

Card Acceptance Guide

Updated January 2022



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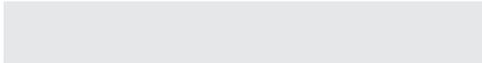
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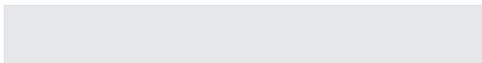
This guide is part of your Merchant Agreement with Global Payments Direct, Inc. (hereinafter referred to as “Global Payments” or “Global”) and you must follow the instructions and procedures in this Guide to comply with your agreement.

Important Information

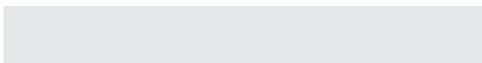
Your Global Payments Merchant Number



Global Payments' Customer Care Centre Telephone Number



Your Global Payments Sales Representative Telephone Number



Authorization Telephone Number

1.800.268.8241

For more information on additional products and services from Global Payments, contact

1.800.263.2970

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www.visa.ca

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www.unionpayintl.com/en/globalCard/acceptance/canada.shtml

Introduction

Congratulations! Your decision to accept credit and debit payments offers a valued service your customers and positions your business for success.

This Guide is part of your Global Payments Merchant Agreement. You must follow the instructions and procedures in this Guide to comply with your Merchant Agreement. Please keep this Guide handy for reference. We recommend that you keep your Merchant Agreement and other paperwork, including telephone numbers associated with your Merchant Agreement, with this Guide and Welcome Kit.

You are taking an important step in enhancing customer service and increased sales volume when you offer your customers the payment flexibility of VISA, Mastercard, American Express, *Interac* Debit, Visa Debit, Debit Mastercard, Discover and UnionPay (UP) cards.

Additionally, when you accept payment with credit and debit cards, you gain a competitive edge, maintain a positive image and have the potential to increase your bottom line.

We want you to be familiar with your Global Payments card acceptance program and take advantage of all its features to help your business grow and prosper. The information in this Guide has been provided to supplement your Merchant Agreement and will assist you in the operation of your business.

We've included answers to the questions most frequently asked by card-accepting businesses like yours. If you have additional questions not covered in this Guide, we encourage you to call and speak with our Customer Care Centre or your Global Payments sales representative.

Our goal is to provide you with a card acceptance program that is designed to grow with your business. Your comments and ideas help us to constantly develop new ways to meet your needs.

The Parties Involved in the Transaction

Customer/Cardholder

The process of paying for goods and services begins when the customer submits an application to a bank that issues VISA, Mastercard, American Express or Discover cards or other credit cards processed by Global Direct and covered by your Merchant Agreement and/ or is provided with an *Interac* Debit, Visa Debit or Debit Mastercard or other debit cards processed by Global and covered by your Merchant Agreement that is tied to the customer's bank account.

The cardholder becomes an authorized user of VISA, Mastercard, American Express and/or Discover payment products and/or can use the *Interac* Debit, Visa Debit or Debit Mastercard or UP cards to make purchases from merchants accepting such cards for payment.

In order for you to accept any new type of card not previously accepted by you and issued by a Canadian card issuer, you must provide your express consent to Global. This includes any new product or service, even if your POS equipment has the capability of acceptance.

Bankcards, Debit Cards and Issuers

VISA, Mastercard, American Express and Discover cards are sometimes known as bankcards because individual financial institutions issue them, banks for example, instead of the credit card company itself, such as American Express® or JCS®.

In Canada, if the financial institution or credit card company (issuer) accepts the customer's application for a credit card, it issues the VISA, Mastercard, American Express or Discover card. A credit card signifies that the bank or credit card company has authorized a line of credit against which the customer may draw.

Another type of card is an *Interac* Debit, Visa Debit or Debit Mastercard card, sometimes referred to as a debit card because payments for the transactions are withdrawn (debited) directly from the cardholders' bank accounts at their financial institutions. A debit card is therefore tied to the amount of money actually on deposit for the cardholder at his/her financial institution.

With respect to VISA, Mastercard, American Express or Discover products, (i) merchants who accept credit card payments from a particular payment network are not obligated to accept debit cards issued by Canadian issuers belonging to such payment network, and (ii) merchants who accept debit card payments from a particular payment network are not obligated to accept credit cards issued by Canadian issuers belonging to such payment network. UnionPay (UP) cards may be debit cards or credit cards.

Merchant

Meanwhile, you or your business has opened a payment card transaction deposit account with your bank, and your business has been approved for card acceptance by Global Payments. You are an authorized acceptor of cards for the payment of goods and services. Now you're ready for that first payment card customer.

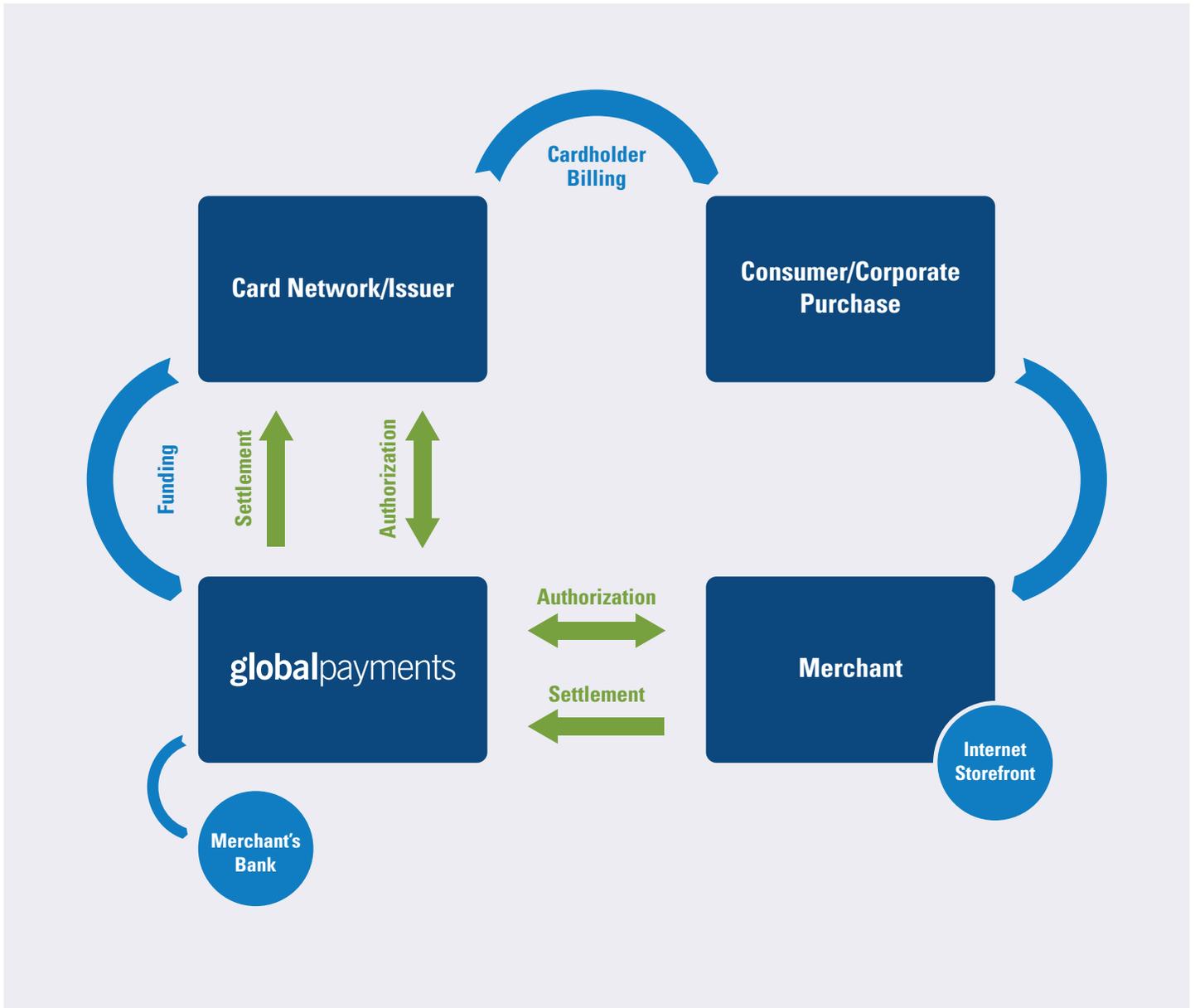
How the Transaction Process Works

Any payment card transaction ultimately begins and ends with the cardholder. The illustration below shows the steps involved in an electronic payment transaction, and how the various organizations *Interact* to create a smoothly executed process.

The cardholder presents the card as payment for goods or services, either at the point-of-sale (POS) or via telephone, mail, fax or over the Internet.

Introduction

Our Business Model



Introduction

Authorization and Electronic Data Capture

Once the electronic information is captured from the magnetic stripe or chip on the card, an electronic imprint of the card number and other relevant information are passed to Global Payments for authorization. Global Payments then electronically routes the data from the card to the card issuer through the payment card brand networks.

The card issuer checks the cardholder account status, and the requested authorization amount is compared to the card holder's available spending limit or funds on deposit and reviewed with fraud protection tools.

If the card is approved, the issuer posts the approved amount against the cardholders credit line or funds on deposit and the card issuer provides the authorization approval.

At this point, the authorization response is returned by the card issuer to the merchant and routed through Global Payments, the processor.

Funding

The process of moving the funds from the cardholder's account to the merchant's account is called funding. During funding, the card issuer funds/credits the merchant's bank, which then funds/credits the merchant's account with the amount of the transaction.

To initiate funding into their merchant bank accounts, merchants typically commence an "end of day" transaction on their point-of-sale terminals. This type of transaction sends to Global Payments the relevant electronic details about a merchant's day. Global Payments reconciles such credit card and debit card transactions, provided by the merchant, and then deposits the appropriate funds into the merchant bank account at the merchant's designated financial institution.

On the cardholder side, in the case of a credit card transaction, the electronic draft is routed to the cardholder's issuing bank or credit card company, which records the transaction as a charge against the cardholder's account, and sends the cardholder's monthly statement for payment. In the case of an *Interac* Debit or Visa Debit transaction, the cardholder's bank account was debited immediately at the time of the transaction, and the relevant transaction information will appear on the merchant's bank account statement.

Settlement

The process of moving the transaction information from your business to the cardholder's financial institution is called settlement. VISA, Mastercard, American Express, Discover, *Interac* and UnionPay maintain authorization and settlement networks for card processing and charge a fee for their use. For credit cards, this fee is a percentage of the transaction, and it is the foundation for your discount rate.

Remember that your deposit account is not just for deposits. This account is also used for paying Global Payments its applicable fees; Global Payments will subtract accumulated discount fees and other charges from your deposit account.

Merchant must provide Global with the bank's name and bank routing information, and Merchant's Bank Account number, and Merchant must notify Merchant's bank that Global Payments will have access to Merchant's account for debiting and crediting the Bank Account.

Merchant must immediately notify Global of any changes to Merchant's Bank Account information. Failure to notify Global of such changes may cause delay to Merchant's Settlement until updated.

The policies of the financial institution at which Merchant has a Bank Account govern when funds are available from the Bank Account.

Global will not be responsible for any obligations, damages, or liabilities in excess of the amount of applicable debit, credit, or adjustment to Merchant's Bank Account in the event that Merchant's bank does not honour any such item or improperly applies it to Merchant's Bank Account.

Occasionally, a credit cardholder will have a question about a sales draft that has already been deposited in your account. In that case, Global Payments may debit your account for the amount of the sale until the customer's question is resolved. This is called a chargeback.

Mail and Telephone Orders

- If possible, establish the customer's identity by writing his/her name, billing and ship to address, credit card number and expiry date on the sales draft (also include name of issuing institution).
- Be sure to call in for authorization for every credit card transaction.
- If you are taking an order over the phone, fax, Internet, or by mail, we recommend that goods be shipped to the billing or permanent addresses where possible — steer clear of post office boxes, hotel lobbies or freight forwarders. Remember all card holder or Issuer disputes may be charged back and are your responsibility.
- Always send a copy of the sales draft and order form to the customer, either when the product is ordered or when it is shipped.

Protecting your Internet Business

Internet merchants should be just as aware of the risks of fraud as traditional merchants and should consider ways to prevent fraud. If you are creating or operating an online store, be sure to learn about security risks by assessing your shopping cart procedures, securing your online transactions and letting your customers know that your website transactions are safe.

In addition, here are some key ways you can prevent Internet fraud:

- Post your purchase/return policies on your website where your customers can see them clearly.
- Start by taking a few extra steps to confirm each order, and reject orders that leave out important information.
- Be careful when dealing with orders that have different “ship to” and “bill to” addresses.
- Avoid shipping to post office boxes, hotel lobbies or other addresses that are not permanent, as these addresses can be harder to trace later.
- Pay extra attention to orders that are larger than your usual orders, as well as international orders, especially if express shipping is requested.
- Note the customer’s email address, and make sure it is valid and matches the cardholder’s name.
- Be sure that each transaction is authorized correctly and that proper procedures are followed.
- Do not accept other merchants’ requests to deposit their receipts through your account
 - If any items are charged back, you will be responsible for them.
- If you are suspicious about an order, pend the order and call the Issuer to request a cardholder validation of your order.

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