



American Express Operating Procedures For U.S. Merchants

We are pleased to provide an overview of U.S. merchant operating procedures for acceptance of the American Express® Card. It is our long-held belief that merchants can be more successful if they have access to and understand the Card acceptance operating procedures applicable to their businesses.

This is a general review of information already distributed to U.S. merchants in their agreements with American Express governing acceptance of the Card; it does not change the terms and conditions of a particular merchant's Card Acceptance Agreement ("Agreement"). Some merchants may have different or additional, or reformatted procedures; please refer to the latest version of your Agreement if you have any questions. If there is a difference between these procedures and your Agreement, the latter will prevail.

Please be advised that these procedures will change periodically. We reserve the right to make changes at any time, and it is possible that this information will not be accurate or current at all times or in all respects. Please check this web site periodically for new updates.



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1.0 Accepting the Card

1.1 Charge Record Format.

For every Charge, you must create an electronically reproducible record of Charge (*Charge Record*) containing the following information (*Card Data*):

- 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;
- the date the Charge was incurred;
- 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;
- the six-digit Authorization approval code number;
- a mutually acceptable description of the goods or services purchased by the Cardmember;
- an imprint or other registration of your name, address, Establishment Number and, if applicable, store number;
- the Cardmember's signature;
- the words "No Refunds" if you have a no refund policy; and
- 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.

1.2 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 twenty-four 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 twenty days of our request.

1.3 Card Present Charges.

For Card Present Charges, you must:

- verify that the Card is not visibly altered or mutilated;
- ensure that the Card is being used within any valid dates shown on its face;
- ensure that the account number on the face of the Card matches the account number on its back;
- 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);

- create a Charge Record as described above and verify
 - 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
 - that the Card account number and expiration date printed on the Charge Record matches the expiration date and account number on the Card; and
- obtain Authorization as described in 2.0 Authorization.

1.4 Card Not Present Charges – General.

For Card Not Present Charges, you must:

- 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;
- 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
- obtain Authorization as described in 2.0 Authorization.

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.

1.4.1 Card Not Present Charges – Internet.

We will accept Charges for Internet Orders subject to the requirements of the "Card Not Present Charges – General" subsection above and the following additional requirements.

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).

You must:

- 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;
- submit all Charges for Internet Orders electronically;
- 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;

- provide us with at least one month's prior written notice of any change in your Internet address; and
- 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.

1.5 Unattended Terminals – CATs and Payment Kiosks.

We will accept Charges for purchases at your unattended CATs or payment kiosks subject to the requirements of the "Card Not Present Charges – General" subsection above and the following additional requirements.

You must:

- include in all requests for Authorization the full magnetic stripe data stream;
- flag all requests for Authorization with a CAT indicator; and
- 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.

1.6 Recurring Billing Charges.

If you offer Cardmembers the option to make recurring Charges automatically (*Recurring Billing Charges*), you must:

- obtain the Cardmember's consent for you to bill his or her Card account before submitting the first Recurring Billing Charge, and
- 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 twenty-four 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 and the appropriate electronic descriptor on Charge Data.

If the 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.

1.7 Prohibited Uses of the Card.

You must not accept the Card for:

- damages, losses, penalties, or fines of any kind;
- costs or fees over the normal price of your goods or services (plus applicable taxes) or Charges that Cardmembers have not specifically approved;
- overdue amounts, or amounts covering returned or stop-payment checks;
- gambling services (including online gambling), gambling chips, or gambling credits; or lottery tickets;
- adult digital content sold via Internet Electronic Delivery Transactions;
- cash;
- sales made by third parties or entities conducting business in industries other than yours;
- 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;
- illegal business transactions; or
- other items of which we notify you.

You must not use the Card to verify your customer's age.

2.0 Authorization

2.1 Approval Code Number.

You must obtain from and submit to us a six-digit 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, 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 the 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.

2.2 Thirty-Day Limit.

If you submit a Charge to us more than thirty 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 thirty 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.

2.3 Magnetic-Stripe Data.

If you process Card Present Charges electronically, you must transmit full magnetic stripe data with your Authorization request via a Card swipe through your point of sale equipment or systems.

If the magnetic stripe is unreadable and you have to key-enter the transaction to obtain an Authorization, you must take a manual imprint of the Card to validate Card presence. If you do not take a manual imprint for any keyed transaction, we will have a right to Chargeback such Charge.

2.4 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.

We will charge you a fee for each Charge for which you request Authorization by telephone unless such failure to obtain Authorization electronically is due to the unavailability or inoperability of our computer authorization system (*Voice Authorization Fee*).

3.0 Submitting Charges and Credits Generally

3.1 Currency and Charge Submissions.

Your Establishments in the United States must submit Charges and Credits in U.S. 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.

3.2 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), 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.

3.3 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* (meaning Cards marked "prepaid" or bearing such other identifier as we may notify you) 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.

4.0 Submitting Charges and Credits Electronically

4.1 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 the following information (*Transmission Data*): The same as the Card Data requirements listed in the subsection 1.1 “Accepting the Card - Charge Record Format”, except for the requirements to include:

- Cardmember name,
- Card account expiration date
- the Cardmember’s signature and
- the words “No Refunds” if you have a no refund policy.

We need not accept any non-compliant Transmissions and have the right to assess non-compliance fees. You must place additional, less, or reformatted information on Transmissions within thirty 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.

4.2 Paper Submissions.

If you should, under extraordinary circumstances, submit Charges and Credits on paper, you must submit Charge Records and Credit Records in accordance with our instructions.

4.3 Covered Parties.

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.

4.4 Configuring Our Communications.

The above notwithstanding, 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.

5.0 Chargebacks

5.1 When Chargeback Applies.

We have Chargeback rights:

- whenever Cardmembers bring Disputed Charges, as described in subsection 6.1 “Disputed Charges – Chargeback Rights”, or have rights under law to withhold payments;
- in cases of actual or alleged fraud relating to Charges;
- if you do not comply with the 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
- as provided elsewhere in the Agreement.

5.2 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.

6.0 Disputed Charges

When a Cardmember contacts American Express to question a charge, we make every effort to respond to the Cardmember using information available in-house. Based on our research, one of the following steps is taken:

- We advise the Cardmember of the validity of the charge.
- We issue an immediate Chargeback to your account
- If we cannot resolve the claim without further information from you, we will send you an inquiry. You must respond to the inquiry by the specific date noted on the inquiry to avoid a potential Chargeback for no- reply.

6.1 Chargeback Rights.

With respect to a Disputed Charge

- we have Chargeback rights, prior to contacting you, if we determine that we have sufficient information to resolve the Disputed Charge in favor of the Cardmember, or
- we may contact you prior to exercising Chargeback.

In either case, you will have no more than twenty 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 twenty-day period, you have not fully resolved the Disputed Charge or provided us with the information requested.

6.2 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 favor, we will Chargeback for that Disputed Charge, or our previous Chargeback will remain in effect. If we resolve the Disputed Charge in your favor, 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.

6.3 Immediate Chargeback Program (sometimes called "Immediate Full Recourse Program" in our materials).

If we receive disproportionately high numbers or amounts of Disputed Charges relative to your prior history or industry standards, notwithstanding anything to the contrary in the Agreement, we may place you in our Immediate Chargeback program and/or charge you a fee (*Excessive Dispute Fee*) and/or create a Reserve.

7.0 Protecting Cardmember Information

7.1 Standards for Protection of Information.

Except as otherwise specified, you must, and you must cause your Covered Parties, to:

- store Cardmember Information only to facilitate Card transactions in accordance with the Agreement and as required in this Agreement, including in subsection 1.2 "Retaining Documents", and
- comply with the current version of the Payment Card Industry Data Security Standard (*PCI Standard*, which is available at [https:// www.pcisecuritystandards.org/](https://www.pcisecuritystandards.org/)) no later than the effective date for implementing that version.

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.

Your data security procedures for the Card shall be no less protective than for Other Payment Products you accept. You are liable for your Covered Parties' compliance with this section.

7.2 Data Security Operating Policy.

You further must comply with our Data Security Operating Policy, a copy of which is available at <https://www.americanexpress.com/datasecurity> 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 (*Data Security Non Validation Fee*).

7.3 Notification of Compromise.

You must notify us immediately if you know or suspect that Cardmember Information has been accessed or used without authorization or used other than in accordance with the Agreement.

- You must engage at your sole cost a third party forensic investigator to conduct a thorough audit of such data incident, or you must provide (and obtain any waivers necessary to provide) to us and our forensic investigators and auditors, on request and at your sole cost, full cooperation and access to conduct a thorough audit of such data incident. You shall provide to us all Card account numbers related to the data incident and audit reports of the data incident.

- You must work with us to rectify any issues arising from the data incident, including consulting with us about your 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 the Agreement.

Audits must include forensic reviews and reports on compliance, as well as any and all information related to the data incident, and they must identify the cause of the data incident and confirm whether or not you were in compliance with the PCI Standard at the time of the data incident.

7.4 Indemnity Obligations.

Your indemnity obligations to us under the Agreement include, without waiving any of our other rights and remedies, liability for all fraudulent transactions related to such data incidents and all costs, fees, and expenses (including claims from third parties and all costs incurred by us or our third party licensees related to the notification of Cardmembers, cancellation and reissuance of Cards, fraud monitoring, reasonable legal fees and disbursements, and costs of investigation, litigation, settlement, judgment, interest, and penalties) that we or our third party licensees incur as a result of such data incidents unless:

- you notify us pursuant to this section
- you are and were in compliance at the time of the data incident with our Data Security Operating Policy, and
- the data incident was not caused by the wrongful conduct of you or one of your employees or agents.

7.5 No Representation by Us.

Except as otherwise specified in these data security provisions or our Data Security Operating Policy, your compliance with our Data Security Operating Policy shall not in any way relieve your indemnity obligations to us or our third party licensees under the 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 STANDARD, 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.

8.0 Special Industry-Specific Operating Procedures

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

8.1 Lodging

8.1.1 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. 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:

- 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
- 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.

8.1.2 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 honor an Assured Reservation, you must:

- pay for a one night stay at comparable accommodations nearby;
- pay for transportation to the alternate location;
- pay for a three minute telephone call, if requested by the Cardmember; and
- 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.

8.1.3 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 the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories, and in Canada may use the Card for paying CARDeposits.

A CARDeposit must not exceed the cost of a fourteen 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 the subsection 1.4 "Accepting the Card – Card Not Present Charges – General", 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 honor a CARDeposit you must:

- issue a Credit for the CARDeposit;
- pay for comparable accommodations nearby for the duration of the original reservation (not to exceed fourteen nights) or until the original accommodations are available, whichever occurs first;
- 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
- 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.

8.1.4 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.

8.2 No Signature Program

Your Establishments in the United States (but not Puerto Rico, the U.S. Virgin Islands, or other U.S. territories) that conduct business under the following merchant category codes, may participate in our No Signature program: Eating places and restaurants, quick service restaurants, fast food restaurants, automobile parking lot and garages, movie theater, sporting goods stores, commercial sports, professional sports clubs, athletic fields and sports promoters, bookstores, record stores, grocery stores and supermarkets, convenience store, miscellaneous food stores, miscellaneous and specialty retail (vending) drug store/pharmacy, news dealers and newsstands, laundry services, laundry, cleaning, dry cleaners, quick copy, reproduction and blueprinting services, car washes, video tape rental stores, taxi/limousine, local commuter/passenger transport, bus lines, tolls and bridge fees, service stations, doctors and physicians and Government post offices.

Your Establishments that may participate in this program are called *Qualified Establishments*. The No Signature program applies only to Charges where the dollar value for the Charge submitted by your Qualified Establishments to us for Authorization is US\$25 or less.

We will not exercise Chargeback for such Charges based solely on the failure to obtain the Cardmember's signature at the point-of-sale if the Qualified Establishment transmits full magnetic stripe or encoded data with its Authorization request via a swipe of the Card through its electronic point of sale equipment or systems. We may nevertheless exercise Chargeback if:

- the magnetic stripe is unreadable and the Qualified Establishment keys the transaction to obtain an Authorization; or
- the electronic point of sale equipment or system or the Qualified Establishment's Processor fails to capture and pass full magnetic stripe or encoded data to us at the time of the Authorization request.

The No Signature program does not apply to Disputed Charges involving customer service or goods and services disputes; we may exercise Chargeback on Disputed Charges involving these kinds of disputes, irrespective of whether or not the Cardmember's signature is obtained.

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 to reduce the number of disputes, we may exercise Immediate Chargeback, or we may modify or terminate the Qualified Establishment's participation in the No Signature program.

8.3 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.

8.4 Motor Vehicle Sales

We will accept Charges for the down payment or the entire purchase price of new and used motor vehicles only if:

- the amount of the Charge does not exceed the total price of the motor vehicle after deduction of applicable discounts, rebates, cash down payments, and trade-in values and
- you obtain Authorization for the entire amount of the Charge.

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.

8.5 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 subsection 1.7 “Accepting the Card – Prohibited Uses of the Card” 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.

8.6 Vehicle Rental

8.6.1 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. If you wish to accept the Card for property damage to a rented vehicle, you must sign an addendum to the 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, 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
- 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.

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 thirty 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.

8.7 Telecommunications

If you conduct business in the Telecommunications industry, notwithstanding anything to the contrary in the Agreement, we may exercise Immediate Chargeback for Disputed Charges involving either:

- a Disputed Charge in an amount of US\$50 or less or
- 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 the Agreement, as applicable, 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.

8.8 Timeshares

You represent and warrant to us that you are a member of 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:

- 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 twelve month period is no more than a threshold we determine (currently US\$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;
- membership fees to register or list a Timeshare Unit for sale, rental, or exchange; and
- maintenance fees or annual fees associated with the Timeshare Units, subject to the subsection 1.6 "Accepting the Card – Recurring Billing Charges".

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 subsection 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 the United States, Puerto Rico, the U.S. Virgin Islands, and other U.S. territories, and in Canada for vacation and resort use for a specific period of time each year.

8.9 Charitable Donations

You represent and warrant to us that you are a non-profit organization incorporated or registered under applicable law and recognized as an entity qualifying for tax exemption under Section 501(c)(3) of the U.S. Internal Revenue Service Code (*Code*). You must provide to us promptly, on request, documentation of such tax exempt status.

You may accept the Card for charitable donations that:

- are tax-deductible to the payor as a charitable contribution under the Code or
- include the receipt of an item or service of value (such as a meal or admission to an event or other incentive) where at least a portion of the amount is tax-deductible to the payor as a charitable contribution under the Code.

If you accept the Card for transactions that are not tax-deductible to the payor as a charitable contribution under the Code, we may charge you a different discount rate for such transactions.

8.10 Insurance

If any of your goods or services are sold or billed by Independent Agencies, then you must provide to us a list of such Independent Agencies and notify us of any subsequent changes in the list. We may use this list to conduct mailings that encourage such Independent Agencies to accept the Card. We may mention your name in such mailings, and you will provide us with a letter of endorsement or assistance as we may require. You will use your best efforts to encourage Independent Agencies to accept the Card.

We acknowledge that you have no control over such Independent Agencies. From time to time, and subject to the subsection "1.0 Accepting the Card", we may establish marketing campaigns that promote Card acceptance specifically at your Establishments or, generally, at insurance companies.

A necessary purpose for which you submit Cardmember Information that is responsive to such marketing campaigns includes our use of that information to perform back-end analyses to determine the success of such marketing campaigns. We undertake no responsibility on your behalf for the collection or timely remittance of premiums.

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.

"*You*" and "*your*" include Agencies that conduct business in the same industry.

Agency means any entity or line of business that uses your Marks or holds itself out to the public as a member of your group of companies.

Independent Agency means an entity or line of business that sells your and other's goods or services for which it may receive either payment or commission from you or an Agency.

8.11 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:

- 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),
- 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
- hereby represent and warrant that you are in the business of providing Aggregator Services.

The prohibitions in the Agreement, as applicable, 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 the following subsections, 1.1 "Accepting the Card – Charge Record Format", 1.2 "Accepting the Card - Retaining Documents", 1.7 "Accepting the Card – Prohibited Uses of the Card", 3.0 "Submitting Charges and Credits Generally", 6.0 "Disputed Charges", and 7.0 "Data Security", and other applicable provisions of the Agreement, 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 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.

8.12 Certain Healthcare Transactions

The terms contained in this section apply only to the acceptance of Healthcare Spending Cards (as defined below), and do not apply to acceptance of any other American Express Cards. In addition, the special processing and payment terms described below apply to acceptance of HealthCare Spending Cards only by certain physicians, hospitals and other medical providers as determined by us and do not apply to acceptance of HealthCare Spending Cards by, among other exceptions, dentists, orthodontists, optometrists, opticians and pharmacists (*Excepted Medical Professionals*). Acceptance of Cards, other than Healthcare Spending Cards, and acceptance of Healthcare Spending Cards by Excepted Medical Professionals, is not governed by this Section and is governed instead by the other sections of the Agreement.

We will support HealthCare Spending Cards and Benefits Plus Cards until December 31, 2007. These Cards will terminate as of January 1, 2008. Prior to and until midnight on December 31, 2007, you will continue to accept HealthCare Spending Cards according to the terms of this section and will continue to accept Benefits Plus Cards as you would any other non-HealthCare Spending Card, according to the other sections of the Agreement. Starting on January 1, 2008, we will not authorize transactions on HealthCare Spending Cards and/or on Benefits Plus Cards.

Regarding Charges on HealthCare Spending Cards that we authorized prior to January 1, 2008 but that have not yet been paid on January 1, 2008, we will continue to pay you for such Charges according to the terms of this section, after the insurance claim for the submitted HealthCare Spending Card Charge is approved by the HealthCare Insurance Carrier.

The following definitions shall apply to this Section:

HealthCare Insurance Carrier means the Cardmember's health insurance carrier associated with his/her HealthCare Spending Card.

HealthCare Spending Card(s) means American Express Card(s) bearing the words "HealthPay Plus", "SurePay", or such other identifier about which we may notify you. Cards bearing the words "Benefits Plus" are NOT covered by this section and shall be accepted in accordance with the other provisions of the Agreement.

HealthCare Spending Card Charge means a Charge made on a HealthCare Spending Card.

8.12.1 Procedures at the time of transaction.

At the time of providing the medical service, conduct a Charge transaction for the full "retail" price of the service (i.e., without considering your arrangement with the HealthCare Insurance Carrier) and follow all Card acceptance procedures provided in the Agreement, including but not limited to, verifying the valid dates on the face of the Card, obtaining Authorization and the Cardmember's signature on a Record of Charge, and electronically submitting the HealthCare Spending Card Charge to us. You must submit HealthCare Spending Card Charges individually for each transaction that could result in an insurance claim, and you must not combine multiple transactions (e.g., multiple office visits) into one Charge. If you are not in the HealthCare Insurance Carrier's network (*Out-Of-Network*) and you choose to not be paid in accordance with the procedures contained in the following subsections, you may elect to ask the Cardmember for a different American Express Card or payment product.

8.12.2 Transaction is "suspended" until insurance claim adjudication is completed.

If you are in the HealthCare Insurance Carrier's network, you must file the insurance claim in accordance with your normal procedures as soon as possible for adjudication, in order to receive payment from us for the Charge as described in the following subsection. We will suspend the Charge processing until adjudication is complete. If you are Out-Of-Network, if you or the Cardmember do not file an

insurance claim, the Charge transaction will be reversed and we will not make payment to you under the following subsection.

8.12.3 If the insurance claim is approved.

If the insurance claim for the submitted HealthCare Card Charge is approved by the HealthCare Insurance Carrier: regardless of the “retail” amount of the HealthCare Spending Card Charge you submitted to us, we will pay you the portion of the HealthCare Spending Card Charge owed to you by the Cardmember (patient) as determined by the HealthCare Insurance Carrier under the applicable health benefits plan (e.g., deductible), less our Discount and any other deductions permitted under the Agreement.

For Out-Of-Network Charges, any payment for Charges hereunder will not exceed the “reasonable and customary” amount determined by the HealthCare Insurance Carrier under the applicable health benefits plan. Payments hereunder will be made within the timeframe of your payment plan with us after we have received notice that adjudication has been completed. If adjudication is not completed within ninety days from the date of the original transaction, then we have the right to cancel the HealthCare Spending Card Charge and you will need to collect directly from the Cardmember and/or HealthCare Insurance Carrier.

If, subsequent to our payment to you for a HealthCare Spending Card Charge, the HealthCare Insurance Carrier modifies its insurance claim adjudication for that Charge, then we will make the corresponding adjustment in our subsequent payments to you (or invoice you if necessary and you will pay us the invoiced amounts).

9.0 Glossary

Affiliate means any entity that controls, is controlled by, or is under common control with either party, including its subsidiaries.

Agreement means the agreement governing your acceptance of the Card, its accompanying schedules, 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.

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 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.

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 the Agreement.

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

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.

Processor (sometimes called an "Authorized Gateway Provider" in our materials) means your intermediary that we have certified for obtaining Authorizations from and submitting Charges and Credits to us.

We, our, and us mean American Express Travel Related Services Company, Inc.

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

Other defined terms appear in italics in the body of these procedures.