

IMPORTANT INFORMATION ABOUT YOUR FEES

Your Credit Card and Non-PIN Debit Card Transactions

A significant amount of the Qualified Discount Rates that we charge you for processing your Credit Card and Non-PIN Debit Card transactions represents charges that we must pay to the Issuing Banks (or that are otherwise charged to us by MasterCard®, Visa®, and Discover® Network), under MasterCard, Visa, and Discover® Network (the “Associations”) rules. This amount, called “Interchange,” varies based upon a complex series of interchange levels that may apply to the transaction depending upon a number of factors – such as the type of card presented, specific information contained in the transaction, how and when the transaction is processed, your industry, and other factors.

The **Qualified Discount Rates** for MasterCard, Visa, and Discover® Network as shown on your fee schedule are based on the assumption that your Credit Card and Non-PIN Debit Card transactions will qualify for the following interchange levels (your “**Anticipated Interchange Levels**”):

MasterCard: Merit 3

Visa: CPS Retail

Discover® Network: PSL Retail

In order to qualify for your Anticipated Interchange Levels, you must satisfy certain qualification criteria established by MasterCard, Visa, and Discover® Network.

You may need special equipment, services or set-up to meet the requirements of your Anticipated Interchange Levels. Note that in some cases, transactions will downgrade to a more costly interchange level solely as a result of the type of card that is presented. For example, commercial cards will generally downgrade from most interchange categories. Also note that MasterCard, Visa, and Discover® Network regularly add new Interchange programs, and change the rates and/or criteria of these programs.

Non-Qualifying Transactions and Fees

Each interchange level has an associated interchange fee that is established by MasterCard, Visa, or Discover® Network. If a transaction does not satisfy all the qualification criteria for your Anticipated Interchange Level, then MasterCard, Visa, or Discover® Network will not process the transaction at the Anticipated Interchange Level. Instead, MasterCard, Visa, or Discover® Network will downgrade the transaction and process it at a more costly interchange level for which it does qualify. This type of transaction is often referred to as a “Non-Qualified Transaction.” We must pay the Issuing Bank any additional interchange costs associated with such Non-Qualifying Transaction, and those additional interchange costs will be passed on to you.

For processing each **Non-Qualified Transaction**, you will be assessed the Qualified Discount Rate and an additional fee. The additional fee is made up of two components:

- (1) the **Non-Qualified Interchange Fee**, which is the difference between the interchange fee associated with the Anticipated Interchange Level and the interchange fee associated with the interchange level at which the transaction actually was processed; **plus**
- (2) the **Non-Qualified Surcharge** – a surcharge fee, the amount of which is set forth on your fee schedule. (For Non-T&E merchants, the Non-Qualified Surcharge will not be charged when a transaction becomes non-qualified solely on having accepted the card types of Visa Rewards and/or MasterCard World Card, when all the qualifying criteria for your Anticipated Interchange Levels are otherwise met.)

Non-Qualified Interchange Fee Schedule

The schedule below shows the amount of the **Non-Qualified Interchange Fee** that will be assessed for each Non-Qualifying Transaction (in addition to the **Non-Qualified Surcharge**). The amount of the Non-Qualified Interchange Fee will depend on the type of transaction and the interchange level at which the transaction is ultimately processed. A description of the current interchange categories and their requirements is being provided to you along with this schedule (see the **Interchange Qualification Matrix**).

The amount shown under “Rate” is multiplied by the amount of the transaction; the amount shown under “Per Item” is charged per transaction. Both amounts are additional interchange costs. Note that in some cases, either the rate or the per item charge will be negative for a given type of downgrade. Where this occurs, a downgrade will only be charged if the size of the transaction results in an interchange cost that is higher than the Anticipated Interchange.

The primary criteria for your Anticipated Interchange Levels are shown below:

Visa

- Magnetic card swipe must be passed in the authorization request
- Applicable Electronic Authorization Data must be included within Settlement Record
- Settlement within 1 day of transaction
- Transaction date can only be 1 day from the Authorization date
- Authorization and Settlement amounts must match for VISA debit cards

MasterCard

- Magnetic card swipe must be passed in the authorization request
- Applicable Electronic Authorization Data must be included and match Settlement Data
- Settlement within 1 day of transaction
- 10% Authorization to transaction tolerance amount (25% Barbers/Beauty Salons)
- Restaurants/Bars, Hotels, Car Rentals and Cruise Lines are exempt from the transaction amount tolerance

Discover® Network

The Consumer Card Sales that occur in a Card Present environment in which the Track Data is captured and submitted with the Authorization Request are eligible for this Acquirer Interchange Program.

Card Not Present Card Sales are not eligible for this Acquirer Interchange Program.

The Card Sale must meet the following requirements:

- Card Sale must have received an approved Authorization Response;
- Acquirer Interchange Program Code must be included in Sales Data for the Card Sale;
- Merchant Category Code on the Authorization Request and Sales Data are not eligible within the following groups:
 - 5411, 5300 (Supermarkets/Warehouse Clubs)
 - 5541, 5542 (Petroleum)
 - 5812, 5814 (Restaurants)
 - 3351–3441, 3501–3799, 7011, 7012, 7512, 7513, 7519 (Hotels/Car Rentals)
 - 3000–3299, 4112, 4511 (Passenger Transport)
 - 9211, 9222, 9223, 9311, 9399 (Public Services)
 - 4899, 4900, 6300, 8211, 8220, 8299 (Emerging Markets)
 - 4829, 6050, 6051, 7995 (Quasi Cash)
 - 5962, 5966, 5967 (High Risk);
- The POS Entry Mode must be:
 - Magnetic Stripe
 - Radio Frequency Identification Indicator
 - M-Commerce
- CVV Data must be present on Track Data submitted with the Authorization Request;
- Card Sale amount must be greater than U.S. \$15.00 for the following MCCs: 4111, 4121, 4131, 4784, 5994, 7211, 7216, 7338, 7523, 7542, 7832 or 7841; and
- The Processing Date of Sales Data for the Card Sale must be within two (2) Banking Days of the Card Sale date indicated in the Sales Data.

Card Sales that fail to meet the requirements for this Acquirer Interchange Program may be eligible for another Prime Submission Level Program and may be reclassified to that program.

If the Card Sale fails to meet the requirements for another Prime Submission Level Program, the Card Sale may be reclassified to the Mid Submission Level Program.

If the Card Sale fails to meet the requirements for the Mid Submission Level Program, the Card Sale may be reclassified to the Base Submission Level Program.

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Non-Qualified Fee Schedule – Visa Retail / MasterCard Merit III (A) / Discover® Network Retail

(Visa & MC – Excludes AFD, Passenger Transport, Tiers, and Warehouse)

(Discover – Excludes Supermarkets, Warehouses, Utilities, Emerging Markets, Public Services, Petroleum, Restaurants, Passenger Transport, Lodging and Card Rental MCCs)

Refer to the Interchange Qualification Matrix for Clearing Requirements

MasterCard, Visa, and Discover® Network levels and rates are not all inclusive. The most common clearing levels for this pricing type are listed below. For a complete list, call the number on your merchant statement.

Visa Credit (CPS Retail)	Rate	Per Item
Standard	1.16%	\$0.00
CPS/Hotel and Car Rental	0.04%	\$0.00
CPS/Card Not Present	0.31%	\$0.00
CPS/ Retail Key Entry	0.31%	\$0.00
CPS/Small Ticket	0.11%	-\$0.06
CPS/Rewards 1	0.11%	\$0.00
CPS/Rewards 2	0.36%	\$0.00
CPS/E-Commerce Basic	0.31%	\$0.00
CPS/E-Commerce Preferred	0.26%	\$0.00
EIRF	0.76%	\$0.00
Commercial Card Standard	1.16%	\$0.00
Signature Card Standard	1.16%	\$0.00
Corp Card Electronic	0.66%	\$0.00
Signature Card Electronic	0.76%	\$0.00
Purchase Large Ticket	-0.59%	\$34.90
GSA Purchase Large Ticket	-0.59%	\$34.90
Corporate Card Level 2	0.46%	\$0.00
US Business/Purchase Level 2	0.46%	\$0.00
Purchase Card Level III	0.26%	\$0.00
Business Card – B2B	0.56%	\$0.00
Business Card – CNP	0.71%	\$0.00
Business Card – Retail	0.66%	\$0.00
Corporate Card – B2B	0.56%	\$0.00
Corporate Card – CNP	0.66%	\$0.00
Corporate Card – Retail	0.66%	\$0.00
Purchase Card – B2B	0.56%	\$0.00
Purchase Card – CNP	0.86%	\$0.00
Purchase Card – Retail	0.66%	\$0.00
Purchase Card – Elect w/L3 Data	0.91%	\$0.00
CPS Business Card Elect	0.86%	\$0.00
CPS Purchase Card Elect	0.91%	\$0.00
Signature Preferred Card – B2B	0.56%	\$0.00
Signature Preferred Card – CNP	0.66%	\$0.00
Signature Preferred Card – Retail	0.66%	\$0.00
Sig Pref Card – US Corp Elect	0.66%	\$0.00
Sig Pref Card – US Corp Standard	1.16%	\$0.00

Visa Non-PIN Debit* (CPS Retail Debit)	Rate	Per Item
Standard Debit	0.87%	\$0.10
CPS/Hotel and Car Rental Debit	0.33%	\$0.00
CPS/Card Not Present Debit	0.57%	\$0.00
CPS/Retail Key Entry Debit	0.57%	\$0.00
CPS/Retail 2 (Emerging Market) Debit	-0.23%	\$0.10
CPS/Small Ticket Debit	0.52%	-\$0.11
CPS/ Restaurant Debit	0.16%	-\$0.05
Retail Service Station	-0.33%	\$0.02
CPS/E-Commerce Basic Debit	0.57%	\$0.00
CPS/E-Commerce Preferred Debit	0.52%	\$0.00
EIRF Debit	0.72%	\$0.05

MasterCard Non-PIN Debit* (Merit III Debit)	Rate	Per Item
Standard Debit	0.85%	\$0.10
Merit I Debit	0.59%	\$0.01
Travel Industries Premier Services (TIPS) Debit	0.31%	\$0.00
Full UCAF – DEBIT	0.10%	\$0.00
Emerging Market Debit	-0.25%	\$0.10
Restaurant Debit	0.14%	-\$0.05
Retail Service Station	-0.35%	\$0.02
Key Entered Debit	0.59%	\$0.01

Discover® Network Credit (Retail)	Rate	Per Item
PSL – Card Not Present/E-commerce	0.30%	\$0.00
PSL – Key Entry	0.30%	\$0.00
Mid Level – All Others	0.68%	\$0.00
Base Level	1.23%	\$0.00
PSL – Retail (Premium)	0.08%	\$0.00
PSL – Card Not Present/E-commerce (Premium)	0.38%	\$0.00
PSL – Key Entry (Premium)	0.38%	\$0.00
MSL – All Others (Premium)	0.68%	\$0.00
Base (Premium)	1.23%	\$0.00
Commercial Electronic Level – All Others	0.64%	\$0.00
Commercial Base Level	1.08%	\$0.00

Discover® Network Non-Pin Debit (Retail)	Rate	Per Item
PSL – Card Not Present/E-commerce	0.60%	\$0.00
PSL – Key Entry	0.60%	\$0.00
Mid Level – All Others	0.70%	\$0.04
Base Submission Level	0.87%	\$0.09

*Non-PIN Debit rates apply to U.S. issued consumer debit cards (Check Cards)

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MasterCard Credit (Merit III)	Rate	Per Item
Standard	1.37%	\$0.00
Foreign Standard	0.52%	\$0.00
Merit I	0.31%	\$0.00
Petroleum	0.32%	-\$0.10
Convenience Purchases	0.32%	-\$0.10
Full UCAF	0.10%	\$0.00
World Merchant UCAF	0.15%	\$0.00
World Full UCAF	0.25%	\$0.00
World MasterCard T&E	0.72%	\$0.00
World MasterCard Restaurant	0.15%	\$0.00
Key Entered	0.31%	\$0.00
U.S. Merchant UCAF	0.33%	\$0.00
U.S. Full UCAF	0.43%	\$0.00
World MasterCard Standard	1.37%	\$0.00
World MasterCard Merit I	0.47%	\$0.00
World MasterCard Key Entered	0.47%	\$0.00
World MasterCard Merit III	0.15%	\$0.00
World MasterCard Convenience Purchases	0.42%	-\$0.10
Corporate Standard	1.37%	\$0.00
Commercial Face to Face Purch	0.75%	\$0.00
Commercial Data Rate I	1.07%	\$0.00
Commercial Data Rate II Purch	0.75%	\$0.00
Commercial Data Rate III	0.17%	-\$0.10
Commercial T&E Rate I	0.77%	-\$0.10
Commercial Large Ticket II	-0.38%	\$39.90
Commercial Large Ticket III	-0.38%	\$39.90
Commercial T&E III	0.57%	\$0.00
Commercial Face to Face Bus	0.74%	\$0.00
Commercial Data Rate II Bus	0.74%	\$0.00
Commercial LgTkt/DR III	-0.38%	\$39.90
Commercial T&E Rate II	0.62%	\$0.00
Commercial Face to Face Corp	0.47%	\$0.00
Commercial Data Rate II Corp	0.47%	\$0.00
International Purchasing Large Ticket	-0.83%	\$29.90
Commercial Lg Tkt / DR III Corp	-0.38%	\$39.90
International Commercial Card	0.57%	-\$0.10
World Petroleum	0.42%	-\$0.10
Comm Face to Face Fleet at Non Fuel	0.87%	\$0.00
Comm Data Rate II Fleet at Non Fuel	0.87%	\$0.00
Comm Face to Face Petroleum	0.47%	-\$0.10
Comm. Face to Face Petroleum Purch	0.47%	-\$0.10
World Elite Standard	1.67%	\$0.00
World Elite Merit I	0.92%	\$0.00
World Elite Key Entered	0.92%	\$0.00
World Elite Merit III	0.62%	\$0.00
World Elite Convenience Purchases	0.42%	-\$0.10
World Elite Restaurant	0.15%	\$0.00
World Elite T&E Lodging	1.17%	\$0.00
World Elite Merchant UCAF	0.62%	\$0.00
World Elite Full UCAF	0.72%	\$0.00
World Elite T&E	1.17%	\$0.00
World Elite Petroleum	0.42%	-\$0.10
World Elite T&E Large Ticket	0.42%	-\$0.10
World Commercial Face-to-Face Bus	0.74%	\$0.00
World Commercial Standard Bus	1.37%	\$0.00
World Commercial Data Rate III Bus	0.17%	-\$0.10
World Commercial Data Rate II Bus	0.74%	\$0.00

MasterCard Credit (Merit III)	Rate	Per Item
World Commercial Data Rate I Bus	1.07%	\$0.00
World Commercial T&E Rate II Bus	0.77%	\$0.00
World Commercial T&E Rate I Bus	0.92%	-\$0.10
World Commercial T&E Rate III Bus	0.72%	\$0.00
World Commercial Large Ticket II Bus	-0.23%	\$39.90
World Commercial Large Ticket III Bus	-0.23%	\$39.90
World Elite Commercial Face-to-Face Bus	0.74%	\$0.00
Enhanced Petroleum	0.32%	-\$0.10
World Elite Commercial Standard Bus	1.37%	\$0.00
World Elite Commercial Data Rate III Bus	0.17%	-\$0.10
World Elite Commercial Data Rate II Bus	0.74%	\$0.00
World Elite Commercial Data Rate I Bus	1.07%	\$0.00
World Elite Commercial T&E Rate II Bus	0.77%	\$0.00
World Elite Commercial T&E Rate I Bus	0.92%	-\$0.10
World Elite Commercial T&E Rate III Bus	0.72%	\$0.00
World Elite Commercial Lrg Ticket II Bus	-0.23%	\$39.90
World Elite Commercial Lrg Ticket III Bus	-0.23%	\$39.90
World Commercial Face-to-Face Corp	0.47%	\$0.00
World Commercial Standard Corp	1.37%	\$0.00
World Commercial Data Rate III Corp	0.17%	-\$0.10
World Commercial Data Rate II Corp	0.47%	\$0.00
World Commercial Data Rate I Corp	1.07%	\$0.00
World Commercial T&E Rate II Corp	0.62%	\$0.00
World Commercial T&E Rate I Corp	0.77%	-\$0.10
World Commercial T&E Rate III Corp	0.57%	\$0.00
World Commercial Large Ticket II Corp	-0.38%	\$39.90
World Commercial Large Ticket III Corp	-0.38%	\$39.90
World Elite Commercial Face-to-Face Corp	0.47%	\$0.00
World Elite Commercial Standard Corp	1.37%	\$0.00
World Elite Commercial Data Rate III Corp	0.17%	-\$0.10
World Elite Commercial Data Rate II Corp	0.47%	\$0.00
World Elite Commercial Data Rate I Corp	1.07%	\$0.00
World Elite Commercial T&E Rate II Corp	0.62%	\$0.00
World Elite Commercial T&E Rate I Corp	0.77%	-\$0.10
World Elite Commercial T&E Rate III Corp	0.57%	\$0.00
World Elite Commercial Lrg Ticket II Corp	-0.38%	\$39.90
World Elite Commercial Lrg Ticket III Corp	-0.38%	\$39.90
World Comm Large Ticket I/Data Rate III Bus	-0.23%	\$39.90
World Elite Comm Large Ticket I/Data Rate III Bus	-0.23%	\$39.90
World Comm Large Ticket I/Data Rate III Corp	-0.38%	\$39.90
World Elite Comm Large Ticket I/Data Rate III Corp	-0.38%	\$39.90
World Commercial Data Rate II Petroleum Bus	0.62%	-\$0.10
World Elite Comm Data Rate II Petroleum Bus	0.62%	-\$0.10
World Commercial Data Rate II Petroleum Corp	0.47%	-\$0.10
World Elite Comm Data Rate II Petroleum Corp	0.47%	-\$0.10
World Comm Face-to-Face Petroleum Bus	0.62%	-\$0.10
World Elite Comm Face-to-Face Petroleum Bus	0.62%	-\$0.10
World Comm Face-to-Face Petroleum Corp	0.47%	-\$0.10
World Elite Comm Face-to-Face Petro Corp	0.47%	-\$0.10
Enhanced Standard	1.37%	\$0.00
Enhanced Merit III	0.15%	\$0.00
Enhanced Merit I	0.46%	\$0.00
Enhanced Convenience Purchase	0.32%	-\$0.10
Enhanced Key Entered	0.46%	\$0.00
Enhanced Travel Industries Premier Services	0.32%	\$0.00
Enhanced Merchant UCAF	0.15%	\$0.00
Enhanced Full UCAF	0.25%	\$0.00

*Non-PIN Debit rates apply to U.S. issued consumer debit cards (Check Cards)

Requirements for Interchange Levels: The attached Interchange Qualification Matrix identifies the requirements for the various different interchange levels established by MasterCard, Visa, and Discover® Network, including those described above. Please refer to the Interchange Qualification Matrix to determine the interchange category for which a transaction may qualify.

Additional Information Regarding Your Discount Rates and Non-Qualified Transactions: For more information regarding your Discount Rates and Non-Qualified Transactions, please call Customer Service.