

Payment Service Provider Guidelines

Appendix A – Payment Service Provider Guidelines

The Payment Service Provider Guidelines set forth the “dos and don’ts” to be observed by MERCHANT.

1. Prohibitions.

MERCHANT will not undertake any of the following:

- 1.1. Surcharge. Require, through an increase in price or otherwise, any Cardholder to pay a surcharge at the time of sale or to pay any part of any charge that PWE imposes on MERCHANT. Discounts for payments in cash, however, are permitted as set forth under the Applicable Laws.
- 1.2. Finance Charge. Add a finance charge to any Transaction. The sum of an instalment transaction may not exceed the total sales price of merchandise on a single-transaction basis.
- 1.3. Amount Limitations. Establish minimum or maximum transaction amounts except if set forth in any Applicable Laws.
- 1.4. Personal Identification. Require a Cardholder to provide personal identifying information, such as a telephone number, address, or driver’s license number, as a condition of honouring any card, unless the information: (i) is needed to complete the Transaction (e.g., when an address is needed to complete a mail order transaction); or (ii) is required by a Association in connection with a particular Transaction or for authentication of Cardholder and is permitted by Applicable Laws.
- 1.5. Third Party Transactions. Present sales slips for services or goods provided by others. MERCHANT may only use the services for Transactions undertaken in the ordinary course of MERCHANT’s business.
- 1.6. Cash Payments / Advances. Receive any payment from a customer for charges included on any Transaction Record resulting from the use of a Card,

nor receive any payment from a Cardholder to prepare or present a credit slip for the purpose of affecting a deposit to the Cardholder's account.

MERCHANT will not make a cash advance to a Cardholder, either directly or by deposit to the Cardholder's account.

1.7. Factoring. Present to PWE, directly or indirectly, any Transaction Record that was not a result of a Transaction between MERCHANT and the Cardholder.

1.8. Unauthorized transactions. Present PWE with a Transaction Record that MERCHANT knows or should know is fraudulent or unauthorized by the Cardholder.

1.9. Credits. Process a credit Transaction without having completed a previous retail Transaction with the same cardholder.

1.10. Non-customary transactions. Present PWE Transaction Records for Transactions outside the normal scope of MERCHANT's business, as reflected in the MERCHANT records with PWE (e.g., the sale of travel services by a bicycle merchant). MERCHANT may not conduct mail order, telephone order, or e-commerce (Internet) Transactions unless PWE authorizes him to conduct such Transactions.

1.11. Cardholder Information. Sell, purchase, provide, exchange, or otherwise disclose a Cardholder's name or card number that the MERCHANT obtain as a result of a Transaction to any third party other than PWE, the MERCHANT's agents (to assist the MERCHANT in its business), a Association, or as required by Applicable Laws. If the Cardholder's identification is uncertain, MERCHANT must contact PWE for instructions. If PWE asks MERCHANT to recover the Card, MERCHANT must assist PWE to do so according to PWE's instructions.

1.12. MERCHANTs Cards. Present PWE with Transactions Records for sales involving a Card issued to MERCHANT.

1.13. Scrip. Accept any Cards for the purchase of scrip.

1.14. Special Conditions. Establish any special conditions for accepting a Card.

1.15. Chargebacks. Submit a Transaction or sale that has been previously charged back.

1.16. Split Transactions. Use two or more sales transaction receipts for a single transaction to avoid or circumvent authorization limits or monitoring programs.

2. Advertisement.

Wherever MERCHANT accept cards, MERCHANT will inform the public of the cards that it honours. However, MERCHANT may not indicate that any of the Associations endorse its goods or services nor refer to the Associations when stating its eligibility requirements for purchasing MERCHANT's products, services or memberships.

3. Identification of Cardholder / mail order; telephone order; internet Transactions.

MERCHANT will not engage in any card Transaction with a Cardholder who fails to present the Card that is intended to be used to complete the Transaction. This limitation does not apply if MERCHANT is approved to engage in mail / telephone / internet orders. MERCHANT may only engage in mail / telephone / internet orders provided that these orders do not exceed the percentage of MERCHANT's total card volume reflected on MERCHANT's application to become a MERCHANT and the Agreement. Failure to adhere to this requirement may result in cancellation of the Agreement, or PWE may withhold MERCHANTs funds and / or interrupt or terminate the Services. mail / telephone / internet Transactions have a substantially higher risk of Chargeback. Since MERCHANT will not have an imprinted or magnetically swiped Transaction, and will not have the Cardholder's signature on the sales slip as it would in a face-to-face transaction, MERCHANT will assume all risks associated with accepting a mail / telephone / internet order Transaction. In

any non-imprint Transaction, MERCHANT will be deemed to guarantee the customer's true identity as an authorized user of the Card. MERCHANT recognizes that any Transaction in which the Card and / or the Cardholder is not present poses significant Chargeback and / or unauthorized transaction risk, for which the MERCHANT have no recourse against PWE.

4. Refund, exchange and return policies.

MERCHANT's policy of permitting refunds, exchanges, returns, or adjustments for card purchases may not be more restrictive than for its cash customers. If the MERCHANT accepts any goods for return, permits the termination or cancellation of any services, or allows any price adjustment (other than involuntary refunds required by applicable airline or other tariffs, or as otherwise required by Applicable Laws), MERCHANT will not make any cash refund, but will complete and deliver promptly to PWE a credit Transaction Record evidencing the refund or adjustment. The amount of the credit Transaction Record may not exceed the amount of the original Transaction. MERCHANT's return / cancellation policy must be disclosed to MERCHANT's customers. MERCHANT will provide PWE with a written description of its refund and return policy upon PWE's request.