MERCHANT AGREEMENT
BANK OF NORTH DAKOTA
RETAIL & CUSTOMER SERVICE
SFN 60059 (12-2025)

THIS AGREEMENT is made between the State of North Dakota doing business as Bank of North Dakota, 1200 Memorial Highway, Bismarck, North Dakota 58506 and

Name of Merchant			
Address	City	State	ZIP Code

in connection with Visa, MasterCard, and Discover network payment card services provided by Bank to Merchant.

Effectiveness of Agreement. This Agreement is not effective as to Bank until Bank has accepted transaction receipts from Merchant for processing. This Agreement is effective against Merchant upon Banks first acceptance of Merchants first submission of transaction receipts or documentation for processing by Bank. Bank may, but is not required to process any transaction for Merchant before Merchant has signed the Agreement.

Acceptance of Payment Cards/ Visa Limited Acceptance Option. Merchant desires to accept payment cards licensed and branded through Discover Network, the MasterCard Incorporated network and the following specified cards licensed and branded through Visa network.

Merchant chooses to accept the following categories of Visa cards
☐ Visa Credit and Business ☐ Visa Prepaid Debit Cards ☐ Both "Cards"

If Merchant fails to designate its Visa card selection in the space provided, Bank may treat Merchant as having selected both categories of Visa cards until such time as Merchant notifies Bank in writing of its contrary election.

This Agreement creates and governs the relationship between Merchant and Bank and does not create or govern any relationship between Merchant and a payment card network.

Fees and Charges. For its services, Bank will charge and assess various fees and charges to Merchant in accordance with network requirements and Banks fees and charges for the date Bank processes a transaction. Merchant acknowledges that fees and charges may be changed by Bank acting in its sole discretion from time to time. Bank will provide Merchant with information about the amount and circumstances for fees and charges upon Merchants written request. At least monthly Bank will deduct fees and charges from the designated account that Merchant maintains with Bank amounts that are due to Bank for its fees and charges or will bill merchant for fees and charges.

Compliance with Network Regulations. Merchant must adhere to and comply strictly with all MasterCard Rules adopted by MasterCard International Incorporated as they pertain to merchant acceptance, handling of transactions, and dispute resolutions relating to a card issued under license from MasterCard International or a MasterCard transaction and Visa Operating Regulations adopted by Visa U.S.A. Inc. as they pertain to merchant acceptance, handling of transactions and dispute resolution relating to a card issued under license from Visa U.S.A. Inc. or a Visa transaction. In order to help protect the integrity of cardholder data, Discover requires ALL merchants that process, store or transmit cardholder data on the Discover network to comply with the Payment Card Industry Data Security Standard ("PCI DSS") at all times. Throughout this Agreement these rules and regulations are referred to as "network regulations". Network regulations change from time to time. The version of the network regulations with which Merchant must comply is the version that is in effect on a transaction date, however, if there is any disagreement regarding the transaction date, it is to be determined by the applicable network regulations. Merchant may access MasterCard Rules at www.mastercard.com, may access Visa Operating Regulations at www.Visa.com, and may access Discover Merchant Operating Regulations at www.discovernetwork.com, and may obtain specific individual operating regulations and guidelines from Bank. If any provision of this Agreement is inconsistent with Merchants obligations as provided in a network regulation, the network regulation will supersede the inconsistent provision and be substituted for it to determine the Merchants rights and obligations under the circumstances and this Agreement.

Equipment and Materials. Merchant must obtain and use equipment, supplies and materials appropriate for accepting, obtaining authorization, and processing transactions in accordance with applicable network regulations. Merchant may obtain appropriate equipment, supplies and materials from Bank for additional fees and charges and upon other terms as are separately agreed by Merchant and Bank.

Merchants Responsibility to Its Customer. Merchant must prominently and unequivocally inform cardholders of Merchants identity at all points of interaction so that cardholder can readily distinguish Merchant from any other person such as a supplier of products or services to Merchant and must ensure that cardholder understands Merchant, not Bank or a network, is responsible for the transaction, including delivery of products and services, customer service and dispute resolution in accordance with the terms of the transaction.

No Discrimination; Uniform Service to Cardholders. Merchant must honor all valid cards without discrimination when properly presented for payment and may not discriminate between a cardholder who pays with a MasterCard, Visa, or Discover card that is subject to this Agreement and a person who pays with another type branded, general purpose payment card that uses cardholder signature as the primary means of cardholder authorization. Merchant may not unfavorably distinguish persons who present valid Visa, MasterCard, or Discover branded cards that are issued by Bank from those who present valid cards that have been issued by other card issuers.

Customer to Select Method of Payment. Merchant must permit a cardholder to choose whether to pay for a transaction with a card or another form of payment that is accepted by Merchant. Merchant must accept any valid and properly presented card in Merchants chosen category of acceptance. Merchant may request or encourage a customer to use a means of payment other than a credit card and may offer a benefit to induce the customer to use another method of payment. Merchant may not discourage a customer from using the card of customers choice and may not encourage a customer to use one brand of card to the disfavor of another brand of card.

Card Acceptance and Verification Procedure. Merchant must adopt and carry out appropriate procedures for accepting and verifying the validity of a card that is presented to the Merchant for payment. Merchant may not require cardholder identification information from a cardholder who has properly presented a card, except as is specifically permitted or required by network regulations. Merchants procedures must comply with network regulations and any written directive from Bank. Merchant may not accept a card which bears any indication that the card has been altered or subject to tampering, which has expired, or for which authorization has been declined. Merchant may not accept a card prior to or beyond the embossed or printed dates which are specified on the card.

Authorization. Merchant may not accept a card without authorization or submit a transaction that has not been authorized for payment. Bank may refuse to pay Merchant if a proper authorization for the transaction is not obtained and established on the transaction receipt. Merchant acknowledges and agrees that authorization for a transaction does not guarantee payment by Bank, but merely indicates that, as of the time of the authorization, cardholder account is open and has funds available. Authorized transactions are subject to chargeback to Merchant as provided by network regulations. Merchant may not submit and Bank is not required to pay Merchant for a transaction if authorization was not properly obtained by Merchant or was denied. Merchant may not properly obtain authorization by dividing a transaction into separate, smaller amounts. If the failure of equipment or other circumstances impede Merchants ability to obtain authorization by electronic means, Merchant must obtain another form of authorization for the transaction as provided by network regulations.

Card Present Transactions. In an authorized, “card present” transaction, Merchant must verify the validity of the presented card by doing each of the following steps:

- Check the card security features;
- Obtain authorization;
- Check the authorization response and follow any instructions in the response;
- Check the embossed number on the card against the four digits displayed on the terminal;
- Request cardholder to sign the transaction receipt, if required by the applicable network regulations; and,
- If applicable, check the signature on the card against the signed transaction receipt.

If a transaction is declined, Merchant must return the card to the customer and ask for another card. If the substance of the response to an authorization request is that there is no match for the submitted data or that the Merchant should obtain or retain possession of the card, Merchant is to obtain or retain the card if that can be done peacefully and without a disturbance. In an Authorization Request, a Merchant must not transmit Authentication Data specific to one transaction with another Transaction, unless two transactions are related due to delayed delivery or all items of an order cannot be shipped at the same time.

Transaction Receipt Requirements. Merchant must manually or electronically produce a legible, accurate transaction receipt for each transaction and, for card present transactions must obtain cardholder signature on the receipt, if required by network regulations. Each transaction receipt must include the transaction date, description of goods or services sold, returned or cancelled, transaction amount (including applicable taxes or amount of adjustment or credit), cardholder name, account number (truncated as required by law), merchant name, location, location code, and authorization code. Merchant may not allow a customer to sign an incomplete transaction receipt. If Merchant has multiple outlets each transaction receipt must also identify the location of the transaction.

Record Retention. Merchant must maintain data and records sufficient to retrieve or reproduce each transaction receipt Merchant submits for deposit with Bank for at least twelve months after Bank processes the transaction. A copy of the original transaction receipt satisfies this requirement. Merchant must produce a copy of each transaction receipt when requested to do so by Bank within the record retention period.

Transaction Submission Restrictions. These restrictions apply except as otherwise provided by network regulations. Merchants may **submit** only transaction receipts that comply with the content requirements specified by this Agreement and network regulations. Merchant may submit transaction receipts within the time limits provided by network regulations. Merchant may submit only transaction receipts that directly result from valid, direct transactions between cardholder and Merchant. Merchant may not submit a transaction receipt until Merchant completes the transaction or ships or provides the purchased goods or services, or obtains cardholder consent for a delayed transaction. Merchant may not **submit** a transaction receipt that Merchant knows or should have known to be fraudulent or not authorized by cardholder. If Merchant has multiple outlets, Merchant may not submit a transaction receipt or clearing records that do not identify the location of the transaction as provided by network regulations. If Merchant is completing a delayed delivery transaction, Merchant must comply with the additional applicable network regulations for delayed delivery transaction receipt content and submission.

Prohibited Transactions. These listed actions are prohibited, except as otherwise provided by network regulations: Merchant may not request or use an account number for any purpose other than as payment for its goods or services. Merchant may not accept cardholder payments for previous charges. Merchant may not accept a card as payment for services for which Merchant has received or expects to receive payment in another form from any person. Merchant may not redeem a prepaid card for cash; Merchant may not establish a minimum or maximum transaction amount as a condition for honoring a valid and properly presented card. Merchant may not require a cardholder to complete any item that includes cardholder account number, card expiration date, signature, or any other card account data in plain view when mailed. Merchant may not add any surcharge or fee to transactions unless permitted by law and network regulations. Merchant may not add any tax or other assessment to transactions, unless applicable law expressly requires that a merchant be permitted to impose the tax or assessment. Merchant may not enter into interchange any transaction receipt for a transaction that was previously charged back and subsequently returned to the Merchant. Merchant may not request or use an account number for any purpose that is not permitted by network regulations; Merchant may not accept a card to transfer, collect or refinance an existing debt that has been deemed uncollectible by the merchant providing the associated goods or services. Merchant may not enter into Interchange a transaction that represents collection of a dishonored check or arises from the acceptance of a card at a terminal that dispense scrip. Merchant may not engage in any other act or transaction or conduct that is prohibited by network regulations.

Merchant Fees and Surcharges. Merchant may not add a fee (such as a “convenience” fee) or surcharge to the transaction amount, unless expressly permitted by network regulations and approved in writing by Bank.

Payment to Merchant. Bank will pay Merchant by crediting to the designated account that Merchant maintains with Bank amounts that are due to Merchant. The time of payment to Merchant will vary depending on when the transactions are submitted to Bank, processed by Bank and settled. Banks payments to Merchant for deposited transaction receipts will be gross sale amounts. Any applicable discounts, fees, charges, credits, chargebacks, and adjustments will be billed monthly to the Merchant. Bank, acting in its sole discretion, may deduct from this account, amounts owed to it by Merchant for any reason.

Chargeback. Merchant agrees to pay Bank for transactions charged back as permitted by network regulations, including for any transaction successfully challenged by a cardholder or a card issuer in accordance with network regulations for chargeback, and agrees Bank may immediately collect amounts owed to it as a result of a chargeback by debiting any deposit account that Merchant maintains with Bank or by any other lawful means of collection. Merchant also agrees to repay Bank for any network-imposed assessment or fine that Bank incurs as a result of chargeback of Merchants transactions, or otherwise as a result of Merchants conduct, and agrees Bank may immediately collect amounts owed to it by debiting any deposit account Merchant maintains with Bank or by any other lawful means of collection.

Withholding Payments. If Merchant accepts, deposits, submits a fraudulent transaction or a transaction made with another Merchant, provides any false or misleading information to Bank in connection with Merchants account, this Agreement, or otherwise, or engages in other conduct in connection with this Agreement that Bank reasonably believes to be fraudulent, Bank may withhold and retain all payments that are on deposit with Bank or otherwise due to Merchant and terminate Merchants account. If Merchant fails to provide funds for account debits due to chargebacks, transaction credits, fees, or other permitted debits by Bank, Bank may hold all payments due to Merchant for submitted transactions until Merchant has met its obligations to Bank or apply the withheld payments to Merchants obligations to Bank. Bank may retain withheld payments until the later of 210 days has passed or there has been a final resolution of outstanding matters involving Bank and Merchant and arising from this Agreement. Deposits to Merchants account are provisional and may be reversed from the account as permitted by network regulations, Bank rules and regulations, and law.

Dispute Resolution. To the extent a dispute is covered by a dispute resolution process that is mandated by law, resolution of the dispute must conform to the law. If a dispute is covered by a dispute resolution process that has been adopted by a network, Merchant agrees that resolution of a covered dispute is to be governed by network regulations for same and to adhere to and be bound by the applicable networks dispute resolution process.

Merchant to Protect Information. Merchant must protect from unauthorized use, disclosure or transfer all information that comes into its possession or control in connection with Merchant as a result of use or attempted use of a card that is subject to this Agreement. Information that must be protected includes cardholder personal information, account information, and transaction information. Anything to the contrary in this Agreement notwithstanding, Bank may terminate Merchants rights under this Agreement if Bank, in its sole discretion, concludes Merchant has negligently or otherwise failed to protect information from any use, disclosure, or transfer that is not specifically authorized by network regulations or for Merchants failure to store, not store or dispose of information as required by network regulations.

Information Security. Merchant may not request, obtain, use, or disclose card account numbers, transaction information, or personal cardholder information for any purpose other than completing a valid transaction in accordance with network regulations. Except in connection with the authorized use of a third party processor or data storage entity as permitted by this Agreement and network regulations, Merchant may not sell, transfer, or in any way disclose cardholder account numbers, personal information, or transaction information to any other person or entity other than Bank, the licensor network or in response to a valid government demand. In the event of Merchants failure, including bankruptcy, insolvency, or other suspension of Merchants business operations Merchant must return the protected information to Bank or provide to Bank proof acceptable to Bank of the destruction of the protected information. In the event of the failure, bankruptcy, insolvency or other suspension of business operations of an agent or third party, Merchant must obtain return of protected information to Bank or provide to Bank proof acceptable to Bank of the destruction of the protected information. Merchant must securely store all data, materials, and media containing cardholder account numbers, transaction information, or imprints (such as transaction receipts, and carbons) in an area with access limited to selected personnel, must render all data unreadable before discarding it, and must ensure that Merchants agents, including a third party processor or data storage entity, meet all requirements of the applicable network regulations for storing and discarding protected data.

Merchant must notify Bank of Merchants use of any agent that will have any access to cardholder data. Merchant must implement and maintain all of the security requirements which are specified by network regulations and guidelines and Payment Card Industry Data Security Standards, including the Visa cardholder information security program (”CISP”), accessible at www.Visa.com/cisp, and the MasterCard Security Rules as Procedures, accessible at www.mastercard.com/us/merchant/pdf/SPME-Entire_Manual_public.pdf, and Discover Information Security and Compliance (DISC) accessible at https://www.discoverglobalnetwork.com/solutions/pci-compliance/discover-information-security-compliance/ and must meet any other information security and storage requirements as Bank directs in writing. Merchant may not and may not permit its agent or any other person to store card validation code 2 (CVC 2) data in any manner for any purpose. While this Agreement is in effect, upon Banks request Merchant must demonstrate to Banks satisfaction Merchants data security compliance and that of Merchants agents, at Merchants expense, and by the method(s) specified by Bank. If Merchant elects to use an agent or an approved processor, Merchant must ensure the agent or approved processor adheres to the applicable network regulations and implements and maintains those same security requirements and data security standards as bind Merchant under this Agreement. Merchant must immediately notify Bank of any suspected or confirmed unauthorized disclosure, loss or theft of material or records that contain protected information and both demonstrate to the satisfaction of Bank and the applicable network, Merchants ability to prevent future loss or theft of account or transaction information, consistent with the requirements of the Payment Card Industry Data Security Standards and network regulations and allow the applicable network or its agent, at Merchants expense, to verify Merchants ability to prevent future unauthorized disclosure, loss or theft by conducting a security review of Merchant. Merchant must reimburse Bank on demand for any expense incurred by Bank in connection with a security review. Merchant is responsible for demonstrating compliance by Merchants agents with the requirements of the Visa Cardholder Information Security Program and any similar MasterCard or Discover Card information program.

Electronic Signature Capture. If Merchant uses an electronic signature capture device Merchant may only store and reproduce a signature on a transaction-specific basis in relation to the transaction for which the signature was obtained; may only reproduce a signature upon specific written request from the Acquirer or in response to a retrieval request; and, must have proper controls in place to ensure the security of the stored signatures and other cardholder data in accordance with the Payment Card Industry Data Security Standard. Merchant is subject to fines under network regulations and its right to use electronic signature capture devices may be revoked for failure to comply with network regulations regarding electronic signature capture devices.

Survival of Merchants Obligations. Merchants obligations to use, securely store, not store, destroy, and to protect information from unauthorized disclosure survive termination of this Agreement indefinitely and will remain in effect until Merchant demonstrates to Banks satisfaction that the protected information has been destroyed. Merchants financial obligations to Bank in connection with this Agreement, including Merchants obligation to pay Bank for chargebacks, survive

Force Majeure. Neither party is liable to the other for a failure to perform obligations under this Agreement if the failure is due to an act of war, act of God, riot or similar public incident, provided the failure to perform is cured as soon as is practicable.

Third-Party Processor as Merchants Agent. Merchant may use a network-approved, registered third-party ("approved processor") that does not have a direct Agreement with Bank as Merchants agent for the direct delivery of data-captured transaction if Merchant notifies Bank of Merchants election at least fifteen (15) days before Merchants arrangement with the approved processor takes effect and also provides Bank with Merchants written assumption of full responsibility for any failure by Merchants approved processor to comply with all applicable network regulations, including requirements for information security and submission to monitoring, audit, review and investigation. If Merchant elects to use an approved processor, Bank will reimburse Merchant only for the amount of compliant transactions delivered by the approved processor to the network, less the discount fee. A Merchant electing to use an approved processor may provide cardholder information or transaction information to the approved processor only as permitted by network regulations and Payment Card Industry Data Security Standards.

Merchants Agents. Merchant is responsible for and bound by all conduct of its employees, representatives, and agents, including any approved processor. Merchant agrees that for the purposes of this Agreement, all conduct of Merchants employees and agents in connection with the proffer and acceptance of a card or processing of a transaction is the conduct of Merchant itself. Merchant must give Bank not less than fifteen (15) days notice of Merchants use of any agent (including any approved processor) that will have any access to cardholder information or transaction information. Merchant must ensure that its agents handle and store protected information in the same manner as is required of Merchant and that Merchants agents do not disclose a cardholder account number, personal information or transaction information to any third party except for the sole purpose of completing a transaction, as required by law, or as permitted by Bank, Visa, MasterCard, or Discover as specified in network regulations. Merchant must ensure that Bank has the same right to monitor and assess the compliance of Merchants agents with this Agreement and with network regulations as Bank has regarding Merchant.

Acceptance Marks. Merchant must display acceptance marks as required by applicable network regulations. Merchant may not use a networks name, logo, trade name, logotype, trademark, service mark, trade designation, or related designations, symbols, and marks except as required and permitted by network regulations. Merchant must comply with the Visa International Operating Regulations regarding the use of Visa-owned Marks, must comply with the MasterCard Rules regarding the use of MasterCard-owned marks, and must comply with the Discover Merchant Operating Regulations regarding use of Discover Card-owned marks. Merchant must discontinue its use of a network acceptance mark and promptly return any materials displaying the marks to Bank effective with the termination of this Agreement or upon notification by the network to discontinue use. Merchants use of such marks does not give Merchant any ownership or interest in a mark.

Displays and Signage. Merchant must display the network marks and signage to indicate Merchants acceptance of the cards covered by this Agreement at Merchants location as required by network regulations. Bank will provide Merchant with the appropriate artwork for Merchants display and signage.

Right to Monitor, Audit, Inspect, Review, and Investigate. Bank may monitor, audit, inspect, review or investigate Merchants performance under this Agreement, including Merchants compliance with network regulations at any time. Representatives of MasterCard, Visa, or Discover may also monitor, audit, inspect and investigate Merchant and its agents as set forth in network regulations and may charge Merchant monitoring and inspection fees as provided in the network regulations. Merchant must cooperate fully with the network or Bank in the exercise of these rights. Full cooperation by Merchant includes providing access to the premises and to all pertinent records and releasing any information to Bank or the network upon request. If Merchant is undergoing a forensic investigation at the time this Agreement is signed, Merchant must fully cooperate with the investigation until it is completed.

Changes of Terms. Bank, acting unilaterally, may change any term or provision of this Agreement, including addenda, by giving Merchant at least ten days advance written notice. Merchants continued submission of transactions for processing and deposit by Bank after the time the change takes effect constitutes Merchants consent to the change of terms.

Addenda. The Agreement includes the following addenda which are a part of the Merchant Agreement and incorporated into it in all respects:

☐ Card Not Present Transactions ☐ Electronic Commerce Transactions ☐ Other Services

Termination. This Agreement will be effective for an initial term of one year, and will renew for successive periods of one year, unless a party gives the other party at least 30 days notice of termination. Bank may terminate this Agreement, without liability to Merchant (other than for completing processing for transactions pending at the time of Banks termination), for any reason with or without prior notice to Merchant, including conduct by Merchant which in the opinion of the affected network harms or causes a loss of goodwill to the Visa system, MasterCard system, or Discover system.

Assignment. Merchant may not assign or in any way transfer this Agreement or Merchants rights or obligations under this Agreement to any person without the written consent of Bank.

Modification Only By Writing; No Waiver This Agreement may be modified only by a written document which is signed by Bank. No oral or other type of modification of this Agreement is permitted or effective. The failure by the Bank to enforce its rights in case of an intentional or unintentional breach by Merchant, including a breach of network regulations, may not be interpreted as a waiver of the Banks right to enforce its rights in the case of a subsequent breach by Merchant.

Notices. Bank will notify Merchant at the same address to which Bank directs Merchants statements for the account which Merchant maintains for deposits in connection with this Agreement. Notices or requests by Merchant to Bank must be in writing and delivered to Bank. Merchants notice to Bank will be effective if delivered in person or by another method which provides written record of receipt by Bank.

Merchant to Comply with Laws. Merchant must comply with all state and federal laws and regulations that apply to Merchants conduct, including the federal Truth in Lending Act and its associated Regulation Z. Merchant is responsible for determining which laws and government regulations apply to it.

Interpretation; Governing Law. Interpretation of this Agreement is to be governed by North Dakota law and applicable federal law. Bank and Merchant intend for this Agreement to be interpreted in a manner that is consistent and compliant with all applicable laws and government regulations and in a manner that is consistent and compliant with network regulations. If any provision of this Agreement is determined to violate applicable law or government regulation, or to be prohibited by or inconsistent with any applicable network regulation, the offending provision is to be severed from this Agreement and the remainder of the Agreement interpreted and enforced as in a manner that is consistent with law, network regulations, and the remainder of the Agreement.

BY SIGNING THIS AGREEMENT, MERCHANT ACKNOWLEDGES AND UNDERSTANDS THE IMPORTANCE OF COMPLIANCE WITH VISA, MASTERCARD, AND DISCOVER SECURITY REQUIREMENTS SUCH AS THOSE RELATING TO TRANSACTION INFORMATION, STORAGE, DISCLOSURE AND DISPOSAL.

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligation hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

BANK OF NORTH DAKOTA	**MERCHANT**
Signature	Signature
Printed Name	Printed Name
Date	Date

CARD NOT PRESENT TRANSACTIONS

This addendum describes additional requirements Merchant must follow for transactions in which the card is not present, is absent and for transactions which are non face-to-face. If Merchant engages in card not present transactions Merchant agrees to the following provisions which are additional to those of the Merchant Agreement.

Additional Requirements. Merchant must obtain Banks permission to engage in transactions where the card is not present for Merchants on site review (“card not present transaction”) and must implement and maintain a fraud prevention process such as AVS and CVV2/CVC2 which has been pre-approved by Bank before engaging in “card not present” transactions. Additionally, before completing a “card not present” transaction, Merchant must complete each of the following steps:

- Obtain authorization;
- Verify the legitimacy of the card;
- Obtain the expiration date for the card from the customer and include the date in the request for authorization;
- Evaluate the transaction for signs of fraud. If there is reason to suspect fraud, Merchant must take reasonable steps to obtain additional information from cardholder as required by network regulations.

In an authorization request, a Merchant must **not** transmit authentication data specific to one transaction with another Transaction, unless two transactions are related due to delayed delivery or all items of an order cannot be shipped at the same time.

Merchant is not required to obtain a cardholder signature for a card not present transaction, unless it is a recurring transaction. That notwithstanding, Merchant must take reasonable additional steps to verify the identity of the authorized cardholder and prevent fraud, particularly when goods are to be shipped to an address other than that of cardholder.

Card not present transaction receipts must include the information set out in the main body of the Merchant Agreement and must also include the “ship to” address, if any, and AVS response code, if AVS is used.

Mail/Telephone Orders. Merchant must include the following words or letters on the signature line of the transaction receipt for the following types of transactions:

Transaction Type:	Signature Line Printing:
Mail Order	MO
Telephone Order	TO
Advance Payment Service	ADVANCE PAYMENT

Merchant must advise cardholder, during the payment process, of the network card customer has selected and must display network acceptance marks as provided by network regulations.

Card Not Present Special Provisions. If Bank at any time suspects fraud, money laundering, or Merchant violations of the applicable network regulations for non face-to-face or card not present transactions, Bank may refuse to process suspect transactions, retain funds from suspect transactions and withhold payment to Merchant until such time as Bank is assured the transaction is valid and has been processed in accordance with the applicable network regulations, suspend or revoke Banks permission for the transactions and terminate or change the Agreement as Bank sees fit to do.

Refund and Return Policies. A mail order Merchant must disclose its refund and return policies on the order form, invoice, or contract.

ELECTRONIC COMMERCE TRANSACTIONS

This addendum describes additional requirements Merchant must follow for the listed services. If Merchant engages in electronic commerce transactions Merchant agrees to the following provisions which are additional to those of the Merchant Agreement.

Prior Bank Approval. Merchant must obtain Banks written permission to engage in electronic commerce and must comply with all provisions of the applicable network regulations for electronic commerce transactions.

Compliance with Network Regulations for Electronic Commerce Merchants. Merchant must comply with all the provisions of the applicable network regulations for electronic commerce transactions.

Website Requirements. A Website operated by Merchant must display the name of the Merchant as prominently as any other information depicted on the Website, other than images of the products or services being offered for sale, contain a complete description of the goods or services offered, customer service contact, including Electronic Mail Address and /or telephone number, transaction currency (e.g., U.S. dollars, Canadian dollars), export or legal restrictions (if known), delivery policy, the address of the Merchant Outlets Permanent Establishment, including the Merchant Outlet country: return and refund policy, all of which must be on the same screen view as the checkout screen used to present the total purchase amount or within the sequence of web pages cardholder accesses during the checkout process as well as the Merchants consumer data privacy policy and security method for the transmission of payment data. Merchant must communicate its refund policy to cardholder during the order process and require cardholder to select a “click to accept” feature or other affirmative button to acknowledge the policy. If permitted by local law and approved by cardholder, Merchant may identify terms for special circumstances such as late delivery or delivery charges. Merchant must ensure that cardholder understands that Merchant, not Bank or a network, is responsible for transactions, including product delivery (whether physical or digital) and for the provision of services and dispute resolution, all in accordance with the terms applicable to the transaction.

Secure Transaction Method Required. Merchant must at all times provide a site and maintain and implement processes that absolutely protect data from unauthorized use and unauthorized disclosure during acquisition by Merchant, transmission, storage and disposal. Merchant must provide cardholders with a secure transmission method such as Secure Socket Layer or other secure transmission methods.

Electronic Commerce Transaction Receipts. The transaction receipt for a completed electronic commerce transaction must include the Merchants name in the form that is most recognizable to cardholder, Merchants online address, a customer service contact including a telephone number (local and internationally accessible if Merchant delivers goods and services internationally), terms and conditions of sale, if restricted, exact date any free trial period ends, cancellation policies, any special terms, and a unique transaction identifier. Merchant may not transmit a cardholder account number to cardholder over the Internet or on the transaction receipt.

Cardholder Record. Merchant must provide a cardholder with a copy of the transaction record at the time purchased goods are delivered or services are provided. Merchant may deliver the transaction record to cardholder electronically, e.g., e-mail or fax, or in paper form, e.g., hand-written or terminal-generated.

Convenience Fee Restriction. If Merchant provides payment channels that are exclusively non face to face, Merchant may not impose a convenience fee unless authorized by Visa, MasterCard or Discover Operating Regulations.

Acceptance Marks. Merchant Website must display and use the appropriate marks for the types and brands of cards accepted by Merchant as provided by the applicable network regulations. The "Verified by Visa Mark" may not be used by a Merchant which does not participate in Visas 3-D Secure program. Acceptance marks may be displayed only by Merchant, not Merchants suppliers or other entities such as service providers to Merchant or delivery agents.

Digital Certificates. Merchant may not refuse to complete an electronic commerce transaction using a MasterCard-branded card or Discover branded card for the sole reason that cardholder does not have a digital certificate or other secured protocol. Merchant may not use a digital certificate issued by or associated with Visa as an authentication mechanism for a non-Visa product or service, unless prior written approval has been obtained from Visa.

OTHER SERVICES
This addendum describes additional requirements Merchant must follow for the listed services. If Merchant engages in the listed transactions Merchant agrees to the following provisions which are additional to those of the Merchant Agreement.

CPS/Small Ticket
The Bank must consent before Merchant may engage in small ticket transactions. With Banks consent the following types of merchant are eligible to engage in CPS/Small Ticket transactions: local commuter passenger transportation, taxicabs and limousines, bus lines, eating places and restaurants, fast food restaurants, news dealers, newsstands, laundries, dry cleaners, quick copy, reproduction, and blueprinting services, parking lots and garages, car washes, motion picture theaters, and video tape rental stores.

A CPS/Small Ticket transaction is to be limited to a consumer card transaction of $15 or under and occurring in a face-to-face,card present environment and originating at an attended point of transaction terminal or self service terminal, that read and transmit full unaltered contents of track 1 or 2 of the magnetic stripe, unaltered chip, or unaltered contactless payment data, as specified in the appropriate network users manuals or guides. A CPS/small ticket transaction must be authorized and entered into Interchange as provided by network regulations. The Merchant outlet name and location must be included in the authorization request as specified by network regulations. A signature is not required if the transaction qualifies as a no signature required transaction. A transaction receipt is not required for a CPS/Small Ticket transaction unless cardholder requests one.

Preauthorized Transactions. A preauthorized transaction is one for which cardholder has given advance permission to periodically charge his or her account. Bank must consent before Merchant may engage in preauthorized transactions. Additionally, before engaging in a preauthorized transaction, a cardholder must provide Merchant with a completed order form. The order form must bear cardholder signature, either written or electronic, and must authorize goods or services to be charged to cardholder account. An order form may be any of the following: mail order form, recurring transaction form, preauthorized healthcare transaction form, or an e-mail or other electronic record that meets the requirements of applicable law. Merchant must allow cardholder to cancel preauthorized orders in the manner provided by network regulations.

Health Care Merchant/ Preauthorized Health Care Transactions. If Merchants primary business is providing health care services and Merchant is not a pharmacy, with Banks consent, Merchant may engage in preauthorized healthcare transactions. For preauthorized health care transactions Merchant must first obtain a completed, signed order form from cardholder. The completed order form must include at least a request for the services to be charged to cardholder account, an assignment of insurance benefits to Merchant, an authorization for Merchant to charge cardholder account for only that portion of the bill due subsequent to Merchants receipt of any applicable insurance payment, and the duration of time, <u>not to exceed one year</u> for which permission is granted. If a preauthorized health care transaction is renewed, cardholder must provide a subsequent order form for continuation of services. A Health Care Merchant must retain a microfilm copy of the order form during the period it is in effect, provide a copy of the order form upon request by a card issuer for an original transaction receipt, type or print the words "PREAUTHORIZED HEALTH CARE" on the signature line of the transaction receipt. A preauthorized health care transaction may not be completed after Merchant has received a cancellation notice from cardholder or Bank or a decline response. Upon receipt of the notice of adjudication from cardholder insurance company, Merchant must submit a transaction receipt into Interchange within 90 calendar days of the service date and request authorization for the amount due.