



Terms and Conditions for American Express® Card Acceptance

1. SCOPE OF THIS AGREEMENT; DEFINITIONS AND GENERAL PROVISIONS

a. Scope. This document, the accompanying Schedules A, B and Fee Schedule, and our other policies and procedures (which we may amend from time to time) constitute your Agreement to accept American Express® Cards in Canada. By accepting our Cards you agree to be bound by this Agreement.

b. Definitions.

Affiliate means any entity that controls, is controlled by, or is under common control with either party, including its subsidiaries. As used in this definition, *control* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an Entity, whether through the ownership of voting securities, by contract, or otherwise. For the avoidance of doubt, but not by way of limitation, the direct or indirect ownership of more than 50% of (i) the voting securities or (ii) an interest in the assets, profits, or earnings of an Entity shall be deemed to constitute "control" of the Entity.

Agreement means this document, the accompanying Schedules A, B and Fee Schedule, and our other policies and procedures (which we may amend from time to time).

American Express Card and *Card* mean any card, account access device, or payment device bearing our or our Affiliates' Marks. Card also includes any card or other account access device issued by a third party (*Third Party*) issuer (bearing such Third Party's Marks but not the Marks of American Express) with whom we have an arrangement to allow for card acceptance and processing in the same manner and at the same rate as American Express Cards of which we advise you from time to time, or its subsidiaries, Affiliates or licensees for the purposes of acceptance of such party's cards (*Third Party Product*).

Applicable Law means (i) any law, statute, regulation, ordinance, or subordinate legislation in force from time to time to which you or we or an Affiliate of either is subject, (ii) the common law as applicable to them from time to time, (iii) any court order, judgment, or decree that is binding on them and, (iv) any directive, policy, rule, or order that is binding on them and that is made or given by a regulator or other government or government agency of any national, federal, commonwealth, state, provincial, or local jurisdiction.

Cardmember means the person whose name appears on the Card.

Charge means a payment or purchase made on the Card. *Card Present Charge* means a Charge for which the Card is presented and swiped at the point of purchase. *Card Not Present Charge* means a Charge for which the Card is not presented at the point of purchase (e.g., Charges by mail, telephone, fax or the Internet), is used at unattended Establishments (e.g., customer activated terminals, called CATs), or for which the transaction is key-entered. *Disputed Charge* means a Charge about which a claim, complaint, or question has been brought.

Chargeback (sometimes called "full recourse" or "Full Recourse" in our materials), when used as a verb, means our reimbursement from you for the amount of a Charge subject to such right; when used as a noun means the amount of a Charge subject to reimbursement from you. *Immediate Chargeback* (sometimes called "Immediate Full Recourse" in our materials) means our right to Chargeback immediately and irrevocably without first contacting you or sending you an inquiry and for which you have no right to

present any written response to dispute the Chargeback.

Chip Card (sometimes called a Smart Card, EMV Card, or ICC in our materials) means a Card that contains an integrated chip and could require a personal identification number (PIN) as a means of verifying the Cardmember and/or the information contained in the integrated chip.

Credit means the amount of the Charge that you refund to Cardmembers for purchases or payments made on the Card.

Entity means a corporation, partnership, sole proprietorship, trust, association, or any other legally recognized entity or organization.

Establishments means all of your and your Affiliates' locations, outlets, websites, online networks, and all other methods for selling goods and services, including methods that you adopt in the future. Establishment Number (sometimes called the "merchant" or "SE" number in our materials) is the unique number we assign to your Establishment; if you have more than one Establishment, we may assign to each a separate Establishment Number.

Marks mean names, logos, service marks, trademarks, trade names, taglines, or other proprietary designations.

Prepaid Card means a Card marked "prepaid" or bearing such other identifier as we may notify you.

We, our, and us mean Amex Bank of Canada.

You and your mean the entity accepting the Card under this Agreement, and its Affiliates conducting business in the same industry.

Other defined terms appear in italics in the body of this Agreement.

c. List of Affiliates. You must provide to us a list of your Affiliates conducting business in your industry and notify us of any subsequent changes in the list. You must notify us if you have any Establishments in the United States (U.S.), Puerto Rico, the U.S. Virgin Islands, and any other U.S. territory and cause them to enter into a separate agreement governing U.S. Card acceptance. You must notify us if you have any Establishments in the U.S., Puerto Rico, the U.S. Virgin Islands, and any other U.S. territory, or in another area where the U.S. dollar is the local currency, as our Discount Rates, fees, and payment terms for Card acceptance may be different there. We will notify you of those terms.

d. For Your Use Only. This Agreement covers only you. You must not obtain Authorizations, submit Charges or Credits, or receive payments on behalf of any other party.

2. ACCEPTING THE CARD

a. Acceptance. You must accept the Card as payment for goods and services sold at all of your Establishments. You agree that Sections 2.a. through 2.d. are reasonable and necessary to protect the Cardmember's choice of which Card to use and that charge and credit Cards, including corporate Cards, are interchangeable. You are jointly and severally liable for the obligations of your Establishments under this Agreement.

b. Communicating Payment Methods. Whenever you communicate the payment methods you accept to customers, you must indicate your acceptance of the Card and any Third Party Products (if applicable), and display our Marks (including any Card application forms we may provide you

and, if applicable, any Third Party Marks according to our guidelines and as prominently and in the same manner as any other charge, credit, debit, stored value or smart cards, account access devices, or other payment cards, services, or products (collectively, *Other Payment Products*).

c. Conduct with Cardmembers. Except to the extent expressly permitted by this Agreement or industry codes to which we have subscribed, you must not: (i) try to dissuade Cardmembers from using the Card; (ii) criticize or mischaracterize the Card or any of our services or programs; (iii) try to persuade or prompt Cardmembers to use any Other Payment Products or any other method of payment (e.g., payment by cash); (iv) impose any restrictions, conditions, disadvantages or fees when the Card is accepted that are not imposed equally on all Other Payment Products; (v) promote any Other Payment Products (except your own card that you issue for use solely at your Establishments) more actively than you promote the Card or (vi) convert the currency of the original sales transaction to another currency when requesting Authorization or submitting charges.

d. Other Conduct. You must not: (i) engage in activities that harm our business or brand; or (ii) indicate or imply that you prefer, directly or indirectly, any Other Payment Products over the Card. Notwithstanding the foregoing or anything else to the contrary in this Agreement, you may offer discounts from your regular posted prices to prospective buyers for different methods of payments such as, cash, electronic funds transfer, cheque, debit card and other credit card products provided you clearly and conspicuously disclose the terms of the discount offer to all prospective buyers at the point of sale or checkout.

e. Prohibited Uses. You must not accept the Card for: (i) damages, losses, penalties, or fines of any kind; (ii) costs or fees over the normal price of your goods or services (plus applicable taxes) or Charges that Cardmembers have not specifically approved; (iii) overdue amounts, or amounts covering returned or stop-payment cheques; (iv) gambling services (including online gambling), gambling chips, or gambling credits; or lottery tickets; (v) adult digital content sold via Internet Electronic Delivery Transactions; (vi) cash back or cash equivalents; (vii) sales made by third parties or entities conducting business in industries other than yours; (viii) amounts that do not represent bona fide sales of goods or services at your Establishments, e.g., purchases at your Establishments by your owners (or their family members) or employees contrived for cash flow purposes; (ix) illegal business transactions; or (x) other items of which we notify you. You must not use the Card to verify your customer's age.

3. SUBMITTING CHARGES AND CREDITS TO US

a. Currency and Charge Submissions. Your Establishments in Canada must submit Charges and Credits in Canadian dollars. You must submit all Charges to us within seven days of the date they are incurred, provided that you must wait to submit Charges until after you have shipped the goods or provided the services to the Cardmember. Your Establishments in the U.S., Puerto Rico, the U.S. Virgin Islands, and other U.S. territories must submit Charges and Credits in U.S. dollars under a separate agreement for Card acceptance.

b. Credit Submissions. You must submit Credits to us within seven days of determining that a Credit is due and create a record of Credit that complies with our requirements (*Credit Record*). You must not issue a Credit when there is no corresponding Charge. We will deduct the full amount of the Credit from our payment to you (or debit your Account, defined below), but if we cannot, then you must pay us promptly upon receipt of our invoice. You must submit all Charges and Credits under the Establishment Number of the Establishment where the Charge or Credit originated.

c. Credit to Card Account. You must issue Credits to the Card account used to make the original purchase, unless it was made with a Prepaid Card that

is no longer available or unless the Credit is for a gift that is being returned by someone other than the Cardmember that made the original purchase, in which case you may apply your refund policy. Charges and Credits will be deemed accepted on a given business day if processed by us before our cut off for processing Charges and Credits for that day at the relevant location.

d. No Cash Refunds. You must not give cash refunds to Cardmembers for goods or services they purchase on the Card, unless required by law. Your refund policy for purchases on the Card must be at least as favourable as your refund policy for purchases on Other Payment Products or other payment methods. You must disclose your refund policy to Cardmembers at the time of purchase and in compliance with Applicable Law.

4. PAYMENT FOR CHARGES

a. Currency and Payment Amount. We will pay you according to your payment plan in Canadian dollars for the face amount of Charges submitted from your Establishments in Canada less: (i) the Discount; (ii) any amounts you owe us or our Affiliates, including amounts we advise you of from time to time, or otherwise pursuant to this Agreement; (iii) any amounts for which we have Chargebacks; and (iv) any Credits you submit.

b. Discount, Fees and Discount Rate. The Discount is an amount we charge you for accepting the Card. It is (i) a percentage (called the Discount Rate) of the face amount of the Charges that you submit; (ii) a flat transaction fee; (iii) a combination of Discount Rate and a flat transaction fee; or (iv) a monthly flat fee (Flat Fee) if you meet our requirements. Charges for which you have not obtained Authorization or that are not submitted electronically are subject to supplemental fees. Your initial Discount is indicated in this Agreement or otherwise provided to you by us. In addition to the Discount, we may charge you new fees and assessments for accepting Cards under this Agreement. The attached Fee Schedule lists our current fees and assessments. We may adjust any of these fees and assessments and may charge you different Discount Rates for Charges submitted by your Establishments that are in different industries. We will provide you with at least 90 days notice of any increase to your current fees and assessments or if we add a new fee or assessment unless the increase is made in accordance with a pre-determined fee schedule as part of this Agreement.

c. Corporate Purchasing Card. If you meet the requirements in Schedule A, Paragraph 1.c., we may adjust your Discount Rate for Charges made on our Corporate Purchasing Card (*CPC*). This adjustment will not apply if your Discount is a Flat Fee or a flat Prepaid Card transaction fee.

d. Notice of Error or Omission. You must notify us in writing of any error or omission in respect of your Discount or other fees or payments for Charges, Credits or Chargebacks within 90 days of the date of the statement containing such claimed error or omission or we will consider the statement to be conclusively settled as complete and correct in respect of such amounts.

e. Payments in Error. If we determine at any time that we have paid you in error, we may exercise Chargeback to recover such erroneous payment. If you receive any payment from us not owed to you under this Agreement, you must immediately notify us (by calling our telephone service center) and your Processor (meaning your intermediary that we have certified for obtaining Authorizations from and submitting Charges and Credits to us) and return such payment to us promptly. Whether or not you notify us, we have the right to withhold future payments to you or debit your Account until we fully recover the amount. We have no obligation to pay any party other than you under this Agreement.

f. Collecting from Cardmembers. You must not bill or collect from any Cardmember for any purchase or payment made on the Card unless we have exercised Chargeback for such Charge, you have fully paid us for such Charge, and you otherwise have the right to do so.

5. CHARGEBACK

a. When Chargeback Applies. We have Chargeback rights: (i) whenever Cardmembers bring Disputed Charges, as described in Schedule A, Paragraph 5, or have rights under law to withhold payments; (ii) in cases of actual or alleged fraud relating to Charges; (iii) if you do not comply with this Agreement (including omitting any Transmission Data from Charge submissions), even if we had notice when we paid you for a Charge that you did not so comply and even if you obtained Authorization for the Charge in question; or (iv) as provided elsewhere in this Agreement.

b. How We Chargeback. We may Chargeback by deducting, withholding, recouping from, or offsetting against our payments to you (or debiting your Account), or we may notify you of your obligation to pay us, which you must do promptly and fully. Our failure to demand payment does not waive our Chargeback rights.

6. PROTECTIVE ACTIONS

a. Creating a Reserve. Regardless of any contrary provision in this Agreement, we have the right in our sole discretion to take security for your or any of your Affiliates' obligations to us or any of our Affiliates, under this Agreement or any Other Agreement. If we so determine, we may: (i) withhold and offset amounts from payments we otherwise would make to you under this Agreement; or (ii) require you to deposit funds with us. Such amounts or funds are called a Reserve. *Other Agreement* means any agreement other than this Agreement between: (i) you or any of your Affiliates; and (ii) us or any of our Affiliates.

b. Trigger Events for Reserve. Some of the events that may cause us to establish a Reserve include: (i) your ceasing a substantial portion of or adversely altering your operations; (ii) your selling all or substantially all of your assets or any party acquiring 25% or more of the equity interests issued by you (other than parties currently owning 25% or more of such interests), whether through acquisition of new equity interests, previously outstanding interests, or otherwise; (iii) your suffering a material adverse change in your business or a material adverse change occurs in your industry; (iv) your breach of Section 6.e; (v) your becoming insolvent; (vi) our receiving a disproportionate number or amount of Disputed Charges at your Establishments; (vii) our reasonable belief that you will not be able to perform your obligations under the Agreement, any Other Agreement, or to Cardmembers; or (viii) the establishment of a reserve or other protective action taken by any Entity with whom you have entered into an arrangement for the acceptance or processing (or both) of Other Payment Products that (A) results in the withholding of funds that would otherwise have been payable to you, (B) requires you to make a direct payment into a reserve account or similar device, or (C) requires you to provide such Entity with a letter of credit or other third-party guarantee of payment.

c. Setting-Up a Reserve. If we need to create a Reserve, then we may immediately establish a Reserve or terminate this Agreement. We will inform you if we establish a Reserve. We may increase the amount of the Reserve at any time as long as the amount of the Reserve does not exceed an amount sufficient, in our reasonable judgment, to satisfy any financial exposure or risk to us under this Agreement (including from Charges submitted by you for goods or services not yet received by Cardmembers) or to us or our Affiliates under any Other Agreement, or to Cardmembers.

d. Using the Reserve. We may deduct and withhold from, and recoup and offset against, the Reserve: (i) any amounts you or any of your Affiliates owe us or any of our Affiliates under this Agreement or any Other Agreement; (ii) any costs incurred by us in connection with administration of the Reserve, including legal fees; and (iii) any costs incurred by us as a result of your

failure to fulfill any obligations to us, any of our Affiliates, or to Cardmembers, including legal fees. We may take other reasonable actions to protect our rights or those of any of our Affiliates, including changing the speed or method of payment for Charges, exercising Immediate Chargeback, or charging you fees for Disputed Charges. If we deem it necessary based on our assessment of risk posed by your business, we may require you at any time to deposit funds or other collateral with us as security to protect our financial risk hereunder as a condition of your accepting the Card. These funds and collateral shall be treated as a Reserve under the Agreement.

e. Providing Information. You must provide to us promptly, upon request, information about your finances, creditworthiness and operations, including your most recent certified financial statements.

f. Set-Off. We may at any time and from time to time, without notice to you, set-off, appropriate and apply any and all Charges, deposits, and other amounts (including without limitation the Reserve) held by us or any other indebtedness and liability owed by us to you, against and on account of any debts, obligations or amounts owing by you to us including, without limitation, pursuant to this Agreement or any Other Agreement, and in such order of application as we may from time to time determine.

g. Security Interest. As general and continuing security for the payment and performance of any and all Obligations (defined below) and liabilities, present or future, direct or indirect, absolute or contingent, whether liquidated and inclusive of Charges as and from the time incurred, at any time and from time to time owing by you or your Affiliates to us pursuant to this Agreement or any Other Agreement, as they may be amended, restated, supplemented, renewed, extended or superseded from time to time (collectively, the *Obligations*), and in consideration of such Obligations and liabilities and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, you hereby grant, assign, charge and transfer to us a continuing security interest in all of your Secured Property. *Secured Property* means your payments owed or owing to you or your Affiliates under the Agreement, as amended, including the Reserve established from time to time. The parties agree that the security interest created shall operate as a present, attached, fixed and specific assignment, charge of and security interest in any and all of the Secured Property now owned or hereafter acquired by you, upon the execution by you of this Agreement. The security hereby constituted shall become enforceable upon the occurrence of any of the events found in Section 9 below.

7. NOTICES

a. Delivery and Receipt. Unless otherwise explicitly provided for herein, all notices hereunder must be in writing and sent by hand delivery; or by first-class mail, postage prepaid; or by expedited mail courier service or by electronic mail (e-mail); or by facsimile transmission, to the addresses set out below. Notices will be deemed received and effective according to the following: a) upon delivery, if hand-delivered; b) upon the earlier of (i) the next business day after being sent or (ii) upon receipt, if sent by e-mail or facsimile transmission; or c) upon the earlier of (i) three days after mailing or (ii) receipt, if mailed. Notices sent to us will be processed in accordance with our policies and procedures which may require you to provide us with additional information or documentation to be effective. If the addressee provided for below rejects or otherwise refuses notice or if notice cannot be delivered because the address for notice has changed but to which delivery of notice was attempted, then notice is effective upon the rejection, refusal or attempt to deliver.

b. Our Notice Address. Unless we notify you otherwise, you will send notices to us at:

Amex Bank of Canada
101 McNabb Street
Markham, Ontario L3R 4H8
Attention: Global Merchant Services Canada
Fax: 1-800-909-4511
E-mail: MerchantServicesOnline@aexp.com

c. Your Notice Address. We will send notice to you at the address, electronic mail address, or facsimile number you indicated on your application to accept the Card. You must notify us immediately of any change in your notice address.

8. INDEMNIFICATION AND LIMITATION OF LIABILITY

a. Indemnity. You will indemnify, defend, and hold harmless us, any Third Party, and our Affiliates, successors, and permitted assigns from and against all damages, liabilities, losses, costs, and expenses, including legal fees, arising or alleged to have arisen from your breach, negligent or wrongful act or omission and failure to perform under this Agreement (*Indemnity Obligations*). In addition to the foregoing, your Indemnity Obligations to us, our Affiliates, successors and permitted assigns will also apply to failure in the provision of your goods or services.

b. Limitation of Liability. We (including a Third Party), our Affiliates, successors or assigns will not be liable to you for any malfunction, unavailability or failure of, or delay in processing through, any point of sale terminal, direct payment service, direct connection or other devices or associated equipment operated by us or others.

c. Limitation of Liability. IN NO EVENT WILL WE (INCLUDING A THIRD PARTY), OUR AFFILIATES, SUCCESSORS OR ASSIGNS BE RESPONSIBLE OR LIABLE TO YOU FOR ANY INCIDENTAL, INDIRECT, SPECULATIVE, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND (WHETHER BASED IN CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, FRAUD, OR OTHERWISE, OR STATUTES, REGULATIONS, OR ANY OTHER THEORY) HOWSOEVER ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, EVEN IF ADVISED OF SUCH POTENTIAL DAMAGES. NEITHER YOU NOR WE WILL BE RESPONSIBLE TO THE OTHER FOR DAMAGES ARISING FROM DELAYS OR PROBLEMS CAUSED BY TELECOMMUNICATIONS CARRIERS OR THE BANKING SYSTEM, EXCEPT THAT OUR RIGHTS TO CREATE RESERVES AND EXERCISE CHARGEBACK RIGHTS WILL NOT BE IMPAIRED BY SUCH EVENTS.

9. TERM AND TERMINATION

a. Effective Date/Termination Date. This Agreement begins as of the date: (i) you first accept the Card after receipt of this Agreement or otherwise indicate your intention to be bound by this Agreement, or (ii) we approve your application to accept the Card, whichever occurs first. Either party can terminate this Agreement without cause at any time by notifying the other party. Termination will take effect according to the notice period specified in Section 7, above.

b. Grounds for Termination. In addition to our rights in Section 9.a. above, we can terminate this Agreement at any time without notice to you and without waiving our other rights and remedies if you have not submitted a Charge within any 12-month period. This Agreement is a contract to extend financial accommodations, and if bankruptcy or similar proceedings are filed with respect to your business, then this Agreement will terminate automatically.

c. Post-Termination. If this Agreement terminates, without waiving our other rights and remedies, we may establish a Reserve to cover our financial exposure or risk and offset against such Reserve all amounts owing to us and our Affiliates. If any amounts remain unpaid, then you and your successors and permitted assigns will remain liable for such amounts and

will pay us within 30 days of request. You must also remove all displays of our Marks and any Third Party Marks, return our materials and equipment immediately, and submit to us any Charges and Credits incurred prior to termination.

d. Surviving Provisions. The terms of all of Sections 1, 5, 6, 8, 9, 10, and 11 and Paragraphs 1.b., 1.h., 5, and 6 of Schedule A will survive termination of this Agreement. Our right of direct access to the Account will also survive until such time as all credits and debits permitted by this Agreement, and relating to transactions prior to the effective date of termination, have been made.

e. Events That May Cause Termination. In addition, we reserve our right to terminate this Agreement immediately without notice to you, and all obligations or debts owed by you under this Agreement shall be due and payable in full, upon the occurrence of any of the following events:

- (i) You default in your obligations under this Agreement or on payment when due of any of the debts or obligations hereunder;
- (ii) If we have reason to believe, in our sole discretion, that you are involved in any way in fraudulent or illegal business transactions or activities;
- (iii) If you are wound up, dissolved or liquidated or if any trustee in bankruptcy, receiver, monitor or liquidator or any other officer with similar powers is appointed in respect of you, or you become insolvent or bankrupt or make or agree to any filing for the purposes of protection from creditors;
- (iv) You default under any agreement with respect to any indebtedness or other obligation to any person other than us which results in the acceleration of such indebtedness or obligation or the right of such person to realize upon any of your property; or
- (v) We in good faith believe the prospect of payment or performance of the obligations under this Agreement is impaired.

You agree to notify us within 24 hours if any of the events described in subsections (iii) or (iv), above, occur.

f. Discontinuance of Accepting Third Party Products. Notwithstanding anything in this Agreement, we may require you to discontinue acceptance of any Third Party Product at your Establishment(s).

10. DISPUTE RESOLUTION AND ARBITRATION

a. Asserting a Claim. The parties agree to use commercially reasonable efforts to settle any Claim within 30 days following the time that a Claim is raised or shorter time period as either party may determine. All Claims will be resolved exclusively by arbitration pursuant to this Section 10, except as otherwise provided for herein. *Claim* means any claim, dispute, or controversy between you and us whether contractual, extra-contractual, tortious or statutory arising from or relating to this Agreement or the relationship resulting from this Agreement, including the validity or enforceability or scope of this Arbitration provision. Claim also includes any claim, dispute, or controversy that may arise from or relates to: (i) our ordinary business practices, policies and procedures including our rights to Chargeback, create reserves and debit your Account; or (ii) the Discount.

b. Arbitration. A Claim that is not resolved directly between the parties will be resolved pursuant to this Section 10 and the National Arbitration Rules (*Rules*) of ADR Institute of Canada, Inc. (*Administrator*) or its successors or replacement Administrator. For a copy of the Rules, to file a Claim or for other information about the Administrator contact: ADR Institute, 234 Eglinton Avenue East, Suite 500, Toronto, Ontario M4P 1K5; e-mail admin@adrCanada.ca. Prior to the initiation of any Claim we have the right to change or replace the Administrator or the Rules in our sole discretion.

c. Small Claims Court Proceedings and Complaint Procedures. Notwithstanding anything to the contrary in this section, you may pursue any Claim without resort to arbitration in a small claims court of the province or territory of your main business office in Canada, so long as the Claim is individual, within the jurisdiction of and pending only in that court. You may also access our complaint escalation procedures set forth in subsection 11(q) of this Agreement and acknowledge that our Bank Ombudsman and the Ombudsman for Banking Services and Investments do not deal with complaints that are the subject of arbitration or small claims court proceedings.

d. Consolidation. The parties agree that individual arbitration provides a more efficient and cost effective method of resolving Claims than court litigation. All Claims will be arbitrated on an individual basis. Claims brought by you against us or by us against you may be joined, heard one after the other or consolidated as the arbitrator may direct in arbitration with Claims brought by or against someone other than you, if agreed to in writing by all party establishments. The parties further agree that the arbitrator will have no jurisdiction or authority to consider any Claim brought on a class action or representative party basis.

e. Arbitration Procedures and Appeal. The arbitrator will take reasonable steps to preserve the privacy of individuals and of business matters. Where the Claim being arbitrated is for an amount less than \$50,000.00, there will be no oral discoveries or oral hearing subject to the discretion of the arbitrator to direct otherwise. The arbitrator's decision will be final and binding. However, where an appeal is not prohibited by statute, any party can appeal the award to an appeal panel administered by the Administrator, which will consider anew any aspect of the initial award objected to by the appealing party. Where the award under appeal is for \$50,000.00 or less, the appeal will be to a single appeal arbitrator and where the award under appeal is for more than \$50,000.00, the appeal will be to a three-member appeal panel. The appealing party will have 30 days from the date of entry of the written arbitration award to notify the Administrator that it is exercising the right of appeal. The Administrator will then notify the other party that the award has been appealed. The Administrator will appoint the appeal panel that will conduct arbitration pursuant to the Rules and issue its decision within 120 days of the date of the appealing party's written notice. The decision of the three member appeal panel will be by majority vote. The appeal decision will be final and binding and there will be no further appeal. The appeal decision will be considered as a final award.

f. Location of Arbitrations/Payment of Fees. Any arbitration hearing that you attend will take place in the province or territory of your main business office in Canada. If you do not have a business office in Canada, then the arbitration hearing will take place in Toronto, Ontario. The arbitrator and, where applicable, the appeal panel shall be entitled to fix the costs and expenses of the arbitration, including reasonable legal fees, the costs and expenses of the arbitration and appeal, and the fees of the arbitrator, appeal panel and Administrator.

11. MISCELLANEOUS

a. Confidentiality. You must keep confidential and not disclose to any third party the terms of this Agreement and any information that you receive from us that is not publicly available.

b. Proprietary Rights and Permitted Uses. Neither party has any rights in the other party's Marks, nor may one party use the other party's Marks without its prior written consent, except that we or a Third Party, if applicable, may use your name, address, (including your website addresses or URLs), and customer service telephone numbers in any media, including any materials that we or such Third Party may issue. Additionally, you may not issue any press release or make any public announcement related to us, our Affiliates or this Agreement without our prior written consent. Any information about Cardmembers and Card transactions, including the

names, addresses, account numbers and Card Identification Numbers (*CIDs*) (collectively, *Cardmember Information*) are confidential and our sole property or the sole property of our Affiliates' third party licensees. Except as otherwise specified, you must not disclose Cardmember Information, nor use it other than to facilitate Card transactions in accordance with this Agreement. Where you mention the Card as a payment method, you must use our Marks, and as applicable, Third Parties' Marks, but only as described in our or their logo sheets.

c. Your Representations and Warranties. You represent and warrant to us that: (i) you are duly qualified and licensed to do business in all jurisdictions in which you conduct business; (ii) you have full authority and all necessary assets and liquidity to perform your obligations and pay your debts hereunder as they become due; (iii) there is no circumstance threatened or pending that might have a material adverse effect on your business or your ability to perform your obligations or pay your debts hereunder; (iv) you are authorized to enter into this Agreement on behalf of your Establishments and Affiliates, including those indicated in this Agreement, and the individual who signs this Agreement or otherwise enters into it has authority to bind you and them to it; (v) you are not a person or entity listed on the List of Names made subject to the Regulations Establishing a List of Entities pursuant to subsection 83.05(1) of the Criminal Code of Canada or the United Nations Suppression of Terrorism Regulations, or any other such list or regulation that may exist now or in the future (*Prohibited Lists*). The Prohibited Lists under this section may be subject to change from time to time, with or without notice to you; (vi) you have not assigned to any third party any payments due to you under this Agreement; (vii) all information that you provided in connection with this Agreement is true, accurate, and complete; and (viii) you have read this Agreement and kept a copy for your file. If any of your representations or warranties in this Agreement becomes untrue, inaccurate, or incomplete at any time, we may immediately terminate this Agreement in our discretion.

d. Compliance with Laws. You agree to comply with Applicable Law.

e. Governing Law; Jurisdiction. This Agreement and the rights of the parties herein will be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario.

f. Interpretation. In construing this Agreement, unless the context requires otherwise: (i) the singular includes the plural and vice versa; (ii) the term "or" is not exclusive; (iii) the term "including" means "including, but not limited to;" (iv) the term "day" means "calendar day;" (v) any reference to any agreement (including this Agreement), instrument, contract, policy, procedure, or other document refers to it as amended, supplemented, modified, suspended, replaced, restated, or novated from time to time; (vi) all captions, headings, and similar terms are for reference only; and (vii) unless otherwise noted, all amounts are in Canadian Dollars.

g. Assignment. You shall not assign any of your rights under this Agreement, whether voluntarily or by operation of law (including by way of sale of assets, merger, or consolidation), without our prior written consent. Any purported assignment by operation of law is voidable in our sole discretion. We may assign any or all of our rights under this Agreement without your consent. Except as otherwise specified herein, this Agreement binds, and inures to the benefit of, the parties and their respective successors and permitted assigns.

h. Change of Control and Material Changes. You agree to advise us immediately of a change of control or any other material change in the way you carry on business which could impact the way we provide services to you under this Agreement.

i. Waiver; Cumulative Rights. Either party's failure to exercise any of its rights under this Agreement, its delay in enforcing any right, or its waiver of

its rights on any occasion, will not constitute a waiver of such rights on any other occasion. No course of dealing by either party in exercising any of its rights will constitute a waiver thereof. No waiver of any term of this Agreement will be effective unless it is in writing and signed by the party against whom the waiver is sought to be enforced.

j. Savings Clause. If any term of this Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, that term will be replaced by an enforceable term most closely reflecting the parties' intentions, with the balance of the Agreement remaining unaffected.

k. Amendments. We may change this Agreement at any time (including by amending any of its terms, adding new terms, or deleting or modifying existing terms) on at least ten days' prior notice to you.

l. Entire Agreement. This Agreement is the entire agreement between you and us regarding the subject matter hereof and supersedes any previous agreements, understandings, or courses of dealing regarding the subject matter hereof.

m. Excusable Delay/Force Majeure. In no event shall either party be liable to the other for any delay in or failure to perform due to causes beyond the control and without the fault or negligence of the party claiming excusable delay or force majeure, including without limitation, any act of God or any act or omission of another party.

n. Consent to Use Personal Information. Solely in this Paragraph 11.n., the words "we", "our" and "us" mean Amex Bank of Canada, its affiliates (including Amex Canada Inc., a provider of travel related services), and their agents and service providers (acting on their behalf). "You" and "your" means: (i) the sole proprietor, where an Establishment is a sole proprietorship; (ii) the partners, where an Establishment is a partnership; (iii) the signing officers, where an Establishment is a corporation; or (iv) the signing officers of the business entity whose Information we collect for the purpose of providing the services under this Agreement, where an Establishment is any other business entity. *Information* is any information about you and includes *Personal Information* which is any information which relates to an individual and allows that individual to be identified.

We collect, disclose, use and process Information: (1) to consider initiating and to initiate, maintain and develop our relationship with you and the Establishment in connection with our offering products and services generally, including helping us to understand the current and future needs of our customers and to otherwise analyze and manage our business and risk; (2) to administer billing and accounting services and security measures in relation to the Establishment; (3) to monitor transaction activity; (4) to evaluate your credit standing; (5) to share and exchange reports and Information with credit reporting agencies, credit bureaus or any other person, corporation, firm or enterprise with whom you have or propose to have a financial relationship and to use other third party databases (including registries and licensing authorities) or references provided by you to obtain or verify Information about your financial circumstances, your background or to identify you; (6) as permitted by or to comply with legal and regulatory requirements; (7) to promote and to market products and services offered by us or other well established companies, including by means of direct marketing through ordinary mail, e-mail, telephone or other available communication channels; and (8) where the provision of services or benefits provided to you in relation to you are offered by or include the participation of third party suppliers, to our sharing and exchanging with such third party suppliers and their agents and service providers any Information reasonably required for the provision of the services. If you provide your Social Insurance Number, we may use it to match credit bureau/reporting agency Information. This allows us to distinguish you from other individuals, particularly those with similar names, and helps ensure the accuracy of the Information collected

and reported. If you provide us with your e-mail address we will use it to provide you reporting tools and for e-mail communications which may include customer service notices and correspondence pertaining to your Charges. You agree that we, or reputable organizations selected by and acting for us, may from time to time monitor or record any of your telephone calls with us for the purposes of servicing accuracy, quality assurance and training. We may use Information in our records for as long as it is needed for the purposes described above even after our relationship with you or the Establishment has ceased. You consent to our collection, disclosure, use and processing of Information about you for the purposes described above. You authorize third parties to give us the Information for these purposes. If you provide us with Information about any other individual, you confirm that the individual: (i) has consented to our collection, disclosure, use and processing of that Information for these purposes as reasonably required; and (ii) authorizes third parties to give us the Information for these purposes.

You may refuse or withdraw your consent under (7) completely or you may select from any partial consent options that we may make available by calling 800-268-9877. Your request will be processed promptly but may not be captured for promotions already in progress. This will not limit Information we may provide for you when you contact us.

o. Business Information Consent. The Establishment consents to the sharing and exchange of credit and other Information by us with credit reporting agencies, credit bureaus or any other person, or corporate entity with whom the Establishment has or proposes to have a financial relationship and to the use of other third party databases or references provided on behalf of the Establishment to obtain or verify information about the Establishment and its financial circumstances.

p. Nature of Information Collected. The Information we collect from time to time may include: (1) Information to identify you such as name, date of birth, contact information; (2) Information about your financial circumstances and behaviour, such as your income, assets, payment history and creditworthiness; (3) Information for the provision of products and services (for example, language and other preferences); (4) Information relating to transactions arising from your and the Establishment's relationship with or through us.

We collect Information from various sources including from you directly through applications, correspondence or other communications, through the products and services you or the Establishment use, from others with your consent (such as credit reporting agencies and other lenders) or other permitted sources.

We will review and analyze Information in various ways. For example, when we monitor transactions we use proprietary techniques to help identify transactions that may be of risk from a credit, fraud or money laundering and terrorist financing perspective. This involves our understanding of the ordinary use of our products and services in order to identify unusual activity. It also includes assessing Information in relation to information from other sources including our own records to detect suspicious patterns or connections.

When we promote and market products and services offered by us or other well-established companies (*promotions*), each promotion is carefully developed to ensure that it meets our standards. We try to make sure these promotions reach only those customers most likely to take advantage of them. To do this, we develop lists for use by us based on Information you have provided us on your applications, in surveys and other communications. We may also use that Information, along with non-credit information from external sources, to develop lists that are used by us. The lists used to send promotions are developed under strict conditions designed to safeguard the privacy of Information.

Except in the limited circumstances where our use of Information is permitted or required by law, before using your Information for any new purposes we will explain them to you and seek your consent.

Subject to legal and contractual restrictions, you can withdraw your consent to our use of your Information at any time with reasonable notice. For example, as described above you may choose not to receive marketing offers or other promotional materials. If you refuse or withdraw your consent for any purpose that is necessary for us to fulfill our product or service contract with you, we will not be able to provide you, or continue to provide you, with the product or service. In some cases, certain consents are mandatory and cannot be withdrawn. Similarly, you cannot withdraw your consent on matters that are essential to the management of our businesses, including the disclosure of Information when we assign our rights to others such as for the sale or collection of debts.

To obtain more information about our policies and procedures in protecting your privacy, including how to request access to and correction of your Information that we hold, please visit our website at www.americanexpress.ca/privacy or call us at 888-301-5312 to request a copy of our Privacy Code.

q. Complaint Handling Procedures. We process many customer account transactions each day and we try very hard to ensure that your business is handled in an efficient and courteous manner. We have set up procedures for customers that wish to bring a concern to our attention and encourage you to follow the complaint procedures outlined here.

Step One:

If you should have any complaint, please contact our Merchant Services Centre at 800-268-9877 or you may also write to our Manager of Customer Service at:

Amex Bank of Canada
101 McNabb Street
Markham, Ontario
L3R 4H8.
Attention: Manager Customer Service

Step Two:

If your concern is not resolved to your satisfaction, you should write to our Manager of Customer Care Support at the address that follows. Please see the "Timelines" section below.

Amex Bank of Canada
101 McNabb Street
Markham, Ontario
L3R 4H8
Attention: Manager Customer Care Support

Step Three:

If the issue remains unresolved, you may contact the internal Amex Bank of Canada Ombudsman. Please see the "Timelines" section below.

Toll-free Telephone: 1.888.301.5312 Local: 905.943.1197
Toll-free Fax: 1.866.849.9660 Local: 905.940.7670
TTY: 1.866.529.1344 Local: 905.940.7701
Website: www.americanexpress.ca/ombudsman

By writing:

Amex Bank of Canada
101 McNabb Street
Markham, Ontario
L3R 4H8
Attention: Amex Bank of Canada Ombudsman

Step Four:

If the Internal Amex Bank of Canada Ombudsman's Office cannot resolve the issue, you may contact the Ombudsman for Banking Services and Investments (OBSI) as outlined below. Please note that you may contact OBSI earlier than Step Four as set out in the "Timelines" section below. The Ombudsman for Banking Services and Investments can be reached at:

401 Bay Street
Suite 1505, P.O. Box 5
Toronto, Ontario
M5H 2Y4
Toll-free Telephone: 1.888.451.4519 Local: 416.287.2877
Toll-free Fax: 1.888.422.2865 Local: 416.225.4722
Email: ombudsman@obsi.ca
Website: www.obsi.ca

Timelines:

We work hard to ensure that your complaint is acknowledged and investigated in a timely manner. If you have not followed the complaint escalation steps as outlined above, we may forward your concern to the appropriate complaint handling level for investigation and response. Once your complaint reaches Step Three, we will do our best to provide a response detailing your concern and the appropriate resolution or explanation within 90 days. In the event that we are unable to respond within that time period, a notice will be provided to you estimating the completion date of the investigation. We encourage you to use our internal complaints handling process first. However, 90 days after reaching Step Three, you have the right to contact the OBSI. OBSI may contact the Amex Bank of Canada's Ombudsman's Office to facilitate the earliest possible resolution of your complaint.

r. Language. The parties have agreed that this Agreement and the documents related thereto be drawn up in the English language. LES PARTIES EXIGENT QUE LA PRÉSENTE CONVENTION AINSI QUE LES DOCUMENTS QUI S'Y RATTACHENT SOIENT RÉDIGÉS EN ANGLAIS.

s. No Third Party Beneficiaries. Unless otherwise provided for herein, this Agreement does not and is not intended to confer any rights or benefits on any person that is not a party hereto, and none of the provisions of this Agreement will be enforceable by any other person other than the parties hereto, their successors and permitted assigns.

t. Independent Contractors. You and we are independent contractors. No agency, partnership, joint-venture, or employment relationship is created between the parties by the Agreement. Each party is solely responsible for its own acts and omissions and those of its respective agents, employees, representatives, and subcontractors in connection with the Agreement.

By: AMEX BANK OF CANADA

By:



Colin D. Temple
Vice-President and General Manager
Merchant Services, Canada
Amex Bank of Canada



Schedule A Operational and Other Procedures

1. CHARGE RECORDS

a. Format. For every Charge, you must create an electronically reproducible record of Charge (Charge Record) containing the following information (Card Data): (i) Cardmember name and full Card account number, if permitted by Applicable Law, and expiration date via an imprinter or other point of sale equipment or systems; (ii) the date the Charge was incurred; (iii) the amount of the Charge that must be the total price for the purchase of the goods or services plus applicable taxes and gratuities purchased on the Card; (iv) the Authorization approval code number; (v) a mutually acceptable description of the goods or services purchased by the Cardmember; (vi) an imprint or other registration of your name, address, Establishment Number and, if applicable, store number; (vii) the Cardmember's signature, unless the Charge is a fully authenticated Chip Card and PIN Charge or the Charge qualifies for the No Signature Program; (viii) the words "No Refunds" if you have a no refund policy; and (ix) all other information as required from time to time by us or Applicable Law. You may create multiple Charge Records for a single purchase placed on different Cards, but you must not create multiple Charge Records for a single purchase to the same Card, by dividing the purchase into more than one Charge, unless the purchase qualifies for a Delayed Delivery Charge, as described in Section 1.k below.

b. Retaining Documents. You must retain the original Charge Record or Credit Record (as applicable) and all documents evidencing the transaction, or reproducible records thereof, for 24 months from the later of the date you submitted the corresponding Charge or Credit to us or the date you fully delivered the goods or services to the Cardmember. You must provide a copy of the Charge Record or Credit Record and other supporting documents to us within 20 days of our request.

c. CPC Charges. In order for us to adjust your Discount Rate for CPC Charges (if applicable), you must capture additional or reformatted Card Data on the Charge Record, and Transmission Data on the Transmissions, according to our specifications, including (as applicable): (i) the sales tax; (ii) the ship-to postal code; (iii) Corporate Purchasing Cardmember reference information; (iv) the name of the Corporate Purchasing Cardmember's employer; and (v) any other information requested by us or our CPC customers from time to time. You must obtain Authorization for and submit each CPC Charge to us electronically according to our specifications. We may modify the preceding requirements from time to time.

d. Card Present Charges. For Card Present Charges, the Card must be presented and you must: (i) verify that the Card is not visibly altered or mutilated; (ii) ensure that the Card is being used within any valid dates shown on its face; (iii) ensure that the account number on the face of the Card matches the account number on its back; (iv) verify that the Card is signed in the same name as the name on its face (except for Prepaid Cards that show no name on their face); (v) create a Charge Record as described above and verify (when applicable): (1) that the Cardmember's name and signature on the Charge Record matches the name and signature on the Card (or, for a Prepaid Card that shows no name on its face, that the signature on the back of such Prepaid Card matches the signature on the Charge Record); and (2) that the Card account number and expiration date printed on the Charge Record matches the expiration date and account number on the Card; and (vi) obtain Authorization as

described in section 2 below; and (vii) for Card Present Charges where a Chip Card is used, place the Chip Card in the reader of the point of sale terminal. The point of sale terminal will provide instructions for you: (1) in the case of a Chip Card and PIN Charge, to instruct the Cardmember to enter the PIN into the pinpad of the point of sale terminal. If you are unable to complete a Chip Card and PIN transaction due to a technical issue, the terminal will show an error message and you must follow the procedure to capture the full magnetic stripe data, or (2) in the case of a Chip Card and signature Charge, to obtain the Cardmember's signature on the Charge Record.

e. Card Not Present Charges – General. For Card Not Present Charges, you must: (i) create a Charge Record as described above, except with a designation of "Mail Order," "Telephone Order," "Internet Order," or "Signature on File," as applicable, on the signature line or the appropriate electronic descriptor on the Charge Record; (ii) ask the Cardmember for his or her name as it appears on the Card, the Card account number and expiration date, the Cardmember's billing address, and the ship-to address; and (iii) obtain Authorization as described below. We have the right to Chargeback for any Card Not Present Charge that the Cardmember denies making or authorizing. We will not Chargeback for such Charges based solely upon a Cardmember claim that he or she did not receive the disputed goods if you have verified with us that the address to which the goods were shipped is the Cardmember's billing address and obtained a receipt signed by the authorized signer verifying the delivery of the goods to such address. We reserve the right to apply a fee to any (i) Card Not Present Charge and/or (ii) any Card Present Charge for which we do not receive full magnetic stripe or Chip Card data and the indicator as to whether the Card was swiped through the point of sale terminal.

f. Card Not Present Charges – Internet. We will accept Charges for Internet Orders subject to the requirements of Paragraph e. above and the following additional requirements. You must: (i) not send Card Data or Transmission Data concerning any Internet Order via the Internet or any other electronic mail medium to anyone other than the Cardmember who made the Internet Order, your Processor, or us; (ii) submit all Charges for Internet Orders electronically; (iii) use any separate Establishment Numbers that we provide you for Internet Orders in all your requests for Authorization and submissions of Charges for Internet Orders; (iv) provide us with at least one month's prior written notice of any change in your Internet address; and (v) comply with any additional requirements that we may have from time to time. We will not be liable for actual or alleged fraudulent transactions over the Internet and we will have the right to Chargeback for those Charges. Additionally, if a Disputed Charge arises involving a Card Not Present Charge that is an Internet Electronic Delivery Transaction, we will exercise Immediate Chargeback for the full amount of the Charge. An Internet Order occurs when Card payment information is taken via the worldwide web, online (usually via a website payment page), email, intranet, extranet, EDI or other similar network in payment for goods or services. An *Internet Electronic Delivery Transaction* occurs when goods or services are ordered online and electronically delivered online (e.g., images or software downloads).

g. Unattended Terminals – CATs and Payment Kiosks. We will accept Charges for purchases at your unattended CATs or payment kiosks subject to the requirements of Paragraph 1.e. above and the following additional

requirements. You must: (i) include in all requests for Authorization the full magnetic stripe data stream; (ii) flag all requests for Authorization with a CAT indicator; and (iii) follow any additional Authorization procedures that we may provide to you if you accept the Card at a CAT that is part of, or attached to, a fuel dispenser.

h. Recurring Billing Charges. If you offer Cardmembers the option to make recurring Charges automatically (*Recurring Billing Charges*), you must: (i) obtain the Cardmember's consent for you to bill his or her Card account before submitting the first Recurring Billing Charge; and (ii) notify Cardmembers that they can withdraw such consent at any time. The method you use to secure such consent must contain a disclosure that you may receive updated Card account information from the financial institution issuing the customers' Cards. You must retain evidence of such consent for 24 months from the date you submit the last Recurring Billing Charge. Before submitting a Recurring Billing Charge, you must obtain Authorization and complete a Charge Record except with the words "Signature on File," if applicable, on the signature line or the appropriate electronic descriptor on Charge Data. You agree that we have the right to Immediate Chargeback with respect to any Recurring Billing Charge. If this Agreement terminates for any reason, then you must notify all Cardmembers for whom you have submitted Recurring Billing Charges that you no longer accept the Card. The cancellation of a Card account constitutes immediate cancellation of that Cardmember's consent for Recurring Billing Charges. We need not notify you of such cancellation, nor will we have any liability to you arising from such cancellation. You must fulfill Cardmembers' requests that you discontinue the Recurring Billing Charges immediately and provide cancellation numbers to them. If a Card account is cancelled, or if a Cardmember withdraws consent to Recurring Billing Charges, you are responsible for arranging another form of payment (as applicable) with the Cardmember. You will permit us to establish a hyperlink from our website to your website (including its home page, payment page or its automatic/recurring billing page) and list your customer service contact information.

i. No Signature Program. Your Establishments may participate in our No Signature Program which allows Establishments not to request a signature from Cardmembers on the Charge Record. If we classify your Establishment in an industry that accepts in-person Charges, then the Establishment may participate in the No Signature Program with the exception of the following: (i) Establishments that we consider to be high-risk; (ii) Establishments placed in the Immediate Chargeback Program (also referred to as the Fraud Full Recourse Program in our materials) and (iii) Establishments that we deem in our sole discretion to be ineligible for any other reason to participate in the No Signature Program. Each participant is referred to as a "Qualified Establishment". The No Signature Program applies only to Charges submitted by your Qualified Establishments in the amount of \$50 or less. Under the No Signature Program, we will not exercise Chargeback for such Charges based solely on the failure to obtain the Cardmember's signature if the Qualified Establishment captures and passes full magnetic stripe or EMV Chip Card data with its Authorization request. We may Chargeback if the magnetic stripe is unreadable and the Qualified Establishment keys the transaction to obtain an Authorization. The No Signature program does not apply to Disputed Charges involving customer service or goods and services disputes. If we receive disproportionate numbers of Disputed Charges under the No Signature program, you must work with us to reduce the number of disputes. If such efforts fail we may exercise Immediate Chargeback, or we may modify or terminate the Qualified Establishment's participation in the No Signature program.

j. Keyed No Imprint Program. Your Establishments may participate in our Keyed No Imprint Program which allows Establishments to submit in person Charges without an imprint of the Card provided the following criteria are met: (i) the Charge must be key-entered; (ii) you must ensure the Charge submission includes the appropriate indicator to reflect that the Card and the Cardmember were present at the point of sale; (iii) the CID Number (which is the 4-digit number printed on the face of the Card above the Card account number) is confirmed as a positive match; and (iv) the Charge submission includes an Authorization approval code. Under the Keyed No Imprint Program, we will not exercise Chargeback for such Charges based solely on the Establishment's failure to obtain an imprint of the Card. The Keyed No Imprint program does not apply to Disputed Charges involving customer service or goods and services disputes. If we receive a disproportionate number of Disputed Charges under the Keyed No Imprint Program, you must work with us to reduce the number of disputes. If such efforts fail, we may exercise Immediate Chargeback, or we may modify or terminate the Establishment's participation in the Keyed No Imprint Program.

k. Delayed Delivery Charges. A "Delayed Delivery Charge" is a single purchase for which you must create and submit two separate Charge Records. The first Charge Record is for the deposit or down payment and the second Charge Record is for the balance of the purchase. If you offer Cardmembers the option to make Delayed Delivery Charges, you must: (i) clearly disclose your intent, and obtain written consent from the Cardmember to perform a Delayed Delivery Charge before you request an Authorization; (ii) obtain a separate Authorization approval for each of the two Delayed Delivery Charges on their respective Charge dates; (iii) clearly indicate on each Delayed Delivery Charge Record that the Charge is either for the "deposit" or for the "balance" of the Delayed Delivery Charge; (iv) submit the final Delayed Delivery Charge Record representing the balance only after the goods have been shipped, provided or services rendered; (v) submit each Delayed Delivery Charge Record within seven days of the Charge being incurred which for purposes of a Delayed Delivery Charge means: (1) for the deposit, on the date the Cardmember agreed to pay the deposit for the purchase and; (2) for the balance, on the date the goods are shipped, provided or services are rendered; and (vi) submit and authorize each Delayed Delivery Charge under the same Establishment Number; and (vii) treat deposits on the Card no differently than you treat deposits on all Other Payment Products.

l. Aggregated Charges. An "Aggregated Charge" is a Charge that combines multiple, small purchases (and/or refunds) incurred on a Card into a single Charge before submitting the Charge for payment. If we classify you in an internet industry, you may be permitted to process Aggregated Charges provided the following criteria are met. You must: (i) clearly disclose your intent and obtain written consent from the Cardmember to combine and aggregate their purchases (and/or refunds) on the Card with other purchases (and/or refunds) before you request an Authorization; (ii) ensure each individual purchase (and/or refund) that comprises the Aggregated Charge is incurred under the same Establishment Number and on the same Card; (iii) obtain a pre-Authorization of no more than \$15; (iv) create a Charge Record, as set forth under "Card Not Present Charge-General" above, for the full Aggregated Charge amount; (v) ensure the Aggregated Charge does not exceed \$15 or the amount for which you obtained pre-Authorization; (vi) submit each Charge Record within seven days of the Charge being incurred which for the purpose of an Aggregated Charge is the date of the last purchase (and/or refund) that comprises the Aggregated Charge; and (vii) provide the Cardmember with an email containing: (1) the date, amount, and description of each individual purchase (and/or refund) and (2) the date and the amount of the Aggregated Charge.

2. AUTHORIZATION

a. Approval Code Number. You must obtain from and submit to us an authorization approval code number (*Authorization*) for all Charges. Each Authorization request must include the full Card account number and be for the total price of your goods or services plus applicable taxes. We reserve the right to refuse an Authorization request. Except for a Prepaid Card that does not have sufficient funds available to cover that amount; in this event, Authorization is required only for the amount of funds used on the Prepaid Card and you may follow your policy on combining payment on Prepaid Cards with any Other Payment Products or methods of payment. If the other payment method is a Card, then this Agreement applies. Authorization does not guarantee that we will accept the Charge without exercising Chargeback, nor is it a guarantee that the person making the Charge is the Cardmember or that you will be paid.

b. 30-Day Limit. If you submit a Charge to us more than 30 days from the original Authorization date, you must obtain a new Authorization approval code number. For Charges of goods or services that are shipped or provided more than 30 days after an order is placed, you must obtain Authorization for the Charge at the time the order is placed and again at the time you ship or provide the goods or services to the Cardmember.

c. Transaction Data. If you process Card Present Charges electronically, you must submit with your Authorization request transaction data that is in compliance with the specifications we provide you from time to time. If you are unable to submit the required transaction data, for example if the magnetic stripe on the Card is unreadable, you must key-enter the transaction information to obtain an Authorization, you must take a manual imprint of the Card to validate Card presence and obtain a signature. If you do not take a manual imprint for any keyed transaction and obtain a signature, we will have the right to Chargeback such Charge, unless the Charge qualifies under the Keyed No Imprint Program. In addition, we have the right to assess non-compliance fees if your transaction data submissions are non-compliant.

d. Telephone Authorization. If your point of sale equipment or system is unable to reach our computer authorization system for Authorization, or you do not have such equipment or systems, you must obtain Authorization for all Charges by calling us at our Authorization telephone number.

e. No Electronic Authorization Terminal. If you do not have an electronic authorization terminal, we may assign you a Charge amount above which you must obtain an Authorization (*Floor Limit*). In the event that any one Charge or series of Charges made on the same day by any one Cardmember at your Establishment is equal to or greater than the Floor Limit established by us, you shall, before accepting the Charge, request Authorization by calling us at our Authorization telephone number. We reserve the right to change your Floor Limit at any time, and will give you written notice of the change and the effective date.

3. SUBMITTING CHARGES AND CREDITS ELECTRONICALLY

a. Electronic Transmissions. You must submit Charges and Credits electronically (*Charge Data*) over communication lines (*Transmissions*). Transmissions must comply with the specifications that we provide from time to time, including without limitation the following information (*Transmission Data*): Card Data requirements listed in Schedule A, Paragraph 1.a., except for: (i) Cardmember name; (ii) Card account expiration date; (iii) Cardmember's signature; and (iv) the words "No Refunds" if you have a no refund policy. We may not accept any non-compliant Transmissions and have the right to assess non-compliance

fees. You are required to make any changes to Transmissions within 30 days' written notice from us. Even if you transmit Charge Data and Transmission Data electronically, you must still complete and retain Charge Records and Credit Records. If you upgrade your system for chip and PIN acceptance for other Payment Products, you agree to comply with specifications that we provide to you to enable Chip Card acceptance.

b. Paper Submissions. You may, under extraordinary circumstances, submit Charges and Credits on paper, which must be done in accordance with our instructions.

c. Processor. You may retain, at your expense, a Processor (sometimes called an "Authorized Gateway Provider" in our materials) which (together with any of your other Vendors) you must ensure cooperates with us to enable your Card acceptance. You are responsible and liable for any problems or expenses caused by your Processor and for any fees that your Processor charges us or that we incur as a result of your Processor's system for transmitting requests for Authorizations and Charge Data to us. We may bill you for any fees or deduct them from our payments to you. You must provide us on request with all relevant information about your Processor.

d. Configuring Our Communications. Notwithstanding Paragraph 3.c., if commercially reasonable and not prohibited by any of your other agreements, you will work with us to configure your card authorization, settlement, and point of sale equipment or systems to communicate directly with our systems for Authorizations and submissions of Charge Data.

4. PAYMENT METHOD

a. Maintaining an Account. You are required to maintain a bank account at a Canadian financial institution for the purposes of this Agreement (*Account*) and you agree to provide us with the information we request regarding your Account. You agree to advise us immediately of any changes to your Account including a change to your financial institution. Notice of such changes must be sent directly to our Merchant Services department. Your Account must be an account authorized by your financial institution to allow debit processing and will be governed by your account agreement with the financial institution.

a.1 Failure to Maintain an Account. If your bank account does not meet our requirements or we are otherwise unable to verify the bank account for the purpose of this Agreement, we may, in our sole discretion, immediately suspend your Card acceptance privileges and we have the immediate right to hold your payments without interest until you provide us with acceptable bank account information and we are able to deposit your payments into such bank account.

b. Access to the Account/Electronic Funds Transfer. You agree that we may access your Account for crediting and debiting purposes. You agree to notify your financial institution that we have your authorization to credit and debit your Account and agree to provide to us all necessary documentation (which is required either by your financial institution or us) required for this authorization. To authorize us to debit your account you must complete and sign the authorization for the Pre-Authorized Debit (*PAD*) Plan Form, attached hereto. Your authorization to debit your Account applies to our collection and reconciliation of all Discount revenue, Monthly Fees, service fees, any payments improperly made to your Account, any amounts for which we exercised our rights to Full Recourse, and any other adjustments and fees covered by this Agreement and resulting from your transaction of business with us, even if the transaction in question is related to a deposit other than a direct deposit

payment by us under this Agreement, or the transaction of business with us arises in any other manner, including under any Other Agreement.

c. Waiver of Advance Notification. You waive any requirement for advance notification by us of any credit or debit we may apply to the Account. We will provide you with reasonable documentation for such credits and debits.

d. Account Deposits. We credit your Account for payments usually within the number of banking business days indicated for the speed of pay option you select so long as we receive your Charge submissions before the cut-off time on any particular banking business day (Monday through Friday except legal holidays), or on the next available banking business day if submissions are received after the cut-off time on that day. If your payment date falls on a day that our bank is not open for processing payments, we will initiate payment on the next day our bank is open for processing payments. We will not be responsible for any obligations, damages or liabilities over and above the amount of any debit, credit or adjustment to your Account in the event that any such debit, credit or adjustment is not honoured by your financial institution or is improperly applied to your Account.

e. Improperly Applied Credits and Debits. If any credit or debit is improperly made to the Account you authorize us to have such transaction reversed.

f. Returned Credits and Debits. If any credits or debits we may apply to the Account are not honoured or accepted for any reason by the financial institution at which the Account is maintained: (i) subject to Paragraph 4.a.1., we will provide you a credit after we receive notification of the rejected payment; and (ii) we have the right to offset such debits against future payments we are to make to you under this Agreement. If debits are greater than the payments, we will debit your Account in an amount up to the difference or you must pay us immediately upon notification by us of any amount owing.

g. Payment Plans. You may choose from the following payment plans:

- *Three Days Payment Plan:* We initiate payment **three days** after we receive and process Charges.
- *Fifteen Days Payment Plan:* We initiate payment **fifteen days** after we receive and process Charges.
- *Thirty Days Payment Plan:* We initiate payment **thirty days** after we receive and process Charges.

Your initial choice of a payment plan is indicated in the Agreement, or otherwise provided to us in writing. It may take several days for us to implement any change to your speed of pay option. In the event that you fail to select a speed of pay option, then you will be deemed to have selected the Three Days Payment Plan for which a fee per deposit may be applicable, as described in the attached Fee Schedule (Three Day Direct Deposit Fee). We may offer, in our discretion, other payment plans and will notify you of their terms, as applicable.

h. Flat Fee. If you select the Flat Fee option for paying us the Discount, you will incur the Flat Fee the first month after you are set up for Card acceptance. If we charge you a Flat Fee, we will debit your Account for such Flat Fee instead of debiting the amount corresponding to your Discount Rate. We may stop charging you a Flat Fee and start charging

you a Discount Rate whenever: (i) the aggregate amount of Charges you submit to us during any consecutive 12-month period is greater than a threshold we determine (currently \$5,000); (ii) at your request; or (iii) otherwise in our discretion. We may automatically charge you a Flat Fee instead of a Discount Rate if you do not activate your account and submit Charges to us within 150 days after we set up your account. If we do not receive any Charges from you within any period of 12 consecutive months, we may charge you a Flat Fee instead of a Discount Rate.

i. Gross Pay Options. If you meet our additional requirements, you may enroll or be enrolled in one of the following options for paying us the Discount for which the Discount is not deducted from the face amount of the Charges you submit (*Gross Pay*).

- *Monthly Gross Pay Option:* We will debit your Account for the aggregated Discount for all of a month's Charges, and we may add an additional fee as described on the attached Fee Schedule (*Monthly Gross Pay Fee*) to your Discount Rate for this service.
- *Daily Gross Pay Option:* We will debit your Account separately for the Discount for Charges at the time of each of our payments to you.

Under both options, when we pay you for the face amount of Charges, we will debit your Account for (or otherwise deduct from payments) any Credits you submit and any amounts you owe us or for which we have Chargeback rights. In order to be eligible for either Gross Pay option, you must submit all Charge Data to us electronically and participate in both the Electronic Pay program and the Three Days Payment Plan, but not the Flat Fee option.

j. Credit Transaction Fees and Paper Statement Fees. Each Credit transaction for which we do not retain the Discount is subject to a fee as described in the attached Fee Schedule (Credit ROC Fee). If you choose to receive paper statements, you may be charged a fee as described in the attached Fee Schedule (Paper Statement Fee). These fees may be changed from time to time.

5. DISPUTED CHARGES

a. Chargeback Rights. With respect to a Disputed Charge: (i) we have Chargeback rights, prior to contacting you, if we determine that we have sufficient information to resolve the Disputed Charge in favour of the Cardmember; or (ii) we may contact you prior to exercising Chargeback. In either case, you will have no more than 20 days after we contact you to provide to us a written response containing the information we require, including the full Card account number. We will Chargeback, or our previous decision to exercise Chargeback will remain in effect, for the amount of the Disputed Charge if, by the end of that 20-day period, you have not fully resolved the Disputed Charge or provided us with the information requested.

b. Resolution of Disputed Charges. If we determine, based upon the information provided by you and the Cardmember, to resolve the Disputed Charge in the Cardmember's favour, we will Chargeback for that Disputed Charge, or our previous Chargeback will remain in effect. If we resolve the Disputed Charge in your favour, we will take no further action (if we have not previously exercised Chargeback) or we will reverse our previous Chargeback. The foregoing does not affect procedures under Immediate Chargeback or any special Chargeback (or "Full Recourse") programs that apply to you and under which you do not receive inquiries or notices regarding certain types of Charges prior to our final exercise of Chargeback.

c. Immediate Chargeback Program (sometimes called "Immediate Full Recourse Program" in our materials). If we receive a disproportionately high number or amount of Disputed Charges relative to your prior history or industry standards, notwithstanding anything to the contrary in this Agreement, we may place you in our Immediate Chargeback program, charge you a fee or create a Reserve. Regardless of any contrary provision in the Agreement, you agree that we will have the absolute right to be reimbursed by you, or we can offset such funds from payments we would otherwise make to you, for Charges which are for any reason uncollectible due to fraud, regardless of whether we had notice of such defect at the time of purchase. We will have this right even if you have received an Authorization and have complied with all other provisions of the Agreement.

6. PROTECTING CARDMEMBER INFORMATION

You must, and you must cause your Covered Parties to: (i) store Cardmember Information only to facilitate Card transactions in accordance with, and as required by this Agreement, and (ii) comply with the current version of the Payment Card Industry Data Security Standard ("*PCI DSS*", which is available at <https://www.pcisecuritystandards.org/>) no later than the effective date for implementing that version. For the avoidance of doubt, the data elements that constitute Cardmember Information shall be treated according to their corresponding meanings as "cardholder data" and "sensitive authentication data," as such terms are used in the then current PCI DSS. You must protect all Charge Records and Credit Records retained pursuant to the Agreement in accordance with these data security provisions; you must use these records only for purposes of the Agreement and safeguard them accordingly. You are financially and otherwise liable to us and our Affiliates for ensuring your Covered Parties' compliance with these data security provisions. Covered Parties means any or all of your employees, agents, representatives, subcontractors, Processors, providers of your point of sale equipment or systems or payment processing solutions, and any other party to whom you may provide Cardmember Information access in accordance with this Agreement.

You further must comply with our Data Security Operating Policy, a copy of which is available at <https://www.americanexpress.com/dataseturity>, and which we may amend from time to time. You have additional obligations under that policy based on your transaction volume, including providing to us documentation validating your compliance with the PCI Standard performed by Qualified Security Assessors or Approved Scanning Vendors (or both), as described in the policy. We have the right to assess non-validation fees in accordance with that policy for your failure to comply with those obligations as further described in the attached Fee Schedule (Data Security Non Validation Fee).

You must notify us immediately and in no case later than twenty-four (24) hours after discovery of a Data Incident by contacting the American Express Enterprise Incident Response Program (EIRP) at 1-(602) 537-3021 or email at EIRP@aexp.com. "Data Incident" means an incident involving at least one Card account number in which there is (i) unauthorized access or use of Cardmember Information that is stored, processed, or transmitted on your

equipment, systems, and/or networks (or the components thereof); (ii) use of such Cardmember Information other than in accordance with the Agreement; and/or (iii) suspected or confirmed loss, theft, or misappropriation by any means of any media, materials, records, or information containing such Cardmember Information. You must designate an individual as your contact regarding such Data Incident. You agree to conduct a thorough forensic investigation of each Data Incident in accordance with the standards, processes and requirements including working with us to rectify any issues arising from the Data Incident as they are all detailed in our Data Security Operating Policy. Your Data Incident management responsibilities shall also include among other things, consulting with us about communications to Cardmembers affected by the Data Incident and providing (and obtaining any waivers necessary to provide) to us all relevant information to verify your ability to prevent future Data Incidents in a manner consistent with this Agreement.

You are liable for all Data Incidents and your indemnity obligations to us and our Affiliates under this Agreement for any Data Incident shall be determined, without waiving any of our other rights and remedies, under Section 3 of the Data Security Operating Policy.

Except as otherwise specified in these Protecting Cardmember Information provisions or our Data Security Operating Policy, your compliance with our Data Security Operating Policy shall not in any way relieve your Indemnity Obligations under this Agreement, nor relieve or decrease your liability in any way. You are responsible at your sole expense for providing any additional data security measures that you deem necessary to protect your particular data and interests. We do not in any way represent or warrant that the measures contained in these data security provisions or our Data Security Operating Policy are sufficient or adequate to protect your particular data and interests. WE HEREBY DISCLAIM ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO OUR DATA SECURITY OPERATING POLICY, THE PCI DSS, AND THE DESIGNATION AND PERFORMANCE OF QUALIFIED SECURITY ASSESSORS OR APPROVED SCANNING VENDORS (OR BOTH), WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Third party Card issuers are not third party beneficiaries under this Agreement.

7. AUTOMATED ADDRESS VERIFICATION AND CID SERVICES

Our Automated Address Verification and CID services are methods to help you mitigate the risk of fraud, but are not guarantees that a Charge will not be subject to Chargeback. In order to participate in our CID program you must authorize transactions through an authorized third party service provider or via a certified direct link to us.



Schedule B Special Terms and Conditions for Specific Industries

If you conduct business in any of the following industries, you also must comply with the following provisions (as applicable):

1. WHOLESALE DISTRIBUTION/B2B

You represent and warrant to us that your primary business is selling goods and services to other businesses, and that you are not in the Telecommunications industry.

2. LODGING

a. Special Authorization Procedures. When Cardmembers opt to pay for lodging stays on the Card, you must obtain Authorization at the time of check-in for the full estimated amounts of Charges based upon the room rates and the number of days that they expect to stay, plus taxes and other known ancillary amounts (*Estimated Lodging Charges*), provided that you must not accept Prepaid Cards at check-in for purposes of Authorization or payment. You must not overestimate this amount. An Authorization is valid for the duration of the lodging stay. If you fail to obtain such Authorization for the Estimated Lodging Charge and submit the Charge, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the full amount of the Charge. Upon check-out: (i) if the final Charge is no greater than the Estimated Lodging Charge plus 15% of the Estimated Lodging Charge, no further Authorization is necessary; or (ii) if the final Charge is greater than the Estimated Lodging Charge by more than 15%, you must obtain Authorization for any additional amount of the Charge that is greater than the Estimated Lodging Charge. If you fail to obtain such Authorization for the additional amount, or your request for such Authorization is declined, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the amount of the Charge in excess of the Estimated Lodging Charge for which you already obtained Authorization. If Cardmembers opt to use Prepaid Cards at the time of check-out when the final Charge is known, you must obtain Authorization for the full amount of Charges to be placed on the Prepaid Card.

b. Assured Reservations. If you participate in our Assured Reservations program, you must accept all Cards, except Prepaid Cards, to reserve accommodations until the published check-out time on the day following the scheduled arrival date (*Assured Reservations*). You must not accept Prepaid Cards for Assured Reservations. For each Assured Reservation, you must confirm the reservation and record the Cardmember's name and address and the Card account number and expiration date. When accepting Assured Reservations, you must advise Cardmembers that, if they do not claim the Assured Reservation or cancel it within the time specified in your stated cancellation policy, then they may be charged for one night's stay plus applicable taxes. If Cardmembers do not claim or cancel Assured Reservations, and you opt to charge the one night's stay, you must submit completed Charge Records with the words "Assured Reservations - No Show" on the signature line or transmit the appropriate electronic descriptor on the Charge Data. If Cardmembers cancel, you must provide them with cancellation numbers and maintain records of such numbers and the dates provided. We will exercise Chargeback if Cardmembers dispute no-show Charges and you have failed to comply with the preceding requirements. If you do not honour an Assured Reservation, you must: (i) pay for a one night stay at comparable

accommodations nearby; (ii) pay for transportation to the alternate location; (iii) pay for a three-minute telephone call, if requested by the Cardmember; and (iv) forward all communications for the Cardmember to the alternate location. If we receive disproportionate numbers of Disputed no show Charges, you must work with us to reduce the number of disputes. If such efforts fail to reduce the number of disputes, we may exercise Immediate Chargeback.

c. CARDeposit® Program. If you participate in our CARDeposit program, to the extent you require room deposits you must accept the Card for payment of these deposits (*CARDeposits*). Only Cardmembers with billing addresses in Canada and in the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories may use the Card for paying CARDeposits. A CARDeposit must not exceed the cost of a 14-night stay plus applicable taxes. Upon arrival the Cardmember must show the Card. If the Cardmember does not have the Card, other identification must be shown. For each CARDeposit, you must follow the procedures in Schedule A, Paragraph 1.e., except that you must complete the Charge Record with the word "CARDeposit" on the signature line or the appropriate electronic descriptor on Charge Data. You must also indicate on the Charge Record the scheduled arrival date. Within three business days from the date of the CARDeposit Charge, you must send the Cardmember written confirmation of the arrival and departure dates, the amount of the CARDeposit, a confirmation number, and your cancellation policy. If a CARDeposit arrival date is changed, you must send written confirmation of the change to the Cardmember within three business days. If a CARDeposit is canceled, you must send a written notice showing the cancellation number to the Cardmember within three business days. If a refund is due, you must submit a Credit Record with the words "CARDeposit Cancellation" on the signature line or the appropriate electronic descriptor on Charge Data. If you do not honour a CARDeposit you must: (i) issue a Credit for the CARDeposit; (ii) pay for comparable accommodations nearby for the duration of the original reservation (not to exceed 14 nights) or until the original accommodations are available, whichever occurs first; (iii) pay for the Cardmember's transportation to the alternate location and for a return to the original location once each day until the original accommodations are available; and (iv) pay for one three-minute telephone call for the Cardmember to advise of the alternate location and another such call to advise of returning to the original location.

d. Emergency Check-In. If a Cardmember whose Card is lost or stolen requests check-in, you must call our toll-free authorization number, ask for an "Authorizer," request Authorization for an "Emergency Check-In," and follow the Authorizer's instructions. You may then submit a Charge Record for the approved amount with the words "Emergency Check-In" under the Cardmember's signature or the appropriate electronic descriptor on Charge Data.

e. Cheque Cashing. You must cash personal cheques up to \$250 per stay for Cardmembers who are paying for their stay with a Card, subject to cash availability. We will reimburse you for cheques that are returned to you unpaid, if you have followed our instructions.

f. Promotional Materials. You must prominently display American Express signs, decals or other identification, including our "Take-One"

containers filled with Card application forms, in all high traffic areas, such as front desks, cashiers' locations and restaurants. You must also put our "In-Room" applications on desktops in at least 90% of your rooms.

3. RESTAURANTS

For your Establishments conducting business in the restaurant industry, if the final restaurant Charge is no greater than the amount for which you obtained Authorization plus 20% of that amount, no further Authorization is necessary. If the final restaurant Charge is greater than the amount for which you obtained Authorization by more than 20%, you must obtain Authorization for any additional amount of the Charge that is greater than that amount.

4. AUTO DEALERS

You may accept the Card for: (i) down payment of a motor vehicle, subject to the following provisions: (a) you must not submit a Charge for the down payment price of a used motor vehicle until you have a written agreement/bill of sale signed by the Cardmember setting forth the terms of the sale, including down payment price, and your cancellation policy. In addition to our other Chargeback rights, we also have Chargeback rights for any portion of the Charge for the down payment price of a used motor vehicle which is disputed by the Cardmember, if such Disputed Charge cannot be resolved in your favor based upon unambiguous language contained in the written agreement/bill of sale; (b) should a Cardmember exercise his or her right to rescind the written agreement/bill of sale during any rescission period set forth in the Cardmember's agreement with you, you shall submit a Credit to us promptly; (c) if we have classified you as an auto dealer of used motor vehicles exclusively, the down payment may not exceed 50% of the full purchase price of the motor vehicle; and (d) if the Cardmember denies making or authorizing the Charge, we will have Chargeback rights for such Charge; (ii) the entire purchase price of a new or used motor vehicle, subject to the following provisions: (a) we have classified you as an auto dealer of new motor vehicles exclusively or of both new and used motor vehicles; (b) the amount of the Charge does not exceed the total price of the motor vehicle after deduction of applicable discounts, taxes, rebates, cash down payments, and trade-in values; (c) you must not submit a Charge for the entire purchase price of a new or used motor vehicle unless you have a written agreement/bill of sale signed by the Cardmember setting forth the terms of the sale, including purchase price, delivery date and your cancellation policy. We have Chargeback rights for any portion of the Charge for the entire purchase price of a new or used motor vehicle which is disputed by the Cardmember, if such Disputed Charge cannot be resolved in your favor based upon unambiguous language contained in the written agreement/bill of sale; (d) should a Cardmember exercise his or her right to rescind the written agreement/bill of sale during any rescission period set forth in the Cardmember's agreement with you, you shall submit a Credit to us promptly; and (e) if the Cardmember denies making or authorizing the Charge and you have not transferred title or physical possession of the motor vehicle to the Cardmember, we will have Chargeback rights for such Charge.

5. APARTMENT RENTALS

You represent and warrant to us that you are primarily in the business of renting Rental Establishments. You must provide to us a list of your Rental Establishments and notify us of any subsequent changes in the list. Rental Establishments means unfurnished long-term multifamily apartment rentals used as primary residences. The term Establishments includes Rental Establishments, but not vice versa. In order to qualify for the

Discount Rate for Charges of rent on Rental Establishments and related security deposits and common room fees (collectively, Rent Payments), you must offer Recurring Billing charges for Rent Payments and actively promote acceptance of the Card (including by general communications to residents), and the majority of your Charge volume must come from Recurring Billing Charges for Rent Payments. We may charge you different Discount Rates for Charges submitted by your Establishments that are not Rental Establishments (e.g., Discount Rates for the parking lot industry will apply to Charges from parking lots operated at your Rental Establishments). We will notify you of those different Discount Rates. The prohibition in Section 2.c.iv of the Agreement against imposing restrictions, conditions, or disadvantages (e.g., fees, surcharges, "convenience" or "administrative" fees, penalties) when the Card is accepted will apply whether or not your Rental Establishments impose them on any Other Payment Products. We may use your name, addresses (including your website addresses or URLs), and telephone numbers in any media at any time to indicate that you accept the Card for Rent Payments, including Recurring Billing Charges for Rent Payments.

6. VEHICLE RENTAL

a. Special Authorization Procedures. When Cardmembers opt to pay for vehicle rentals (not to exceed four consecutive months) on the Card, you must obtain Authorization for the full estimated amounts of Charges by multiplying the rate by the rental period reserved by the Cardmember plus any known incidentals (*Estimated Rental Charge*). You must neither overestimate this amount nor include an amount for any possible damage to or theft of the vehicle. An Authorization is valid for the duration of the motor vehicle rental agreement. If you wish to accept the Card for property damage to a rented vehicle, you must sign an addendum to this Agreement governing responsibility for such damages. If you fail to obtain such Authorization for the Estimated Rental Charge and submit the Charge, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the full amount of the Charge. Upon return of the vehicle: (i) if the final Charge is no greater than the Estimated Rental Charge plus 15% of the Estimated Rental Charge, no further Authorization is necessary; or (ii) if the final Charge is greater than the Estimated Rental Charge by more than 15% you must obtain Authorization for any additional amount of the Charge that is greater than the Estimated Rental Charge. If you fail to obtain such Authorization for the additional amount, or your request for such Authorization is declined, and the Cardmember fails to pay the Charge for any reason, we will have Chargeback rights for the amount of the Charge in excess of the Estimated Rental Charge for which you already obtained Authorization.

b. Non-Compliance. We may monitor your compliance with the preceding special Authorization procedures. If we notify you that an Establishment is not complying with these procedures, you must cure such non-compliance. If, after 30 days from the date of such notice, you continue not to comply with these procedures, then we will have Chargeback rights for the full amount of any Charges made at that Establishment during such continued non-compliance. For purposes of this provision, "non-compliance" occurs when more than 5% of either your total or any one Establishment's Authorizations do not comply with the preceding procedures.

7. TELECOMMUNICATIONS

If you conduct business in the Telecommunications industry, notwithstanding anything to the contrary in this Agreement, we may exercise Immediate Chargeback for Disputed Charges involving either: (a) a Disputed Charge in an amount of \$50 or less or (b) alleged or actual

fraud, no matter what the amount of the Disputed Charge. We may adjust your Discount Rate annually based on the number of Disputed Charges submitted to us during such period. We may establish audit procedures determined in our discretion to ensure that no Charges except for Recurring Billing Charges are submitted under the Establishment Number designated for Recurring Billing Charges. The list of Affiliates that you must provide to us under Section 1.c. of the Agreement must include any entity that uses your Marks or holds itself out to the public as a member of your group of companies in the geographic area where you operate any Telecommunications services. *Telecommunications* means communications services, including personal communications services; cellular, paging, long distance, or local telephone services; Internet access services; or satellite or cable television services.

8. TIMESHARES

You represent and warrant to us that you are a member of the Canadian Resort Development Association or the American Resort Development Association and for at least two years you have been in the business either of selling Timeshare Units or listing Timeshare Units for sale, rental, or exchange. You will accept the Card for: (a) no more than 50% of the purchase price of an ownership interest or other annual occupancy right in a Timeshare Unit, if the aggregate amount of Charges you submit to us during any consecutive 12 month period is no more than a threshold we determine (currently \$3 million), or the full purchase price of an ownership interest or other annual occupancy right in a Timeshare Unit, if the aggregate amount of Charges you submit to us during any consecutive twelve month period exceeds that threshold; (b) membership fees to register or list a Timeshare Unit for sale, rental, or exchange; and (c) maintenance fees or annual fees associated with the Timeshare Units, subject to Schedule A, Paragraph 1.h. You must not submit any Charge until you have the irrevocable right to retain the payment under Applicable Law and under a written agreement signed by the Cardmember. You must not accept the Card under this paragraph for campground memberships, recreational fees, or interests in real property other than Timeshare Units. *Timeshare Unit* means the exclusive right to occupy a unit in a real estate development located in Canada, the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories for vacation and resort use for a specific period of time each year.

9. CHARITABLE DONATIONS

You represent and warrant to us that you are a registered charity as defined under Subsection 248(1) of the Income Tax Act (ITA) and recognized by the Canada Customs and Revenue Agency as an entity qualifying for tax exemption under Paragraph 149(1)(f) of the ITA. You may accept the Cards only for charitable donations which are tax deductible or creditable to the payor as a charitable donation under the ITA. You must provide to us promptly, on request, documentation of such tax-exempt status. If you accept the Cards for transactions which are not tax deductible or creditable to the payor as a charitable donation under the ITA, we may charge you a different Discount Rate for such transactions.

10. INSURANCE

We undertake no responsibility on your behalf for the collection or timely remittance of premiums. We will not be subject to any liability, under any circumstances, for any claim arising from, or related to, any insurance policy issued by you. You will indemnify, defend, and hold harmless us and our Affiliates, successors, and assigns from and against all damages, liabilities, losses, costs, and expenses, including legal fees, to Cardmembers (or former Cardmembers) arising or alleged to have arisen from your termination or other action regarding their insurance coverage.

11. PARKING AND TAXIS

When the number of parking days is agreed upon when the Cardmember leaves the motor vehicle with you, or you provide a parking pass valid for a predetermined number of parking days, you must submit the Charge immediately. If the number of parking days is not known when the Cardmember leaves the motor vehicle with you, you must not submit the Charge until the last day of parking. You must not attempt to avoid the Authorization requirement by submitting two or more Charges for a single transaction.

12. AGGREGATORS

If you provide payment services on behalf of Sponsored Merchants (e.g., by submitting Charges for Internet Orders that occur at Sponsored Merchants) but are the merchant of record for payment or customer service issues (such services, *Aggregator Services*), then you must: (a) make clear to Cardmembers at the time of sale and on Cardmembers' billing statements which entity is the seller (i.e., you or the Sponsored Merchant), (b) ensure that your name and customer service contact information prominently appear whenever Cardmembers enter or submit Card payment information to you and on any transaction record or receipt issued to them from your website or payment engine and (c) hereby represent and warrant that you are in the business of providing Aggregator Services. The prohibitions in Sections 1.d. and 2.e.vii of the Agreement against acting on behalf of other parties will not apply to your Aggregator Services. You will provide Aggregator Services only to third parties that meet our criteria and whom we do not otherwise prohibit (as we may notify you from time to time) (*Sponsored Merchants*). You are responsible for all Charges, Credits, disputes, and other customer service issues related to transactions involving Sponsored Merchants. You must enforce, and cause Sponsored Merchants to abide by, Sections 2, 3, 8.b., 10, and 11 of the Agreement and Paragraphs 1.b., 5, and 6 of Schedule A in respect of your Aggregator Services. You must provide us, promptly on request, with such information as we require about Sponsored Merchants. You must clearly disclose to Sponsored Merchants any fees you charge for your Aggregator Services, making clear that such fees are neither required nor requested by us. Notwithstanding anything contrary in the Agreement, if we disapprove any Sponsored Merchant, you must cease providing Aggregator Services to it within two business days of notice and enforce against it the post-termination provisions of Section 9 of the Agreement. We may exercise Immediate Chargeback for all Charges submitted by Sponsored Merchants. You must comply with any additional requirements, policies, or procedures of which we notify you from time to time.



Fee Schedule

You must pay the Discount and you may be subject to various other fees and assessments. Some fees are for optional products and services, while others may be assessed as a result of your non-compliance with our policies and procedures. The following constitutes a list of fees that we charge related to the Card processing services provided to you under this Agreement.

Name of Fee	Description of Fee	Amount of Fee
Discount	Discount is a percentage of the face amount of Charges you submit to us. Your Discount can also be in the form of a flat transaction fee or a combination of both a percentage rate plus a flat transaction fee.	Rate varies between Merchants and industries
Flat Fee	A monthly flat fee may be charged to you instead of a Discount. For more details on the Flat Fee, see Schedule A, Section 4(h).	\$5.00 per month
Non-Swiped Transaction Fee (also referred to as Card Not Present Fee)	A fee applied to any Charge for which we did not receive both the full magnetic stripe or chip data from the Card and the magnetic stripe or chip data indicator.	0.50% of the face amount of each non-swiped Charge
Paper Statement Fee	If you choose to receive a paper statement we may apply a fee for each paper statement.	\$4.95 per paper statement
Monthly Gross Pay Fee	If you meet our requirements and enroll in the Monthly Gross pay option we may apply a fee. For more details on the Monthly Gross pay option, see Schedule A, Section 4(i).	0.03% of the face amount of the Charge
Three Day Direct Deposit Fee	If you opt for the Three Day Payment Plan, we may charge a per deposit fee each day on which we make a deposit.	\$0.70 per deposit, per day
Credit Record of Charge Fee	For each Credit you process for which we do not retain the Discount, we may charge a fee.	\$2.00 per Credit issued
Data Security Non-Validation Fee	Depending on your Charge volume, you have reporting obligations under our Data Security Operating Policy (available at www.americanexpress.com/datasecurity) including providing validation documentation to us. You may be assessed non-validation fees if you fail to provide the mandatory validation documentation by the applicable deadline.	\$50,000–\$200,000 in accordance with the Data Security Operating Policy
Data Incident Management Fee	A fee assessed to you in respect of a Data Incident, as more fully described in the Data Security Operating Policy (available at www.americanexpress.com/datasecurity)	Not to exceed \$100,000 per Data Incident
Monthly Network Access Fee	A fee charged to access the American Express Network for authorization and settlement services, 24 hour voice authorization service and customer service support.	\$5.00–\$7.50 per month

PRE-AUTHORIZED DEBIT AGREEMENT ("Agreement")

To:

Amex Bank of Canada
101 McNabb Street
Markham, Ontario
L3R 4H8

WHEREAS the undersigned (*Establishment, we, our or us*) is a service establishment of Amex Bank of Canada (*Amex Bank, you or your*) and has signed an agreement governing the acceptance of American Express® Cards at its locations ("*Card Acceptance Agreement*");

AND WHEREAS pursuant to the terms of this agreement ("*Agreement*") the Establishment hereby agrees to grant Amex Bank direct access to the Establishment's bank account for the purpose of allowing Amex Bank to, among other things, debit such account for amounts owing by the Establishment pursuant to the Card Acceptance Agreement ("*Authorization*");

NOW, THEREFORE, the Establishment hereby authorizes and agrees as follows:

1. Scope.

We acknowledge that this Authorization is provided for the benefit of Amex Bank and our financial institution named below or otherwise advised to you in writing by us from time to time (*Financial Institution*) and is provided in consideration of the Financial Institution agreeing to process debits against the accounts described below (*Accounts*) in accordance with the Rules of the Canadian Payments Association. Capitalized terms not defined in this Agreement have the meanings ascribed to them in the Card Acceptance Agreement.

2. Account Information.

Below are the details of the Accounts upon which Amex Bank is authorized to draw. A specimen cheque for each Account marked "VOID" is attached to this Agreement. For authorized accounts advised to Amex Bank in the future, details and a specimen cheque will be provided at the time of that advice. We undertake to forthwith inform Amex Bank, in writing of any change in the Account information.

Our Amex Bank Establishment:

Number: _____

Address: _____

City and Province: _____

Telephone: _____

Financial Institution: _____

Address: _____

Transit Number: _____ Account Number: _____

3. Valid Signing Authority.

We warrant and guarantee that all persons whose signatures are required to sign on our Account have also signed this Agreement.

4. Authority to Debit Account.

We hereby authorize Amex Bank and the Financial Institution to debit the Account for the purpose of paying Amex Bank amounts owing to it pursuant to the Card Acceptance Agreement or any other agreement between us and Amex Bank (and any of its parent, subsidiaries, and affiliates) (each a "*PAD*").

5. Cancellation of Arrangement.

This Authorization survives termination of the Card Acceptance Agreement. It may be revoked by us upon 30 days notice. A sample cancellation form and information on rights to cancel can be obtained at the Financial Institution or at www.cdnpay.ca. Amex Bank may debit our Account up until the time when the revocation has been implemented.

6. Acceptance of Delivery of Authorization.

We acknowledge that provision and delivery of the Authorization in this Agreement to Amex Bank constitutes delivery by us to the Financial Institution. Any delivery of this Authorization to Amex Bank constitutes delivery by us.

7. PAD Type.

This Authorization is for business purposes. PAD's may be fixed or variable amounts and will be in set intervals for the following: a disputed Charge; a Credit submission; to pay the Monthly Gross Fee; other fees owing to Amex Bank under the Card Acceptance Agreement or any other event of which we are advised, or may be on a sporadic basis.

8. Waiver of Pre-notification.

The parties hereby waive any pre-notification requirements for set interval PADs.

9. Validation by Processing Institution.

We acknowledge that the Financial Institution is not responsible for validating the terms of this Agreement. We acknowledge that the Financial Institution is not required to verify that any purpose of payment for which the PAD was issued has been fulfilled by Amex Bank as a condition to honour a PAD issued or caused to be issued by Amex Bank on our Account.

10. Contract for Goods or Services.

Revocation of this Authorization does not terminate the Card Acceptance Agreement. Authorization applies only to the method of payment and does not otherwise have any bearing on the Card Acceptance Agreement.

11. Your Rights of Dispute.

We have recourse rights if a PAD does not comply with this Agreement. For example, we have the right to be reimbursed for a debit that is not authorized or is inconsistent with this Agreement. Information on our recourse rights is available at the Financial Institution or at www.cdnpay.ca.

12. Undersigned's Acceptance.

We understand and accept the terms hereof and acknowledge and agree to participate in the PAD plan with Amex Bank as set out herein.

13. Disclosure of Information Consent.

We consent to the collection of any personal information that may be contained in this Agreement and in your records and to the disclosure of such personal information to the deposit institution and the Financial Institution at which you maintain the account to be credited with the PADs and as necessary for the proper application of the Rules of the Canadian Payments Association.

Establishment: _____

Account Holder Name

Authorized Signatory: _____

I accept this Agreement including the waiver of pre-notification in section 8.

Date: _____

PRE-AUTHORIZED DEBIT AGREEMENT ("Agreement")

To:

Amex Bank of Canada
101 McNabb Street
Markham, Ontario
L3R 4H8

WHEREAS the undersigned (*Establishment, we, our* or *us*) is a service establishment of Amex Bank of Canada (*Amex Bank, you* or *your*) and has signed an agreement governing the acceptance of American Express® Cards at its locations ("*Card Acceptance Agreement*");

AND WHEREAS pursuant to the terms of this agreement ("*Agreement*") the Establishment hereby agrees to grant Amex Bank direct access to the Establishment's bank account for the purpose of allowing Amex Bank to, among other things, debit such account for amounts owing by the Establishment pursuant to the Card Acceptance Agreement ("*Authorization*");

NOW, THEREFORE, the Establishment hereby authorizes and agrees as follows:

1. Scope.

We acknowledge that this Authorization is provided for the benefit of Amex Bank and our financial institution named below or otherwise advised to you in writing by us from time to time (*Financial Institution*) and is provided in consideration of the Financial Institution agreeing to process debits against the accounts described below (*Accounts*) in accordance with the Rules of the Canadian Payments Association. Capitalized terms not defined in this Agreement have the meanings ascribed to them in the Card Acceptance Agreement.

2. Account Information.

Below are the details of the Accounts upon which Amex Bank is authorized to draw. A specimen cheque for each Account marked "VOID" is attached to this Agreement. For authorized accounts advised to Amex Bank in the future, details and a specimen cheque will be provided at the time of that advice. We undertake to forthwith inform Amex Bank, in writing of any change in the Account information.

Our Amex Bank Establishment:

Number: _____

Address: _____

City and Province: _____

Telephone: _____

Financial Institution: _____

Address: _____

Transit Number: _____ Account Number: _____

3. Valid Signing Authority.

We warrant and guarantee that all persons whose signatures are required to sign on our Account have also signed this Agreement.

4. Authority to Debit Account.

We hereby authorize Amex Bank and the Financial Institution to debit the Account for the purpose of paying Amex Bank amounts owing to it pursuant to the Card Acceptance Agreement or any other agreement between us and Amex Bank (and any of its parent, subsidiaries, and affiliates) (each a "*PAD*").

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13. Disclosure of Information Consent.

We consent to the collection of any personal information that may be contained in this Agreement and in your records and to the disclosure of such personal information to the deposit institution and the Financial Institution at which you maintain the account to be credited with the PADs and as necessary for the proper application of the Rules of the Canadian Payments Association.

Establishment: _____

Account Holder Name

Authorized Signatory: _____

I accept this Agreement including the waiver of pre-notification in section 8.

Date: _____