may add an amount to the price of goods or services Company offers as a condition of paying with a Interac Debit Card provided that the Cardholder is notified through the POS Device of such amount and the Cardholder has the option to cancel the Debit Card Transaction, without cost, prior to the Debit Card Transaction being sent to the Issuer for Authorization and provided that the addition of a surcharge or user fee is permitted by the Debit Card Rules. Visa, Mastercard and Discover Network do not generally permit surcharging of Credit Card or Debit Card Transactions in Canada.

**Non-Disclosure of Debit Card Rules.** Company will not disclose the Debit Card Rules to any person except as may be permitted under the Agreement or required by applicable Law. For purposes of Transactions in Canada, the Debit Card Rules include all applicable rules and operating regulations of the EFT Networks, and all rules, directions, operating regulations, and guidelines for Debit Card Transactions issued by Elavon from time to time, including all amendments, changes, and revisions made thereto from time to time. Company agrees to take care to protect the Debit Card Rules using a degree of care at least equal to that used protect Company’s own confidential information, and Company will not use the Debit Card Rules for its own benefit or the benefit of any third person without the consent of the EFT Networks.

**Employee Logs; Due Diligence.** Company will maintain accurate logs of employee shifts, and will provide these logs to Elavon within 24 hours of a request to do so as part of an investigation of a Debit Card fraud or other incident. Company acknowledges and agrees that the EFT Network requires Elavon or its designated agents to perform a due diligence review to determine that Company is able to comply with all applicable requirements for the Debit Card Transaction services, including security and technical standards specified by Elavon and the EFT Networks. Company acknowledges that additional due diligence may be conducted by Elavon or its designated agents in the event of a change in control of Company’s business. Elavon will not be required to provide the Debit Card Transaction services to Company if Elavon determines that to do so would pose a material risk to the security or integrity of the Debit Card Transaction services.

- In the “Additional Requirements Applicable to PIN-Authorized Debit Card Transactions” section of Chapter 2 of the Operating Guide, *Processing Transactions*, the following provisions are added to the “Use and Availability of POS Devices and PIN Pads” heading with respect to PIN-authorized Debit Card Transactions in Canada:
  - o Company is responsible for installing the POS Device and PIN Pad in such a way that Cardholders may enter their PIN into the PIN Pad in a confidential manner. Company must not install the PIN Pad in a location that will allow easy visibility by third parties when the PIN Pad is in use by a Cardholder. For attended operations, Company must equip the PIN Pad with a privacy shield or design it to be hand-held so that the Cardholder can shield it with his or her body.
  - o Company must take all reasonable precautions to ensure that all POS Devices are closed and unavailable for use after business hours. Company also must advise Elavon immediately if Company suspects that any POS Device has been tampered with or if any PIN Pad has been lost or stolen.

- Company must not manually key direct Debit Card information into a POS Device in order to complete a Transaction. Company must give the Cardholder a Transaction Receipt regardless of whether a Debit Card Transaction is approved, declined or not completed.
- If Company's printer is not operational and Company's POS Device has processed the Debit Card Transaction, Company will (i) provide an alternate Transaction Receipt, such as a completed and dated sales slip or manually created facsimile showing the account number on the Debit Card to indicate that payment was made with that Debit Card, or (ii) reverse the Debit Card Transaction on the day of the request or the next business day if the Cardholder requests that Company do so.
- If a Debit Card is left at Company's premises, Company agrees to promptly return it to the Cardholder, subject to satisfactory identification of the Cardholder, or if Company is unable to return the Debit Card or if the Debit Card is not claimed within twenty four (24) hours, Company must deliver such card to us at Company's first available opportunity.
- In the "Additional Requirements Applicable to PIN-Authorized Debit Card Transactions" section of Chapter 2 of the Operating Guide, *Processing Transactions*, in addition to the listed requirements under the "Transaction Receipt Requirements" heading, the following requirements apply with respect to PIN-authorized Debit Card Transactions in Canada:

**Transaction Receipt Requirements.** Company will retain a copy of each Debit Card Transaction Receipt for a period of three (3) years from the date of the applicable Transaction.

The following requirements are hereby added to the information which must be contained on a Debit Card Transaction Receipt:

- Unique number or code assigned to the POS Device at which the Debit Card Transaction was made;
- Issuer Authorization Number;
- Indicate the status and disposition of the Transaction, approved or declined; and
- Amount of any user fee or surcharge amount, if imposed.
- In the "Additional Requirements Applicable to PIN-Authorized Debit Card Transactions" section of Chapter 2 of the Operating Guide, *Processing Transactions*, in addition to the listed procedures under the "Merchandise Returns" heading, the following procedures apply with respect to PIN-authorized Debit Card Transactions in Canada:

**Merchandise Returns.**

- For all Merchandise returns, or any other debit return initiated through Company's POS Device or account, Company bears all responsibility for such transactions even if fraudulent.
- In the "Other Transaction Types" section of Chapter 2 of the Operating Guide, *Processing Transactions*, under the "Quasi Cash Transactions" heading, the following additional language is added to "Casino gaming chips":
  - Casino gaming chips—must be authorized using a POS Device that is capable of reading the Card Verification Value from the Magnetic Stripe. A key-entered Transaction is not permitted for the purpose of obtaining Casino gaming chips.

**Chapter 4**

The following provision is applicable to Canadian Companies and is hereby added to Chapter 4, *Code 10 Procedures*:



- Canadian Companies that encounter unauthorized Cards should send the information set forth in Chapter 4 to the following Canadian address:

Exception Processing  
ATTN: Card Pick Up  
Elavon Canada Company  
P.O. Box 4373 STN A  
Toronto, Ontario M5W3P6

### Chapter 7

The provisions set forth in Chapter 7, *PIN-less Bill Payment Transactions*, are inapplicable, as these services are not available to Canadian Companies.

### Chapter 8

The provisions set forth in Chapter 8, *No Signature Required Transactions*, are inapplicable, as these services are not available to Canadian Companies.

### Chapter 9

The provisions set forth in Chapter 9, *Wireless Service Transactions*, are inapplicable, as these services are not available to Canadian Companies.

### Chapter 10

The provisions set forth in Chapter 10, *Store and Forward Application Transactions*, are inapplicable, as these services are not available to Canadian Companies.

### Chapter 11

The provisions set forth in Chapter 11, *Vehicle Rental or Leasing Authorization Procedures*, are inapplicable, as these services are not available to Canadian Companies.

### Chapter 12

The provisions set forth in Chapter 12, *Lodging Accommodations Authorization Procedures*, are inapplicable, as these services are not available to Canadian Companies.

### Chapter 14

The following provision is hereby added to Chapter 14 of the Operating Guide, *Convenience and Government/Public Institution Service Fee Requirements* in the Convenience Fee subsection:

- Company may charge a convenience fee only if Company does not accept Visa in the channel of commerce to which the convenience fee is applied (Visa does not permit convenience fees in Canada).

The following provision is hereby added to Chapter 14 of the Operating Guide, *Convenience and Government/Public Institution Service Fee Requirements* in the Government/Public Institution Service Fees subsection:

- Company may charge a GPISF only if Company does not accept Mastercard in the channel of commerce to which the GPISF is applied (Mastercard does not permit service fees in Canada).

Section 2(b) of the GPISF section of Chapter 14 is modified as follows:

- i. **Eligible Companies.** Companies operating in MCCs 4900 (Utilities), 6513 (Property Management/Rent), 8220 (Universities & Colleges), 8211 (Private Elementary & Secondary Schools), 8351 (Childcare), 9222 (Fines), and 9311 (Taxes) are eligible to charge or to have Elavon charge a GPISF to Customers in connection with an Eligible Transactions listed in 2(b)(ii) below.
- ii. **Transaction Requirements.** The following requirements apply to Canadian Eligible Transactions under Section 2(b).
  - (1) The GPISF may only be assessed for Transactions resulting from Card Not Present channels. The GPISF may be applied on recurring Transactions.
  - (2) The GPISF must be disclosed to the Cardholder prior to the completion of the Transaction, and the Cardholder must be given the option to cancel the Transaction if the Cardholder does not wish to pay the GPISF.
  - (3) The GPISF may be assessed by Company or a third party, with the assessor of the service fee clearly disclosed to the Cardholder.
  - (4) The GPISF should only be assessed on the final Transaction amount, after all discounts and rebates have been applied. The GPISF may be recorded and processed as a separate Transaction if assessed by a third party.
  - (5) The GPISF must be recorded separately on the transaction receipt, regardless of the assessor.
  - (6) The GPISF must not be identified as a "Visa Fee."
  - (7) Company may not assess a separate Convenience Fee or Credit Card Surcharge (as such terms are defined in Visa's Payment Network Regulations) or if prohibited based on local law.
  - (8) The GPISF fee cap is 0.75% for debit and 1.75% for eligible Credit, Prepaid, and International Credit Card Transactions. The GPISF may not be greater than the service fee charged on a similar transactions using a similar form of payment through any other Payment Network at the same Company. The GPISF must be the same for all similar Card products, regardless of the issuer.
  - (9) Companies accepting Visa cards for Eligible Transactions must include the words "Service Fee" in the "Company name" field of the Visa Transaction clearing record for the collection of the GPISF.

Company must accept Visa as a means of payment in all Card Not Present channels.

## Chapter 19

The provisions set forth in Chapter 19, *Fanfare Loyalty and Gift Card Services*, are inapplicable, as these services are not available to Canadian Companies.

## Chapter 24

The provisions set forth in Chapter 24, *Services in Puerto Rico*, are inapplicable, as these services are not available to Canadian Companies.

## Chapter 31

The following provision is applicable to Canadian Companies and is hereby added to Chapter 31 of the Operating Guide, *Additional Resources*:

- To obtain Payment Network-specific information, Canadian Companies can access the following web sites:

American Express: <http://www.americanexpress.ca>

Discover Network: <http://www.novusnet.com>

Mastercard: <http://www.mastercard.com/canada/business/merchant>

Visa: <http://www.visa.ca>

### INTERAC ONLINE SERVICES

“**Interac Online**” is a service whereby an Interac Online Cardholder may choose to pay Company for goods and services purchased over the Internet from a customer’s bank account. The following provisions are applicable to Canadian Companies using the Interac Online services.

**Interac Online Rules.** Company will comply with and be bound by all applicable rules and operating regulations of the Acxsys Corporation, including the Interac Online Functional Specifications, the Interac Online Operating Regulations, the Interac Online Customer Service Rules, and the Interac Online By-laws, the Trade-mark License Agreement, the Canadian Code of Practice for Consumer Protection in Electronic Commerce (<http://cmcweb.ca/epic/internet/incmc-cmc.nsf/en/fe00064e.html>) and any other directive, guideline or policy passed by resolution and promulgated by the Acxsys Corporation and all applicable federal and provincial laws, and all rules, operating regulations, and guidelines for Interac Online Transactions issued by Elavon from time to time (the “**Interac Online Rules**”). Elavon and the Acxsys Corporation may amend the Interac Online Rules and any of their requirements or regulations at any time and continued use of the Interac Online services will evidence Company’s agreement to be immediately bound by any new requirements or regulations. Company hereby grants to Elavon the right to verify that Company is in compliance with the Interac Online Rules. Company will not disclose the Interac Online Rules to any person except as may be permitted under the Agreement or as required by applicable Law.

**Due Diligence.** Elavon or its designated agent may perform a due diligence review to determine Company’s ability to comply with all applicable requirements of the Interac Online Rules, and may conduct additional due diligence in the event of a change in control of Company’s business. Elavon will not be required to provide the Interac Online services to Company if Elavon determines that to do so would pose a material risk to the security or integrity of the Interac Online system. Company provides informed consent that Elavon may use any information collected from its companies.

**Security.** Company will provide to Elavon the information required to complete Elavon’s security compliance certification program as required by the Interac Online Rules.

**Minimum Transaction.** Company will comply with any minimum transaction values which may be set by Elavon or the bank or other financial institution issuing the Interac Online Card.

**Types of Transactions.** Company may process purchases and refunds (credits) for Interact Online Cardholders. Company may not process Transactions for cash back or balance inquiries.

**Interac Online Transaction Fees.** Company may not add any amount to the posted price of goods or services as a condition of paying with an Interac Online Card, unless permitted by the applicable Interac Online Rules.

**Display of Interac Online Logo or Wordmark.** Unless otherwise informed by Elavon, Company will prominently display the most current version of the Interac Online logo or wordmark on the checkout page of Company’s

website in accordance with the specifications and requirements set forth in the Interac Online Rules. Company's right to use or display such marks will continue only as long as the Agreement remains in effect and such right will automatically terminate upon termination of the Agreement.

**Website Requirements.** Company's website must comply with the Agreement and the Interac Online Rules, including the following:

- **Confirmation Page:** Company must display both the bank or other financial institution's name and confirmation number as received in the form post message. The Customer must be given the opportunity to print the confirmation page as a record of the Transaction, which may be accomplished using the web browser's print function. Further, the confirmation page should state that the Transaction was successful.
- **Timeout message:** If Company allows less than 30 minutes for a Customer to complete a Transaction through an issuer's website, Company will post notice on the Company website to inform the Customer the amount of time allotted to complete the Transaction and that the Transaction will "timeout" if the Customer does not complete the Transaction within the allotted time.
- **Currency:** Company website must disclose the amount that will be debited from the Customer's account in Canadian funds, and indicate that the currency is Canadian dollars (e.g., by using the prefix "C\$" or "CAD").
- **Learn More:** Company must provide a link to the "Learn More" site before the Customer initiates the Transaction and leaves Company's website.

#### CHIP AND PIN TRANSACTIONS

- The Chip Card and Cardholder must be present for all Chip and PIN Transactions.
- To initiate a Chip and PIN Transaction, insert the Chip Card into the Chip-Reading Device.
- Company will require that each Cardholder enter his or her PIN at the Chip-Reading Device. No data referencing the Cardholder's PIN will be printed on any Transaction Receipt.
- Company must submit Authorization and clearing messages for Chip and PIN Transactions using full data.
- Company must provide the Authorization Response in the clearing record for all Chip and PIN Transactions that are approved offline.
- If a Canada Issuer (or its agent) issues a Declined Code or a Declined Pick-Up Code, or a Chip Card that complies with all Payment Network Regulations declines a Chip and PIN Transaction, the Transaction must not be processed by any other means.
- If the Chip or Chip-Reading Device is inoperable, Company must obtain a Magnetic Stripe Authorization. If the Magnetic Stripe cannot be read, or if Magnetic Stripe Authorization is not available, existing Card acceptance and Transaction processing procedures apply. Note that where an Authorization request is made when the Chip or Chip-Reading Device is inoperable, Company must include the appropriate values in the Authorization request identifying the Transaction as a fallback Transaction to the Chip and PIN Transaction.
- Company must comply with all, and ensure that its Chip-Reading Devices comply with all, Payment Network Regulations applicable to Chip and PIN Transactions, including all operating requirements, technical guides and other requirements specified by the applicable Payment Networks in connection with the acceptance of Chip Cards.

*Note that Company will have sole and exclusive liability for counterfeit and fraudulent Transactions that occur but that could have been prevented had Company installed and properly used Chip and PIN Technology in accordance with all Payment Network Regulations.*

## CHAPTER 24.

# SERVICES IN PUERTO RICO

This Chapter describes certain requirements with which Companies operating in Puerto Rico (“**Puerto Rican Companies**”) must comply. Puerto Rican Companies must execute a separate agreement or otherwise be approved to receive Services from Elavon for Transactions accepted at Company locations in Puerto Rico. Puerto Rican Companies must comply with all requirements set forth in the Agreement and in this Operating Guide, as such requirements are supplemented or modified by the provisions contained in this Chapter.

### Chapter 2

The following provisions are hereby added to or amended in Chapter 2 of the Operating Guide, *Processing Transactions*:

- In the “Additional Requirements Applicable to PIN-Authorized Debit Card Transactions” section of Chapter 2 of the Operating Guide, Processing Transactions, the following provisions are hereby added with respect to PIN-authorized Debit Card Transactions in Puerto Rico:

**Surcharges.** The ATH Network does not permit surcharging of Debit Card Transactions at POS Devices. The Card Brands do not permit surcharging of Credit Card Transactions.

**Non-Disclosure of Debit Card Rules.** Company will not disclose the Debit Card Rules to any person except as may be permitted under the Agreement or required by applicable Law. For purposes of Transactions in Puerto Rico, the Debit Card Rules include all applicable rules and operating regulations of the EFT Networks, and all rules, directions, operating regulations, and guidelines for Debit Card Transactions issued by Elavon from time to time, including all amendments, changes, and revisions made thereto from time to time. Company agrees to take care to protect the Debit Card Rules using a degree of care at least equal to that used protect Company’s own confidential information, and Company will not use the Debit Card Rules for its own benefit or the benefit of any third person without the consent of the EFT Networks.

**Employee Logs; Due Diligence.** Company will maintain accurate logs of employee shifts, and will provide these logs to Elavon within 24 hours of a request to do so as part of an investigation of a Debit Card fraud or other incident. Company acknowledges and agrees that the EFT Networks require Elavon or its designated agents to perform a due diligence review to determine that Company is able to comply with all applicable requirements for the Debit Card Transaction services, including security and technical standards specified by Elavon and the EFT Networks. Company acknowledges that additional due diligence may be conducted by Elavon or its designated agents in the event of a change in control of Company’s business. Elavon will not be required to provide the Debit Card Transaction services to Company if Elavon determines that to do so would pose a material risk to the security or integrity of the Debit Card Transaction services.

- In the “Additional Requirements Applicable to PIN-Authorized Debit Card Transactions” section of Chapter 2 of the Operating Guide, Processing Transactions, the following provisions are added to the “Use and Availability of POS Devices and PIN Pads” heading with respect to PIN-authorized Debit Card Transactions in Puerto Rico:
  - Company is responsible for installing the POS Device and PIN Pad in such a way that Cardholders may enter their PIN into the PIN Pad in a confidential manner. Company must not install the PIN Pad in a location that will allow easy visibility by third parties when the PIN Pad is in use by a Cardholder. For attended operations, Company must equip the PIN Pad with a privacy shield or design it to be hand-held so that the Cardholder can shield it with his or her body.

- Company must take all reasonable precautions to ensure that all POS Devices are closed and unavailable for use after business hours. Company also must advise Elavon immediately if Company suspects that any POS Device has been tampered with or if any PIN Pad has been lost or stolen.
- Company must not manually key direct Debit Card information into a POS Device in order to complete a Transaction.
- Company must give the Cardholder a Transaction Receipt regardless of whether a Debit Card Transaction is approved, declined or not completed. If Company's printer is not operational and Company's POS Device has processed the Debit Card transaction, Company will (i) provide an alternate Transaction Receipt, such as a completed and dated sales slip or manually created facsimile showing the account number on the Debit Card to indicate that payment was made with that Debit Card, or (ii) reverse the Debit Card Transaction on the day of the request or the next business day if the Cardholder requests that Company do so.
- If a Debit Card is left at Company's premises, Company agrees to promptly return it to the Cardholder, subject to satisfactory identification of the Cardholder, or if Company is unable to return the Debit Card or if the Debit Card is not claimed within twenty four (24) hours, Company must deliver such card to us at Company's first available opportunity.
- In the "Additional Requirements Applicable to PIN-Authorized Debit Card Transactions" section of Chapter 2 of the Operating Guide, Processing Transactions, in addition to the listed requirements under the "Transaction Receipt Requirements" heading, the following requirements apply with respect to PIN authorized Debit Card Transactions in Puerto Rico:

**Transaction Receipt Requirements.** Company will retain a copy of each Debit Card Transaction Receipt for a period of three years from the date of the applicable Transaction. The following requirements are hereby added to the information which must be contained on a Debit Card Transaction Receipt:

- Unique number or code assigned to the POS Device at which the Debit Card Transaction was made;
- Issuer Authorization Number;
- Indicate the status and disposition of the Transaction, Approved or Declined; and
- Amount of any user fee or surcharge amount, if imposed.
- In the "Additional Requirements Applicable to PIN-Authorized Debit Card Transactions" section of Chapter 2 of the Operating Guide, Processing Transactions, in addition to the listed procedures under the "Merchandise Returns" heading, the following procedures apply with respect to PIN-authorized Debit Card Transactions in Puerto Rico:

**Merchandise Returns.**

- For all Merchandise returns, or any other debit return initiated through Company's POS Device or account, Company bears all responsibility for such transactions even if fraudulent.

**Chapter 7**

The provisions set forth in Chapter 7, *PIN-less Bill Payment Transactions*, are inapplicable, as these services are not available to Puerto Rican Companies.

**Chapter 14**

The following provision is hereby added to Chapter 14 of the Operating Guide, *Convenience Fee Requirements*:

- Company may charge a convenience fee only if Company does not accept Visa in the channel of commerce to which the convenience fee is applied.

## Chapter 19

The provisions set forth in Chapter 19, *Fanfare Loyalty and Gift Card Services*, are inapplicable, as these services are not available to Puerto Rican Companies.

### IVU (IMPUESTO DE VENTA Y USO) PROGRAM

Companies operating in Puerto Rico must comply with the requirements of this Chapter. All Companies that operate locations in Puerto Rico are obligated to register with the Department of Treasury and may be required to participate in the IVU program. Companies operating in Puerto Rico must complete the IVU registration process to determine if Company qualifies.

#### Company Obligations in the IVU Program

All companies are obligated to register for the IVU program. Please follow the registration steps below:

- Visit the Department of Treasury's internet website at [www.ivuloto.pr.gov](http://www.ivuloto.pr.gov) and click on the *Portal de Registro*.
- During the registration process, please select **Elavon** as the processor.
- Company will be notified whether its business qualifies for the IVU program and (if it does) will receive a Merchant Registration Number.
- If you complete the registration process, but are advised that you are not eligible for the IVU program, you have complied with the requirements of the IVU program.
- Please note that any company that does not register could be subject to a penalty imposed by the Department of Treasury.

All eligible Companies must:

- Process or register through the POS Device all transactions for goods or services for which the purchaser is present at the point of sale.
- Provide the purchaser the official purchase receipt, with the control code, printed by the POS Device.
- Transmit, on a daily basis, all sales tax data to Elavon via the POS Device and Elavon will relay that information to the Department of Treasury.
- Exercise due care in using the POS Device.

#### Guidelines for Companies

Elavon offers several POS Devices that support the IVU program as an integrated feature of its transaction-processing services.

#### Boarding

- Contact Elavon Customer Care to request support for the IVU program on the POS Device.
- Complete and sign an Add Equipment form. Be sure to include Company's Merchant Registration Number received from the Department of Treasury.

- Submit the Add Equipment form to Elavon.
- The POS Device will be updated with the appropriate IVU-supported application.

### Transaction Processing

For all on-line transactions, such as Credit Card or Debit Card transactions, Company must enter the amount of the sale plus the State Sales Tax and the Municipal Sales Tax into the POS Device during the course of entering the Transaction Information.

For cash and cash equivalent transactions, such as cash, check or money order transactions, Company must enter these transactions into the POS Device, including the State Sales Tax and Municipal Sales Tax.

During periods of time when the system and/or POS Device are not functioning properly, control codes will not be generated for transactions until such time as the system is restored and/or the POS Device is repaired.

Please note that Elavon is not responsible for the validity of the information entered into the POS Device for each transaction.

### Sample Receipt

Below is an example of the manner in which the sales tax information will appear on the purchaser receipt:

AMOUNT:	\$	2.00
State TAX:	\$	0.12
Mun. TAX:	\$	0.02
TOTAL :	\$	2.14

Below is an example of the manner in which the IVU-related information will appear on the purchaser receipt:

CONTROL: NNNNN-NNNNN

EG

### More Information

You can find more information regarding the IVU program, including contact information and technical support information, at [www.ivuloto.pr.gov](http://www.ivuloto.pr.gov).



## CHAPTER 25.

# CONNECTIVITY EQUIPMENT LOCATION TERMS

### Additional Definitions

“**Connectivity Equipment**” means all computer router equipment, accessories, peripherals, software and other materials provided by Elavon that are designated on a schedule or addendum to the Agreement to be installed in the Designated Space and provide connectivity to the Elavon’s systems that enable the Services, and includes any replacement or updated equipment provided by Elavon from time to time.

“**Designated Space**” means the location on the premises of Company (or its third party hosting provider) at which the Connectivity Equipment will be installed.

### Installation and Access

1. **Installation.** Company may install, or cause to be installed, the Connectivity Equipment in the Designated Space after obtaining the appropriate instructions from Elavon for installation. If Company wants Elavon to install the Connectivity Equipment, then Company grants Elavon (or its designated subcontractor) the right to install, implement, configure, operate, and maintain the Connectivity Equipment at the Designated Space. If Elavon is performing the installation, implementation, configuration, operation or maintenance of Connectivity Equipment in the Designated Space, Company will allow (and cause its third party hosting provider to allow, as applicable) Elavon to access the Designated Space at times mutually agreed by the parties to perform such functions.
2. **Access.** Company will provide, or cause to be provided to, Elavon (or its designated subcontractor) access to the Designated Space on a twenty-four hour, seven day a week, three-hundred-sixty-five day a year basis in order to perform the Services, including access to replace and remove Connectivity Equipment and to provide routine support and maintenance services. Notwithstanding the foregoing, Company acknowledges and agrees that implementation, set-up and initial configuration, support and maintenance for the Connectivity Equipment may be performed by Elavon (or its designated subcontractor) by remote access to the Connectivity Equipment unless otherwise agreed by the parties in writing. Onsite installation and configuration by Elavon of the Connectivity Equipment at the Designated Space may result in additional installation and services fees.
3. **Company Cooperation.** Company will provide to Elavon such information as Elavon may reasonably require in order to enable Elavon (or its designated subcontractor) to instruct Company (or its third party hosting provider) in the installation of the Connectivity Equipment, and to enable Elavon to operate and maintain the Connectivity Equipment at the Designated Space, including information on size limitations, power consumption levels, infrastructure support requirements and similar requirements. In addition to installation of the Connectivity Equipment by Company (or its third party hosting provider) at Elavon’s instruction, at the request of Elavon, Company (or its third party hosting provider) will assist and cooperate with Elavon in performing light duties or correcting minor problems such as circuit problems and/or outages, which may include:
  - a. Rebooting of equipment.
  - b. Pressing of reset or other readily accessible buttons or switches.
  - c. Reconfiguration of non-restricted cables with push-on type connectors.
  - d. Working cooperatively with Elavon or Elavon’s subcontractors to locate and fix circuit problems.

4. **Relocation of Connectivity Equipment.** Company (or its third party hosting provider) will not arbitrarily or capriciously require Elavon to relocate the Connectivity Equipment; however, upon at least 120 days' written notice or in the event of any emergency, Company may require Elavon to relocate Connectivity Equipment; provided however, the site of relocation will afford comparable space and environmental conditions for the Connectivity Equipment and comparable accessibility to the Connectivity Equipment. In the event that Company requires Elavon to relocate Connectivity Equipment, all reasonable costs incurred by Elavon associated with such relocation, and all costs incurred by Company, will be borne by Company. Company will notify Elavon in advance in writing of any changes to the infrastructure, power, cabling or electrical requirements, network connectivity or similar requirements of the Designated Space that may affect the maintenance or operation of the Connectivity Equipment.

### **Designated Space**

Company (or its designated third party hosting provider, as applicable) will provide and maintain the Designated Space in a manner suited for proper storage and operation of the Connectivity Equipment with appropriate space, power and environmental controls to protect and preserve the Connectivity Equipment and in compliance with applicable city ordinances, building codes, and laws, including: (i) A/C power to the outbound port on the Connectivity Equipment serving power distribution unit (PDU) 100% of the time; and (ii) HVAC (Heating, Ventilation and Air Conditioning) with industry standard target ambient room temperature and fire suppression measures in the area where the Connectivity Equipment is located. Company will further adhere to and enforce, and cause to be enforced at the Designated Space, those physical and logical security and access standards and monitoring practices regarding access to the Designated Space and Connectivity Equipment that Company applies to its own equipment and data centers, and no less than commercially reasonable industry standards, in order to maximize the security of the Designated Space and Connectivity Equipment.

### **Telecommunications**

Company will permit Elavon and each applicable telecommunications carrier to install circuits necessary to enable the Connectivity Equipment to receive data transmissions from Company and to transmit data in order to perform the Services. Company will cooperate with Elavon to notify Company's telecommunications carriers when Elavon wishes to terminate or modify circuits associated with the Connectivity Equipment or Company connectivity to the Hosted System. As between the parties, Company is responsible for providing all telecommunications and network connectivity, including internet, local and long-distance telecommunications lines and any and all necessary cross-connects between Company's systems and equipment and the Connectivity Equipment.

### **Connectivity Equipment**

Company will have no right, title or interest (ownership or otherwise) in any of the Connectivity Equipment and will have no right to grant a security interest in or otherwise encumber any of the Connectivity Equipment or to cause or permit any Connectivity Equipment to become subject to any security interest, lien or encumbrance. The Connectivity Equipment will not be deemed or become fixtures of the Designated Space. During the Term, Elavon (or its designated subcontractor) will provide routine support and maintenance services for the Connectivity Equipment. Company will promptly notify Elavon at any time that Company becomes aware that any of the Connectivity Equipment is not operational or has been damaged or destroyed. Notwithstanding anything else to the contrary in this Chapter or the Agreement, Company will be liable and responsible for any loss, damage or destruction to the Connectivity Equipment or for repair and replacement costs relating to the Connectivity Equipment caused by the negligence or acts or omissions of Company, its employees, representatives or agents (including any third party hosting provider). Company will not remove, alter, deface or obscure any legends, notices, identification or identifications of ownership or any disclaimer of warranty or security or safety notices provided on or with the Connectivity Equipment. This is a services agreement and is not intended to and will not constitute a lease of any real or personal property. In particular, Elavon acknowledges and agrees that Elavon has not been granted any real property interest in the Designated Space, and Elavon has no rights as a tenant or otherwise under any real property or landlord/tenant laws, regulation or ordinances.

## CHAPTER 26. EQUIPMENT

### LIMITED WARRANTY TERMS FOR PURCHASED TERMINALS/PIN PADS

With respect to any terminal or PIN pad purchased from Elavon, Elavon warrants to Company that for one year following the date Elavon delivered the terminal or PIN pad to a common carrier, the terminal or PIN pad will perform substantially as described in the manufacturer's published specifications as of the date of shipment for such terminal or PIN pad.

Elavon or its equipment vendor will facilitate the warranty service as follows: Prior to returning any terminal or PIN pad under warranty, Company must first obtain a return merchandise call tag from Elavon. Company must then ship such terminal or PIN pad to Elavon's equipment vendor at the address provided by Elavon and using the call tag provided. Elavon's equipment vendor will either handle the warranty issue itself or ship the terminal or PIN pad to the OEM for further handling. Upon Elavon's equipment vendor either handling the warranty issue itself or receiving a repaired or replacement terminal or PIN pad from the original equipment manufacturer, Elavon's equipment vendor will ship the repaired or replacement terminal or PIN pad to Company.

Company will bear the risk of loss of any returned terminal or PIN pad until the time of delivery to Elavon or their equipment vendor via proper use of the call tag provided. For any repaired or replacement terminal or PIN pad shipped to Company, the risk of loss will transfer to Company at the time of delivery to Company. In all cases, Company will be responsible for all shipping and handling costs associated with such warranty service, including reimbursing Elavon for any shipping and handling costs paid by Elavon on Company's behalf.

### PROVISIONS APPLICABLE TO APPLE, INC. EQUIPMENT

If Company has received Apple, Inc. Equipment from Elavon (as specified on a schedule to the Agreement, an additional equipment form, or other mutually agreed form), then the following terms apply:

**Support.** Elavon will provide Company with full support and assistance with any troubleshooting or any other help-desk function as needed or required in connection with Company's use of Apple, Inc. Equipment. Company may also purchase AppleCare to provide additional support for its Apple, Inc. Equipment, although Apple Care does not apply to any components used in connection with the Apple, Inc. Equipment that are not produced by Apple, Inc.

**Warranty.** Company acknowledges that Apple, Inc., its officers, affiliates and subsidiaries make no warranties or endorsements with respect of Company's use of Apple, Inc. Equipment as a POS Device, nor any other POS Device, third-party product, or combination of any Apple, Inc. and any such third-party product or POS Device.

### PROVISIONS APPLICABLE TO RENTAL EQUIPMENT

Companies that rent equipment (as specified on a schedule to the Agreement, an additional equipment form, or other mutually agreed form) from Elavon on a month-to-month basis ("**Rental Equipment**") will adhere to the following requirements. For clarity, the provisions of this Chapter do not apply to Leased Equipment.

**Rental Term.** Company agrees to the rental term and to pay the fees for Rental Equipment set forth in the Agreement. Company may terminate the rental term at any time upon written notice to Elavon, provided that rental payments will not be prorated. Company will pay the full monthly rental payment for each full or partial month until the Rental Equipment is returned to Elavon in good repair, condition and working order. Elavon may charge a restocking fee upon rental termination, and Company agrees that any such fee is not a penalty, but is a reasonable fee covering the expense Elavon incurs for shipping and refurbishment of the returned equipment.

**Ownership.** Elavon will at all times retain title to the Rental Equipment. Company will not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the Rental Equipment.

**Care and Use; Risk of Loss.** Company will maintain the Rental Equipment in good operating condition, repair and appearance, and protect the same from deterioration other than normal wear and tear. Company will only use the Rental Equipment in the regular course of its business, and will comply with all Laws with respect to Company's use, maintenance and operation of the Rental Equipment. Company will bear all risk of loss of and damage to the Rental Equipment while in Company's possession. In the event of a loss of, or damage to, the Rental Equipment, Company will pay to Elavon the then current full purchase price of the Rental Equipment.

**Rental Equipment Replacement.** Elavon will replace any inoperable or non-functioning Rental Equipment during the rental term; provided, that (i) such Rental Equipment is not inoperable or non-functioning due to any act of Company or any damage for which Company is responsible, (ii) Company has paid all rental payments due and owing to Elavon, and (iii) Company pays the standard swap fee for the shipping and handling of the replacement Rental Equipment. Rental Equipment replacement will constitute Company's sole remedy and Elavon's sole obligation with respect to any inoperable or non-functioning Rental Equipment.

**Return of Rental Equipment.** Within 10 days of the expiration or termination of the rental term, Company will return the Rental Equipment, freight prepaid, to Elavon in good repair, condition, and working order, ordinary wear and tear excepted, to a location designated by Elavon. If Company fails to return the Rental Equipment to Elavon within the time period specified, Company will pay to Elavon the then current full purchase price of the Rental Equipment.

## CHAPTER 27. DIGITAL WALLETS

### MasterPass™

Companies using the Converge Platform are able to participate in Mastercard's MasterPass™ digital wallet service, an integrated digital wallet platform designed and provided by Mastercard to enable customers to pay for goods and services in e-commerce transactions (the "**MasterPass Wallet Services**"). The MasterPass Wallet Services enable online acceptance of digital wallets that have integrated features, including (i) Mastercard's proprietary digital wallet product, which is an electronic means of storing and transmitting payment card and related information on behalf of a Cardholder, and (ii) third-party digital wallets that have integrated into Mastercard's MasterPass Wallet Services.

Company agrees to the terms and conditions Mastercard has established for its MasterPass Wallet Services in the MasterPass Operating Rules, currently available at <https://masterpass.com/SP/Company/OperatingRules>. Additional details regarding the operation and use of the MasterPass Wallet Services are set forth in the MasterPass Operating Rules and in related technical and operational specifications provided or made available by Mastercard. Company agrees to maintain all Mastercard and MasterPass branding, trademarks, and logos in accordance with the MasterPass™ Company Branding Requirements, currently available at: <https://masterpass.com/SP/Merchant/OperatingRules>.

### Visa Checkout Services

Companies using the Converge Platform also are enabled to participate in Visa Checkout digital wallet service, an integrated digital wallet platform designed and provided by Visa to enable customers to pay for goods and services in e-commerce transactions (the "**Visa Checkout Services**"). The Visa Checkout Services enable online acceptance of digital wallet platforms that have integrated features, including the Visa Checkout's digital commerce platform, which is an electronic means of transmitting payment card and related information on behalf of a Cardholder. By using the Converge Platform and the integrated Visa Checkout Services, Company agrees to the terms and conditions set forth herein and to the Terms of Use and Interface Guidelines Visa has established for the Visa Checkout Services, currently available at [https://developer.visa.com/capabilities/visa\\_checkout/docs](https://developer.visa.com/capabilities/visa_checkout/docs). Additional details regarding the operation and use of the Visa Checkout Services including required Visa and Visa Checkout branding, trademarks, and logos are available at [https://developer.visa.com/capabilities/visa\\_checkout/docs](https://developer.visa.com/capabilities/visa_checkout/docs).

### Apple Pay

Companies using the Converge Platform and compatible POS Devices may also elect to accept Apple Pay transactions. Please note that Elavon is acting only to facilitate passing purchase information to Apple, Inc. ("**Apple**") at the point of acceptance. Company's relationship with respect to Apple Pay transactions will be with Apple and Elavon does not fund Apple Pay transactions. Company must inform its customers that Elavon is an intermediary party passing Transaction Information to Apple in the course of Apple Pay transactions.

Company will promptly notify Elavon of any security breach which arises from Company's use of the Apple Pay platform. Company authorizes Elavon to share with Apple any Company confidential information related to Apple Pay transactions, including information regarding Company security breaches and rates of fraud, as necessary for Elavon to comply with its obligations to Apple. In addition, Company will provide any information and assistance reasonably necessary for Elavon to meet its contractual obligations with Apple.

For each Apple Pay transaction, Company represents that, to the extent required by applicable Law, it has obtained all consents necessary for Company to provide Elavon with Transaction Information.

In addition to Company's indemnification obligations elsewhere in the Agreement, Company will indemnify and defend Elavon, its Affiliates, and their respective employees, officers, directors, and agents against losses, damages, liabilities, fines, judgements and expenses (including all reasonable attorneys' fees) in connection with claims, actions, demands or proceedings (made or threatened) brought by a third-party arising out of (a) any Company action or omission that causes Elavon to violate any agreement Elavon has with Apple, or any Law or Payment Network Regulation in connection with the ability to conduct Apple Pay transactions, (b) any Company action or inaction that violates the terms of any agreement Company has with Apple relating to Apple Pay, (c) any Company security breach impacting information associated with Apple Pay transactions; and (d) any unauthorized Apple Pay transactions.

Elavon may change the terms associated with Apple Pay transactions at any time based on Apple's changing its terms with Elavon. By continuing to accept Apple Pay transactions following a change, Company will be deemed to have accepted such change. In addition, Apple may update its services and APIs at any time. Therefore, Company may be required to make changes to its systems at its own cost to continue accepting Apple Pay transactions.

Elavon may deactivate Company's access to Apple Pay and revoke Apple web certificates on the Converge Platform if (i) Company breaches its terms with Elavon or with Apple, (ii) Company fails to enact any necessary changes to remain compatible with Apple Pay, or (iii) Company's agreement with Elavon causes any conflict with Elavon's agreements with Apple.

## CHAPTER 28.

# PAYPAL ACCEPTANCE

Companies participating in Elavon's PayPal Program are able to accept certain PayPal Payment Devices. Those Companies will be able to accept PayPal Cards in the same manner as any Credit Card, and participating Companies using compatible POS Devices may also accept PayPal Mobile Transactions. Please note that Elavon is acting only to facilitate passing purchase information to PayPal, Inc. ("**PayPal**") at the point of acceptance. Company's relationship with respect to PayPal transactions will be with PayPal, and Elavon does not fund PayPal transactions.

**"PayPal Card"** means a payment card bearing the PayPal logo that is linked to a Customer's account with PayPal.

**"PayPal Mobile Transaction"** means a term encompassing the various means by which a Customer with a PayPal account may initiate a transaction with a Company using an application on the Customer's mobile device that is linked to the Customer's account with PayPal. PayPal Mobile Transactions are described in further detail in the PayPal Program Documents.

**"PayPal Payment Devices"** means PayPal Cards and PayPal Mobile Transactions.

**"PayPal Program Documents"** means the PayPal Operating Regulations, the PayPal Dispute Rules Manual, and the PayPal Technical Specifications, including all appendices, exhibits, and attachments.

1. **PayPal Marks.** Company may use the brands, emblems, trademarks, and logos that identify acceptance of PayPal Payment Devices as described in Appendix A of the PayPal Operating Regulations (the "**PayPal Marks**") only to promote PayPal products, offers, services, processing and acceptance. Company use of the PayPal Marks is restricted to the display of decals, signage, advertising, and marketing materials provided or approved by PayPal in writing pursuant to the process set forth in the PayPal Program Documents. Company will not use the PayPal Marks in such a way that customers could believe that the products or services offered by Company are sponsored or guaranteed by the owners of the PayPal Marks. Company recognizes that it has no ownership rights in the PayPal Marks. Company will not assign to any third party any right to use the PayPal Marks. Company will not use the PayPal Marks other than as permitted by the PayPal Program Documents unless expressly authorized in writing by PayPal. Company will only use and display the PayPal Program Marks in accordance with the PayPal Program Documents.
2. **POS Devices.** Company will use POS Devices capable of accepting PayPal Cards in accordance with the PayPal Program Documents.
3. **Merchandise on Display; Inventory.** Company will have merchandise on display at the point of sale that is related and relevant to the MCC assigned to Company, and that there is sufficient inventory on premises to transact business.
4. **Evidence of Being an Operating Business.** Company must provide to Elavon upon request such documentation, such as bank or supplier documentation, reasonably required by Elavon to verify that Company is actually operating a business.
5. **Telephone and Storefront.** Company must maintain a working telephone and retail storefront.
6. **Compliance with the PayPal Program Documents.** Company must comply with all applicable terms of the PayPal Program Documents in the course of its participation in the PayPal Program, including the acceptance of PayPal Cards and PayPal Mobile Transactions.

## CHAPTER 29. LEVEL III DATA

Companies that have been approved by Elavon to submit detailed Transaction Information including line item detail about purchases (“**Level III Data**”) to Elavon in connection with certain Visa or Mastercard Commercial Card Transactions can qualify for Level III interchange rates. “**Commercial Cards**” means Cards issued on the Visa or Mastercard network to businesses that provide additional reporting to such businesses, including those designated by Visa or Mastercard as Corporate, Business, or Purchasing cards. Company must have a separate MID for Level III Transactions and correctly input each of the data elements set forth below in order to be eligible to receive the favorable interchange rates associated with submitting Level III Data, in addition to the sales tax data and customer code data elements required for Transactions to qualify for Level II. Elavon may update these data element requirements from time to time in separate communications to Companies or through updates to this Operating Guide. In Canada, Visa requires Company registration to qualify for Level III interchange rates.

### Required Data Points for Visa Transactions

Company must include the following data elements with each eligible Visa Commercial Card Transaction:

Data Element	Description	Entry Parameters
<b>Discount Amount</b>	The total discount amount applied to an entire Transaction.	Must not be all zeros if a discount amount exists and last two digits are implied decimal places. Must be all zeros if discount amount does not exist.
<b>Freight/Shipping Amount</b>	The total freight/shipping amount applied to a Transaction.	Must not be all zeros if a freight/shipping amount exists and last two digits are implied decimal places. Must be all zeros if freight/shipping amount does not exist.
<b>Duty Amount</b>	The total duty amount applied to a Transaction, which would include any Import Tax, Excise, Customs Tax Impost or Levy.	Must not be all zeros if a duty amount exists and last two digits are implied decimal places. Must be all zeros if duty amount does not exist.
<b>Item Commodity Code</b>	Commodity codes are used by corporate purchasing organizations to segment and manage their total spend across diverse product lines.	Must not be all spaces or all zeros.
<b>Item Descriptor</b>	A specific text description of the item purchased in the Transaction.	Must not be all spaces or all zeros.
<b>Product Code</b>	Product code is typically the supplier’s unique product identifier, such as a part number or catalog number. This is usually identified with an inventory number or UPC code.	Must not be all spaces or all zeros.
<b>Quantity</b>	Number of units purchased for the line item in the Transaction.	Must not be all spaces or all zeros. The last four digits are implied decimal places.
<b>Unit of Measure</b>	The metric or measurement code used for describing the quantity of units.	Must not be all spaces or all zeros.
<b>Unit Cost</b>	The cost of each unit purchased for the line item.	Must not be all spaces or all zeros. The last four digits are implied decimal



Data Element	Description	Entry Parameters
		places.
<b>Discount Per Line Item</b>	Amount of discount applied to a particular line item.	Must not be all zeros if a discount exists. Must be all zeros if discount does not exist.
<b>Line Item Total</b>	Total amount for the line item, calculated as using the following formula: Line Item Total = (Unit Cost x Qty) – Discount Per Line Item.	Last two digits implied decimal places. Must not be all spaces or zeros.

#### Required Data Points for Mastercard Transactions

Company must include the following data elements with each eligible Mastercard Commercial Card Transaction:

Data Element	Description	Entry Parameters
<b>Product Code</b>	The non-fuel related product code of the individual item purchased.	Must not contain all zeros or all spaces.
<b>Item Description</b>	Text description of the individual item purchased.	Must not contain all zeros or all spaces.
<b>Item Quantity</b>	The quantity of the item purchased.	Must be numeric and greater than zero.
<b>Item Unit of Measure</b>	The metric or measurement code used for describing the quantity of units.	Must not contain all low values, all high values, all zeros, or all spaces.
<b>Extended Item Amount</b>	The amount spent on the line item, calculated as price multiplied by the quantity.	Must be a number greater than zero.
<b>Debit or Credit Indicator</b>	Indicates whether the net of extended item amount, net of discount, taxes, and price, is a debit or credit.	Must be a letter.

## CHAPTER 30.

# AMERICAN EXPRESS® ACCEPTANCE PROGRAMS (OPTBLUE® AND PUBLIC SECTOR)

### GENERAL TERMS

If Company is eligible for and has elected to accept American Express Cards through the OptBlue® Program or through the American Express Public Sector Program, then Company agrees to the following terms and conditions:

- Additional Definitions.** As used in this Chapter, the capitalized terms set forth below will have the following definitions:

**“American Express Charges”** means a payment or purchase on an American Express Card.

**“American Express Card”** means (i) any Card, account access device, or Payment Device or service bearing American Express or American Express Affiliate’s Mark and issued by an Issuer or (ii) the unique identifying number that the Issuer assigns to the American Express Card when it is issued .

**“American Express Merchant Operating Guide”** means the Merchant Operating Guide published by American Express containing the rules and regulations of American Express applicable to the American Express Acceptance Program in the United States, together with all technical specifications, documentation, and other policies or procedures incorporated therein and currently located at <http://www.americanexpress.com/merchantopguide>, as amended from time to time.

**“American Express Program Merchant Guide”** means the American Express Program Merchant Guide published by American Express containing the rules and regulations of American Express applicable to the American Express Acceptance Program in Canada, together with all technical specifications, documentation, and other policies or procedures incorporated therein and currently located at [www.americanexpress.ca/merchantguide](http://www.americanexpress.ca/merchantguide), as amended from time to time.

**“Company Data”** means names, postal and email addresses, tax ID/social security number and names of the authorized signer of Company and similar identifying information about Company.
- American Express Guides.** For the purposes of acceptance of American Express in the United States, Company will comply with the terms of the American Express Merchant Operating Guide, available at [www.americanexpress.com/merchantopguide](http://www.americanexpress.com/merchantopguide). For the purposes of acceptance of American Express in Canada, Company will comply with the the American Express Program Merchant Guide, available at [www.americanexpress.ca/merchantguide](http://www.americanexpress.ca/merchantguide).
- Conflict in Terms.** To the extent there is any direct conflict between the terms of this Chapter and those elsewhere in the Agreement, the terms of this Chapter will govern solely with respect to the Company’s acceptance of American Express Cards and solely to the extent necessary to resolve the conflict.
- Authorization.** Company authorizes Elavon to submit American Express transactions to, and receive settlement from, American Express on Company’s behalf.
- Data Use and Sharing.** Company agrees that (i) Elavon may disclose American Express Transaction Data (which for purposes of this Chapter will have the same definition as “Transaction Data” in the American Express Merchant Operating Guide or Program Merchant Guide, as applicable), Company Data, and other information about Company to American Express, (ii) American Express may use such information to

perform its responsibilities in connection with the American Express OptBlue® Program or American Express Public Sector Program, promote the American Express Network, perform analytics and create reports, and for any other lawful business purpose, including marketing purposes and important transactional or relationship communications from American Express, and (iii) American Express may use the information obtained in the application at the time of setup to screen and monitor Company in connection with American Express Card marketing and administrative purposes.

6. **Assignment.** Company will not assign to any third party any American Express-related payments due to it under the Agreement, and all indebtedness arising from American Express Charges will be for bona fide sales of goods and services (or both) at its locations and free of liens, claims, and encumbrances other than ordinary sales taxes; provided, however, that Company may sell and assign future American Express Transaction receivables to Elavon, its affiliates, or any other cash advance funding source that partners with Elavon or its affiliated entities, without consent of American Express.
7. **Third Party Beneficiary.** Company agrees that American Express will have third party beneficiary rights, but not obligations, to enforce the Agreement against Company to the extent applicable to American Express processing. Termination of American Express card acceptance will have no direct or indirect effect on Company's rights to accept other card brands. To terminate American Express acceptance, without penalty, Company may contact Elavon customer service as described in the Agreement.
8. **Termination.** Without limiting any other rights provided herein, Elavon will have the right to immediately terminate Company's acceptance of American Express Cards upon request of American Express or if Company breaches any of the requirements herein or the American Express Merchant Operating Guide.

#### **ADDITIONAL TERMS APPLICABLE TO THE OPTBLUE® PROGRAM**

If Company participates in the American Express OptBlue® Program, the following additional terms apply:

- Company agrees that, if Company becomes a "High Charge Volume Merchant" (as defined below), Company may be converted from the OptBlue® Program to a direct American Express Card acceptance relationship with American Express, and upon such conversion, (i) Company will be bound by American Express's then-current card acceptance agreement, and (ii) American Express will set pricing and other fees payable by Company for American Express Card acceptance. "**High Charge Volume Merchant**" for purposes of this Chapter means a Company processing with either (i) greater than C\$500,000 in American Express Transaction volume in a rolling 12 month period if Company is located in Canada, or (ii) greater than US\$1,000,000 in American Express Transaction volume in a rolling 12 month period if Company is located in the United States. For clarification, if Company operates multiple establishments, the American Express charge volume from all establishments in the United States, or if a Canadian Company in Canada, will be summed together when determining whether Company has exceeded the thresholds above.
- To opt *out* of American Express-related marketing communications, Company may contact Elavon as described in the Agreement.

#### **ADDITIONAL TERMS APPLICABLE TO THE PUBLIC SECTOR PROGRAM**

If Company participates in the American Express Public Sector Program, then the following additional terms apply:

- The restrictions in the American Express Merchant Operating Guide prohibiting merchants with more than (USD) \$1,000,000 of American Express Transaction volume in a rolling 12 month period in the United States have been waived by American Express, and Company may participate in the American Express Public Sector Program even if its annual American Express Transaction volume exceeds \$1 million.
- To opt *in* to the American Express-related marketing communications, Company may contact Elavon as described in the Agreement.

## CHAPTER 31. ADDITIONAL RESOURCES

Visit Elavon's web site at <http://www.mypaymentsinsider.com> or <http://www.merchantconnect.com> to obtain customer support, retrieve account information, order supplies, and more.

### PAYMENT NETWORK COMPANY INFORMATION

For Payment Network-specific Company information, visit the following websites:

- American Express - <http://www.americanexpress.com/merchantopguide>
- Discover Network - <http://www.discovernetwork.com/getstarted/merchant/merchant.html>
- Mastercard - <http://mastercard.com/us/merchant/index.html>
- Visa - <https://usa.visa.com/run-your-business/accept-visa-payments.html>

For information regarding the operating rules and regulations of the various Payment Networks, visit the following websites:

- American Express - <http://www.americanexpress.com/merchantopguide>
- Mastercard - [http://www.mastercard.com/us/merchant/pdf/BM-Entire\\_Manual\\_public.pdf](http://www.mastercard.com/us/merchant/pdf/BM-Entire_Manual_public.pdf)
- Visa - [http://usa.visa.com/merchants/operations/op\\_regulations.html](http://usa.visa.com/merchants/operations/op_regulations.html)

### PCI DATA SECURITY STANDARDS INFORMATION

For PCI Data Security Standards information and requirements, visit the following websites:

- PCI Security Standards Council – <https://www.pcisecuritystandards.org/#>
- American Express - <http://www.americanexpress.com/merchantopguide>
- Discover Network - <http://www.discovernetwork.com/fraudsecurity/disc.html>
- Mastercard SDP - <https://www.mastercard.us/en-us/merchants/safety-security/security-recommendations/site-data-protection-PCI.html>
- Visa - <https://usa.visa.com/support/small-business/security-compliance.html>

## APPENDIX A: GLOSSARY

“**ACH**” means Automated Clearing House, the funds transfer system governed by the rules of NACHA. ACH allows financial institutions to clear interbank entries electronically.

“**ACH Rules**” means the NACHA Operating Rules and Operating Guidelines, which govern the interregional exchange and settlement of ACH transactions.

“**Address Verification Service (AVS)**” means a fraud-reduction service that allows Company to verify a Cardholder’s billing address prior to completing a Card Not Present Transaction.

“**Agreement**” means the Master Services Agreement, Payment Device Processing Agreement, Terms of Service, or Hosted Services Agreement, as applicable, any addendum to the foregoing, the Company Application, any other guides or manuals provided to Company from time to time, and all additions to, amendments and modifications of, and all replacements to any of them.

“**American Express**” means American Express Travel Related Services Company, Inc.

“**Authorization**” means a required procedure by which a Company requests approval of a Transaction from the Issuer. Authorization is initiated by accessing the authorization center by telephone or POS Device.

“**Authorization Approval Code**” means an Authorization Response indicating that the Transaction is approved and the Card may be honored.

“**Authorization Response**” means the response sent by the Issuer in response to an Authorization request that indicates whether the Transaction is approved. Responses may include: “Approved,” “Declined,” “Declined Pick-Up,” or “Referral” (“Call Auth”).

“**AVS**” – See Address Verification Service.

“**Batch**” means the accumulated Card Transactions stored in the POS Device or Host computer.

“**Batch Header**” means a summary, similar to a deposit slip, of a group of Card Transactions accepted by a Company who does not process Transactions electronically. It is attached to the Transaction Receipts when they are sent to the paper processor.

“**Card**” means a plastic card or other account access device issued by a bank or other financial institution, or by a Card company (e.g., Discover Network, Visa and Mastercard Credit Cards and Debit Cards), that allows a Cardholder to pay for purchases by credit, charge, or debit.

“**Card Brands**” means (i) Visa; (ii) Mastercard; (iii) American Express; (iv) Discover Network; (v) Diners Club International Ltd.; (vi) JCB International Co., Ltd.; (vii) China UnionPay Co., Ltd; and (viii) any other organization or association that hereafter contracts with Elavon to authorize, capture, and settle Transactions effected with Credit Cards issued or sponsored by such organization or association, and any successor organization or association to any of the foregoing.

“**Cardholder**” means the individual in whose name a Payment Device has been issued and any authorized user of such Payment Device.

**“Cardholder Data”** has the meaning stated in the Payment Card Industry (PCI) Data Security Standard (DSS) and Payment Application Data Security Standard (PA-DSS) Glossary of Terms, Abbreviations, and Acronyms.

**“Card Identification Number (CID) or Card Validation Code (CVV2/CVC2)”** means a number printed on a Card and used as additional verification for Card Not Present Transactions. For American Express this is a four-digit code printed above the Card account number. For Visa, Mastercard and Discover Network this is a three-digit card code value printed on the signature panel of the Card.

**“Card Not Present”** means the processing environment where the Payment Device is not physically presented to Company by the Cardholder as the form of payment at the time of the Transaction, including Mail Order (MO), Telephone Order (TO), and Electronic Commerce (EC).

**“Card Present”** means the processing environment where the Payment Device is physically presented to Company by the Cardholder as the form of payment at the time of Transaction.

**“Card Validation Code”** – See Card Identification Number.

**“Chargeback”** means a Transaction disputed by a Cardholder or Issuer pursuant to the Payment Network Regulations.

**“Chip”** means a microchip that is embedded in a Card that contains Cardholder Data in an encrypted format.

**“Chip and PIN Technology”** means any technology introduced by any Payment Network which employs Chip embedded Cards and the use of a PIN in conjunction with, or in replacement of, a manual signature of Cardholder.

**“Chip Card”** means a Card embedded with a Chip that communicates information to a Chip-Reading Device.

**“Chip-Reading Device”** means a POS Device capable of reading, communicating and processing Cardholder Data from a Chip Card.

**“CID”** – See Card Identification Number.

**“Code 10 Authorization”** means an Authorization or an “additional verification step” obtained for a suspicious or questionable Transaction, Card, or Cardholder.

**“Company”** means the business entity that provides goods and services to Customers (formerly referred to as “Merchant”, or, with respect to Gateway Services, “Customer”).

**“Company Application”** means the Company Application and any additional document containing information regarding Company’s business that is submitted to Elavon in connection with Company’s application for the Services, including documents submitted by Company as a part of the bid process, if applicable.

**“Contactless”** means a payment card or key fob equipped with a chip and antenna that securely communicates Cardholder account information via radio frequency to a POS Device.

**“Convenience Fee”** means a fee charged by Company for an added convenience to the Cardholder for the use of a Payment Device in a Transaction in accordance with the Payment Network Regulations.

**“Credit Card”** means a card or device associated with a revolving line of credit that may be used to purchase goods and services from Company or to pay an amount due to Company or to obtain cash advances. A “Credit Card” includes any of the following cards or devices that are associated with a line of credit extended to the person to whom the card or device is issued: (i) a Visa card or other card or device bearing the symbol(s) of Visa U.S.A., Inc. or Visa International, Inc. (including Visa Gold cards); (ii) a Mastercard card or other card or device bearing the

symbol(s) of Mastercard International Incorporated (including Mastercard Gold cards); (iii) a Discover Network card or other card or device bearing the symbol(s) of Discover Network; or (iv) any card or device bearing the symbol of any other Card Brand.

**“Credit Transaction Receipt”** means a document, in paper or electronic form, evidencing a Company’s refund or price adjustment to be credited to the Cardholder’s account and debited from Company’s DDA. This is also known as a credit slip or credit voucher.

**“CVV2/CVC2”** – See Card Identification Number.

**“Customer”** means a client of Company who elects to conduct a payment Transaction with Company through presentation of a Payment Device (including a Cardholder) or who participates in Company’s Fanfare Loyalty Program (as defined in the FanFare Services chapter).

**“Customer Data”** means any information or data related to a Customer, including personal information, personally identifying information and information about a Customer’s purchase Transactions at Company, collected by Company and provided to Elavon or received by Elavon from a Customer in connection with the Fanfare Loyalty Program or Elavon’s provision of the Fanfare Loyalty Services (each as defined in the FanFare Services chapter).

**“DDA”** – See Demand Deposit Account.

**“Debit Card”** means a card or device bearing the symbol of one or more EFT Networks or Card Brands, which may be used to purchase goods and services from Company or to pay an amount due to Company by an electronic debit to the Cardholder’s designated deposit account. A “Debit Card” includes (i) a card or device that bears the symbol of a Card Brand and may be used to conduct signature-based, offline debit Transactions, and (ii) a card or device that bears the symbol of an EFT Network and can be used to conduct PIN-based, online debit Transactions.

**“Debit Card Rules”** means all applicable rules and operating regulations of the EFT Networks and Card Brands, and all rules, operating regulations, and guidelines for Debit Card Transactions issued by Elavon from time to time, including all amendments, changes, and revisions made thereto from time to time.

**“Declined Code”** means an Authorization Code indicating that the Transaction is declined and the Card is not to be honored.

**“Declined Pick-Up Code”** means an Authorization Code indicating that the Transaction is declined and the Card should be retained by Company.

**“Demand Deposit Account”** means the commercial checking account at a financial institution acceptable to Elavon designated by Company to facilitate payment for Transactions, Chargebacks, returns, adjustments, fees, fines, penalties, and other payments due under the Agreement. In the instance of a Debit Card or ATM Card, this refers to the Cardholder’s deposit account.

**“Destination Point”** means a location of a Payment Services Entity designated by Company with respect to which Company has requested Elavon to provide the Gateway Services or to which Company has requested Elavon submit Transactions.

**“Discount”** means a type of fee paid by a Company to process its Card Transactions. Discount is calculated by multiplying the Discount rate by the volume of Card Transactions.

**“Discover”** means DFS Services LLC.

**“Discover Network”** means the payment network operated and maintained by Discover.

**“Domestic Internet PIN-Based Debit Card Transaction”** means a PIN-based Transaction conducted over the internet using a Debit Card and processed over an EFT Network.

**“EBT Card”** means a card used for electronic benefits transfers.

**“ECS”** – See Electronic Check Service.

**“ECS Association”** means NACHA, any regional ACH association or network, and any other organization or association used by Elavon or Member in connection with the ECS that is hereafter designated as an ECS Association by Elavon from time to time.

**“ECS Rules”** means all applicable rules and operating regulations of or applicable to the ECS Associations (including the ACH Rules) and the ECS MOG, in each case including all amendments, changes, and revisions made thereto from time to time.

**“EFT Networks”** means (i) Interlink Network Inc., Maestro U.S.A., Inc., STAR Networks, Inc., NYCE Payments Network, LLC, PULSE Network LLC, ACCEL/Exchange Network, Alaska Option Services Corporation, Armed Forces Financial Network, Credit Union 24, Inc., NETS, Inc., SHAZAM, Inc., and Interac and the Interac Direct Payment service; and (ii) any other organization or association that hereafter authorizes the Elavon Servicer and Member to authorize, capture, and/or settle Transactions effected with Debit Cards, and any successor organization or association to any of the foregoing. For purposes of Chapter 2, heading Special Requirements Applicable to Internet PIN-Based Card Transactions, ETF Networks will only include networks in the United States.

**“EGC”** – See Electronic Gift Card.

**“EGC Cardholder Data”** means one or more of the following data elements pertaining to a Cardholder’s account: Electronic Gift Card number, Cardholder name (if applicable), Electronic Gift Card account activity, Cardholder account balance, and such other data applicable to Company’s EGC program.

**“Elavon Debit System”** means Elavon’s electronic Debit Card Transaction processing system for provision of Debit Card authorization, data capture, and settlement services.

**“Electronic Check Service (ECS)”** means the service offering by Elavon pursuant to which Transactions effected via an ACH Payment Device are presented for clearing and settlement through the ACH funds transfer system or alternate clearing channel as described in the ECS Merchant Operating Guide (ECS MOG).

**“Electronic Commerce Transaction”** means a Transaction that occurs when the Cardholder uses the Internet to make a purchase from a Company.

**“Electronic Gift Card (EGC)”** means a special stored value card provided by or on behalf of Company that is redeemable for merchandise, services or other Transactions.

**“Electronic Gift Card (EGC) Services”** means Services provided by Elavon that allow a Company to sell Electronic Gift Cards redeemable for in-store merchandise or services.

**“HIPAA”** means the Health Insurance Portability and Accountability Act of 1996.

**“Host”** means the central server Elavon uses to store Company information and to route information between Company and the Issuers.

**“Hosted System”** means the Elavon proprietary switch technology, operating systems and software platform operated by Elavon for the Gateway Services, including (if applicable) the Elavon-controlled, non-public network connectivity and interfaces for transmitting data to and from the Origination Point.



**“Imprint”** means the physical impression made from a Card on the Transaction Receipt, which may be used to prove that the Card was present when the sale was made.

**“Imprinter”** means a device used by Companies to make an Imprint on a Transaction Receipt.

**“Interac”** means Interac Association.

**“Interac Online”** means the service provided by Interac to permit Customers to pay for goods and services over the Internet and directly from the Customer’s bank account.

**“Interchange”** means the clearing and settlement system for Visa and Mastercard Credit Cards and Debit Cards and, where applicable, Discover Network Credit Cards and Debit Cards, where data is exchanged between Elavon and the Issuer.

**“Interchange Fees”** means the amount paid by Elavon to the Issuer on each Transaction. Interchange Fees vary according to the type of Company and the method of processing.

**“International Credit Card”** means a Credit Card issued for acceptance on or accessible through an International Network.

**“International Debit Card”** means a debit card or device bearing the symbol(s) of one or more International Networks, which may be used to purchase goods and services from Company or to pay an amount due to Company by an electronic debit to the Cardholder’s designated deposit account.

**“International Debit Card Transaction”** means a PIN-based Transaction conducted over the internet using an International Debit Card and processed over an International Network.

**“International Internet PIN-Based Card Transaction”** means an International PIN-Based Credit Card Transaction or an International Debit Card Transaction.

**“International PIN-Based Credit Card Transaction”** means a PIN-based Transaction conducted over the internet using an International Credit Card and processed over an International Network.

**“International Network”** means an organization or association based outside the United States and that operates or sponsors a payments network, with respect to which Elavon is authorized, directly or indirectly, to process, capture, and/or settle Transactions effected with Payment Devices issued or approved for use on the payments network operated or sponsored by such organization or association.

**“Internet PIN-Based Card Transaction”** means a Domestic Internet PIN-Based Debit Card Transaction or an International Internet PIN-Based Card Transaction.

**“Internet PIN Pad”** means a secure program that displays and allows entry on a virtual numeric keyboard that conforms with the applicable Payment Network Regulations and the PCI Data Security Standard, and requirements established from time to time by Elavon, and through which a Cardholder may enter a PIN.

**“Issuer”** means the financial institution or other entity that issues a Credit Card or Debit Card to a Cardholder.

**“Laws”** means all applicable local, state, and federal statutes, regulations, ordinances, rules, and other binding law in effect from time to time.

**“Loyalty Card”** means a device used to hold a currency or points value in a stored value program.

**“Magnetic Stripe”** means a stripe of magnetic material affixed to the back of a Card that contains Cardholder account information.

**“Magnetic Stripe Authorization”** means an electronic Authorization request generated when a Company swipes the Cardholder’s Card through the POS Device. The POS Device reads the Cardholder Data from the Magnetic Stripe on the Card and then dials out to the Authorization Center to obtain an Authorization Code.

**“Mail Order/Telephone Order (MO/TO) Transaction”** means, for MO, a Transaction that occurs when the Cardholder uses the mail to make a payment to a Company and for TO, a Transaction that occurs when the Cardholder uses a telephone to make a payment to a Company.

**“Manual Entry Authorization”** means an Authorization request generated when Company key-enters the Cardholder’s Card number, expiration date, and sales amount into the POS Device (e.g., when the POS Device is unable to read the Cardholder Data from the Magnetic Stripe on the Card). The POS Device then dials out to the appropriate Authorization Center to obtain an Authorization Code.

**“Master Account”** means the account (e.g. funds pool) used to hold the value of Electronic Gift Cards or Fanfare Gift Cards (as defined in the FanFare Services chapter), as applicable, that have been issued among a group or chain of Companies; alternatively, this may refer to the back-up account used to offset electronic payment, ACH or Canadian Payments Association rejects, if applicable.

**“Member”** means a financial institution designated by Elavon that is a principal, sponsoring affiliate or other member of Visa, Mastercard or other member of the applicable Payment Network. The Member may be changed by Elavon at any time and Company will be provided notice of same.

**“Merchant Category Code (MCC)”** means the four-digit code and corresponding definition assigned to each Company that describes the type of business in which Company is engaged.

**“Merchant Identification Number (MID)”** means a unique identification number assigned to a Company to identify its business.

**“MO/TO”** means Mail Order/Telephone Order.

**“NACHA”** means the National Automated Clearing House Association.

**“No Signature/PIN Required Program”** means a specific program offering by a Card Brand that includes required criteria that must be met by Company in order to submit Transactions that do not require a Cardholder signature and Transaction Receipt and to obtain some protection from Chargebacks.

**“Operating Guide”** means Elavon’s Operating Guide (formerly the “Merchant Operating Guide” or “MOG”), located at [www.mypaymentsinsider.com](http://www.mypaymentsinsider.com) and [www.merchantconnect.com](http://www.merchantconnect.com) (or such other website that Elavon may specify), that prescribes rules and procedures Transactions and Company’s use of the Services. Elavon may amend the Operating Guide from time to time, which amendments will be effective upon notice to Company.

**“Origination Point”** means either (i) the Company central origination location that transmits data between Company and the Hosted System or (ii) if Company is integrated with the Gateway Services directly, the point-of-sale (POS), property management system (PMS), terminal central location, equipment or system from which Company transmits data to or receives data from the Hosted System.

**“Payment Card”** means a Credit Card, Debit Card or Prepaid Card, as the context requires.

**“Payment Device”** means any device or method used for the purpose of obtaining credit or debiting a designated account including a Credit Card, Debit Card, and any other financial transaction device or method, including an

Electronic Gift Card, check (whether converted into electronic form or used as a source document for an electronic fund transfer), EBT (electronic benefits transfer) card, stored value card, “smart” card, or other device created to be used for the purpose of obtaining credit or debiting a designated account.

“**Payment Network**” means any Card Brand, EFT Network, ECS Association or automated clearing house association, governmental agency or authority, and any other entity or association that issues or sponsors a Payment Device or PayPal Payment Device (as defined in the PayPal Acceptance chapter) or operates a network on which a Payment Device is processed.

“**Payment Network Regulations**” means the rules, operating regulations, guidelines, specifications and related or similar requirements of any Payment Network.

“**Payment Services Entity**” means any third party (which may include Elavon if Company has engaged Elavon to provide Payment Device or Transaction processing services) that Company has designated as a Destination Point for receipt of Transactions and to which Elavon is certified to submit Transactions, including Transaction Processors, Payment Networks, third party service providers, program managers and other third parties associated with Payment Device acceptance or other programs of Company.

“**Personal Identification Number (PIN)**” means a number that must be entered by a Cardholder in order to complete certain types of Transactions (e.g., online debit, EBT).

“**PIN**” – See Personal Identification Number.

“**PIN-less Bill Payment**” means PIN-less Debit Card payment Transactions resulting in funds transfer from Cardholders to Company in connection with payments for recurring services (excluding casual or occasional purchases) for which a corresponding invoice is periodically presented to the Cardholder by Company, and which Transaction is initiated via a telephone (Voice Recognition Unit, Interactive Voice Recognition) or Internet device.

“**PIN Pad**” means a secure device, with an alphanumeric keyboard, that conforms to the Debit Card Rules and applicable standards administered by the Payment Card Industry Security Standards Council and requirements established from time to time by Elavon and through which a Cardholder may enter a PIN.

“**POS Device**” means a terminal, software or other point-of-sale device at a Company location that conforms to the requirements established from time to time by Elavon and the applicable Payment Network.

“**Prepaid Card**” means a card having available funds paid for in advance by the Cardholder.

“**Primary Company**” means the Merchant Identification Number (MID)/location originally enrolled for Electronic Gift Cards and set up to be billed for the card orders placed or designated as the corporate or headquarter location.

“**Program**” means the processing services and other related products and services received by Company pursuant to the Agreement.

“**Proper Authorization**” means receipt of an Authorization Approval Code by use of a POS Device or the telephone authorization center provided for authorization referrals.

“**Quasi-Cash Transactions**” means Transactions representing a Company’s sale of items that are directly convertible to cash.

“**Recurring Payments**” means a Transaction charged to the Cardholder (with prior written or electronic permission to a Company) on a periodic basis for recurring goods and services (e.g., monthly membership fees, utility bills, subscriptions).

**“Referral Code”** means an Authorization Code indicating that the Issuer is requesting that Company call the Voice Authorization Center, which will either provide an Authorization Approval Code or ask Company to request additional information from the Cardholder (e.g., mother’s maiden name).

**“Retrieval Request”** means a request initiated by a Cardholder or Issuer that requires Company to produce a legible copy of the Cardholder’s signed Transaction Receipt within a specified period of time.

**“Service Provider”** means any entity that stores, processes, transmits or accesses Cardholder Data or Transaction Information on behalf of Company or that provides software to Company for transaction processing, storage, or transmission, except to the extent such services are performed by the entity in its capacity as a third-party contractor of Elavon performing Elavon’s obligations under the Agreement.

**“Settlement”** means the process of submitting Transactions to Elavon for processing.

**“Split Sale”** means a prohibited process by which Companies use multiple Transaction Receipts to avoid Authorization for a single Transaction.

**“Territory”** means the United States and Canada, unless otherwise indicated on an applicable enrollment or application form.

**“Transaction”** means any action between Company and a Cardholder or Payment Network that results in transmission of Cardholder Data or Transaction Information (e.g. payment, purchase, refund, return, chargeback, authorization request, settlement submission, transaction inquiry, decryption, conversion to/from tokens).

**“Transaction Information”** means any data or information resulting from a Transaction. Transaction Information includes payment processing-related transactional information that may be collected or stored by Elavon, including the price paid for products or services, date, time, approval, unique transaction number, store identifier, and Customer bank information relating to a Transaction.

**“Transaction Processor”** means service bureaus and other Persons that provide transaction processing services, including authorization and settlement services, to Company. The authorization services may support processing of credit, debit, check or other types of transaction services as may be available through the Gateway Services. In order to provide Gateway Services with respect to a Transaction Processor designated by Company for a Company location, Elavon must be certified with the selected Transaction Processor for the applicable Gateway Services.

**“Transaction Receipt”** means the paper or electronic record evidencing the purchase of goods or services from, or payment to, a Company by a Cardholder using a Payment Device.

**“Voice Authorization”** means an Authorization process whereby a Company calls the Voice Authorization Center and provides Cardholder and purchase information over the telephone. The Voice Authorization Center then provides an Authorization Code to Company.

**“Voice Authorization Center”** means the center that conducts Voice Authorization for Card Transactions.