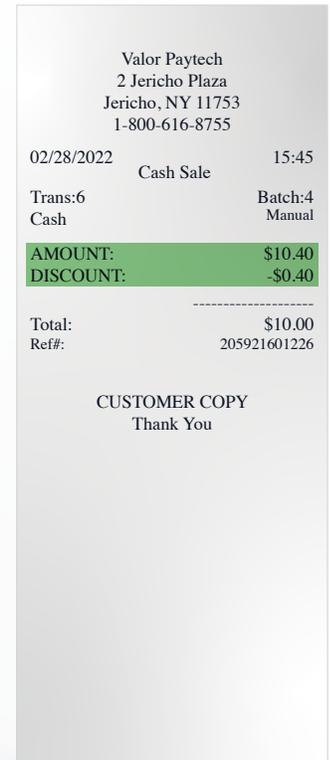




Merchant Industry

New Merchant Compliance

Valor Terminals



Dual Pricing

When deploying a new merchant on a Valor terminal on Dual Pricing, you must follow the below checklist:

- Confirm your merchant's Valor terminal(s) were programmed for Dual Pricing.
- Run a \$1.00 debit card transaction and confirm your merchants are not adding a line item labeled "Non-Cash Charge" on the terminal and customer receipt (or wait until a customer buys something at the merchant's location to confirm a "Non-Cash Charge" line was not added.)
- If the merchant's Valor terminal still adds a line item labeled "Non-Cash Charge", call our tech department at 1-866-811-1005 or your Relationship Manager and do a download on Valor terminal to convert the merchant to Dual Pricing.
- Remove/Cover any previous signage/stickers from the merchant's location and doors belonging to Swipe4Free, your office's name or any other previous processor.
NO SIGNAGE IS NECESSARY FOR DUAL PRICING.
- Download/Print the below sticker to cover previous signage.

Credit Card Sticker

Dual Pricing

Merchant MUST follow the below pricing suggestions on the items/goods they sell in their business:

Restaurant/QSR Merchants

- Restaurant merchants must either raise all their prices in their restaurant and on their menus to reflect card prices (higher prices) OR display both card and cash prices on their menu

Example 1: Card prices (higher prices) per item



Dual Pricing

Retail Merchants

- Retail merchants must either raise all their prices in their business to reflect card prices (higher prices) OR display both card and cash prices on all their items

Example 1: Card prices (higher prices) per item



Example 2: Dual Pricing, card price (higher price) and cash price per item



Dual Pricing

Retail Merchants

Below are the top Retail SIC codes that must update their menus to have Dual Pricing or raise their prices to reflect card prices (higher prices)

- 5993 - Tobacco stores
- 5193/5992 - Florists
- 7230 - Barbers/Salons
- 7542 - Car washes
- 5912 - Pharmacies
- 5722 - Appliance stores
- 5712 - Furniture stores

If the merchant you are offering Dual Pricing refuses to follow the pricing guidelines above then you MUST ONLY OFFER THEM SURCHARGE!

Surcharge Program

The maximum Surcharge percentage to customers is 3% and ONLY on credit card transactions (Colorado limit is 2%). Merchants CANNOT charge the customer on any type of debit card transactions-signature, pin and prepaid/gift cards. The merchant must pay for all debit card transaction fees. See below for merchant pricing options.

Merchant Pricing for PIN Debit

Option 1

Default pin debit pricing is Interchange + 35bps + .09 cents per item and .12 cents per authorization (total approximate merchant cost for pin debit is Interchange which includes 5bps + over interchange 35bps = 40bps total approximately + interchange per item is .22 cents + .06 cents switch fee + .09 cents per item and .12 cents per authorization) = Total approximately is 40bps + .49 cents per trans.

Example: \$100 pin debit Sale costs merchant = .40 cents + .49 cents = .89 cents
($\$100 \times .0040 = .40$ cents) + (.22 cents + .06 + .09 + .12 = .49 cents)

Option 2

For larger merchants you can negotiate pin debit rates. For this option, please ask the merchant for 3 months existing processing statements and send these to your Relationship Manager to help them accurately price pin debit and give you competitive options.

By Default Pin Debit fees will be charged Monthly (not daily) to merchants. These PIN debit fees will be clearly broken down on the merchant's monthly statement and debited on the 1st business day of the following month (ex. April Pin Debit fees will be billed May 1st).

Pricing for Credit

Option 1

Customer is charged 3% as a Surcharge on terminal level- Merchant pays nothing for Credit Card transactions (**offset on backend is 2.9129%**).

Option 2

Customer is charged 3% as a Surcharge on terminal level and Merchant pays 1% (**offset on back end is 3.8462%**). Merchants will effectively pay 1% on Credit Card transactions. If you have any questions about this option please speak to your relationship manager.

Surcharge Receipt Example:

SWIPE4FREE
1234 Merchant St.
New York, NY
7185555555
V#0123456

09/27/2018 6:33

Sale
Trans#: 1 Batch #: 1

AMEX CHIP
*****1234 **/**

AMOUNT: \$10.00

Surcharge \$0.30
TOTAL AMT: \$10.30

Resp: APPROVAL 123456
Code: 123456
Ref #: 123456123456
TransID: 123456789123456

App Name: AMERICAN
EXPRESS
AID: A000000012345678
TVR: 1234567890
TSI: E800

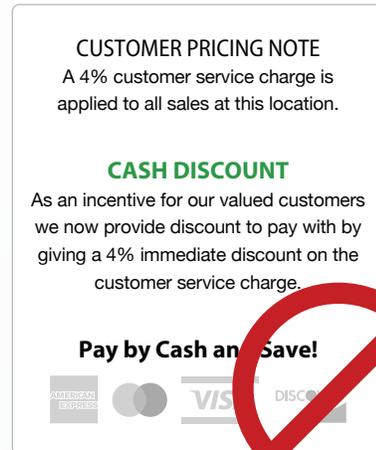
Cardholder Acknowledges
receipt of goods and
obligations set forth
by the cardholder's
agreement with issuer.

X John Smith
SMITH/JOHN

CUSTOMER COPY

Surcharge Program

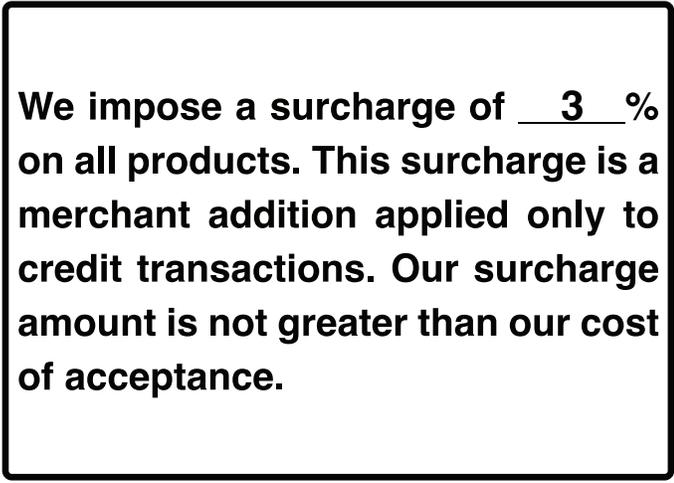
- Remove/Cover any previous signage/stickers from the merchant's location and doors belonging to Swipe4Free, your office's name, **OR any other previous processor.**



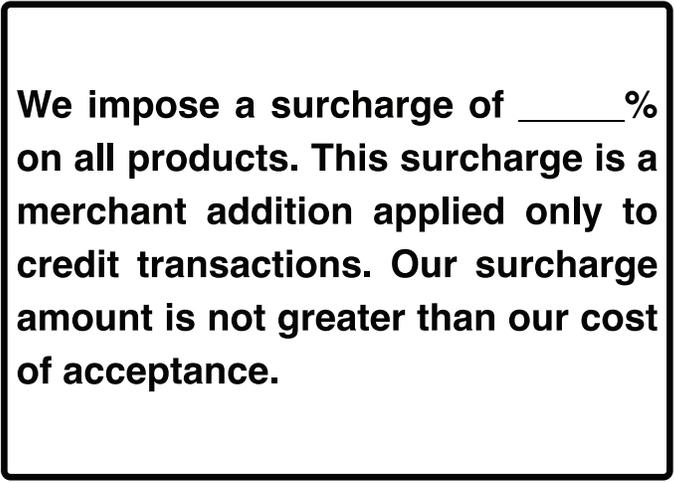
- Download/Print the below sticker to cover previous signage

Credit Card Sticker

- You **MUST** put surcharge signage at all point of entry of the merchant location and at all point of sales where cards are accepted



3% Surcharge Sticker



Blank Surcharge Sticker

- Once a surcharge merchant is approved, Merchant Industry will automatically register the merchant with MasterCard and notify our sponsor bank.

POS Systems

Dual Pricing and Cash Discount on POS Systems (non-Clover devices)

If you want to offer Dual Pricing to a merchant then the POS you choose **MUST** have Dual Pricing capability which means the POS clearly shows the customer a card price (higher price) total and cash price total when paying on preferably a customer facing screen or PIN pad. At minimum the customer facing receipt must show the card price total (higher) and cash price total. Some advanced POS's show both the card price and cash price itemized per item on the customer facing screen.

In order to offer Cash Discount then the POS must have the ability to raise the merchants inventory prices stored to Card prices (higher prices) and then clearly display on customer facing receipt 0.00 when paying by card and the savings when paying by cash.

Cash Discount Receipt Example:

Valor Paytech 2 Jericho Plaza Jericho, NY 11753 1-800-616-8755	
02/28/2022	15:45
Sale	
Trans:6	Batch:4
AMEX	CHIP
*****1234	00/00
AMOUNT:	\$10.40
DISCOUNT:	\$0.00
Total:	\$10.40
Resp:	APPROVAL 123456
Code:	123456
Ref#:	205921601226
App Name:	AMERICAN EXPRESS
AID:	A000000025010801
TVR:	0000008000
TSI:	E800
Cardholder acknowledges receipt of goods and obligations set forth by the cardholder's agreement with issuer.	
X	<i>John Smith</i>
	SMITH/JOHN
	CUSTOMER COPY
	Thank You

Valor Paytech 2 Jericho Plaza Jericho, NY 11753 1-800-616-8755	
02/28/2022	15:45
Cash Sale	
Trans:6	Batch:4
Cash	Manual
AMOUNT:	\$10.40
DISCOUNT:	-\$0.40
Total:	\$10.00
Ref#:	205921601226
CUSTOMER COPY	
Thank You	

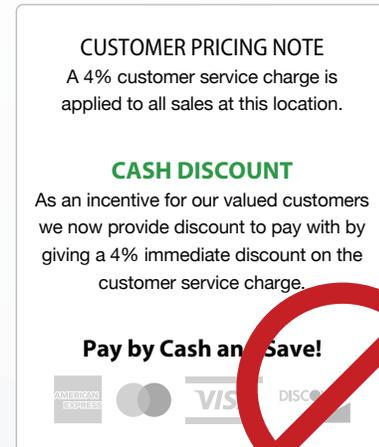
Below are the top POS systems that offer Dual Pricing on TSYS:

- JKSoft POS
- RPower
- Paradise POS
- Lightspeed X (Retail Only)
- OrderCounter
- OVVI

Dual Pricing and Cash Discount on POS Systems (non-Clover devices)

All Dual Pricing merchants **MUST** either raise all their prices on items/menus in their business to reflect card prices (higher prices) **OR** display both card and cash prices on all items/menus.

- Remove/Cover any previous signage/stickers from the merchant's location and doors belonging to Swipe4Free, your office's name, **OR any other previous processor. NO SIGNAGE IS NECESSARY FOR DUAL PRICING.**



- Download/Print the below sticker to cover previous signage

Credit Card Sticker

For any POS assistance, contact our POS department at pos@merchantindustry.com or call 1-646-902-1120

If the merchant you are offering Dual Pricing refuses to follow the pricing guidelines above then you MUST ONLY OFFER THEM SURCHARGE!

Surcharging on POS Systems

The POS system you offer for Surcharge **MUST** have the ability to recognize any type of Debit Card presented in order to remove the Surcharge %. Also the POS **MUST** have the ability to add a line item % labeled Surcharge. In addition all standard Surcharge rules below must be followed.

The maximum Surcharge percentage to customers is 3% and **ONLY** on credit card transactions (Colorado limit is 2%). Merchants **CANNOT** charge the customer on any type of debit card transactions-signature,pin and prepaid/gift cards. The merchant must pay for all debit card transaction fees. See below for merchant pricing options.

Surcharging on POS Systems

Merchant Pricing for PIN Debit

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Example: \$100 pin debit Sale costs merchant = .40 cents + .49 cents = .89 cents
(\$100 x .0040 = .40 cents) + (.22 cents + .06 + .09 + .12 = .49 cents)

Option 2

For larger merchants you can negotiate pin debit rates. For this option, please ask the merchant for 3 months existing processing statements and send these to your Relationship Manager to help them accurately price pin debit and give you competitive options.

By Default Pin Debit fees will be charged Monthly (not daily) to merchants. These pin debit fees will be clearly broken down on the merchant's monthly statement and debited on the 1st business day of the following month (ex. April Pin Debit fees will be billed May 1st).

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Below are the top POS systems that offer Surcharging:

- JKSoft POS
- Aldelo
- Clover POS
- Hot sauce POS
- Sound POS
- Paradise POS

Surcharging on POS Systems

Surcharge Receipt Example:

SWIPE4FREE
1234 Merchant St.
New York, NY
7185555555
V#0123456

09/27/2018 6:33

Sale
Trans#: 1 Batch #: 1

AMEX CHIP
*****1234 **/**

AMOUNT: \$10.00

Surcharge \$0.30
TOTAL AMT: \$10.30

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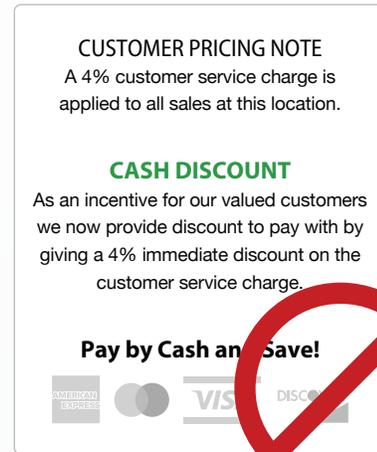
Cardholder Acknowledges
receipt of goods and
obligations set forth
by the cardholder's
agreement with issuer.

X John Smith
SMITH/JOHN

CUSTOMER COPY

Surcharging on POS Systems

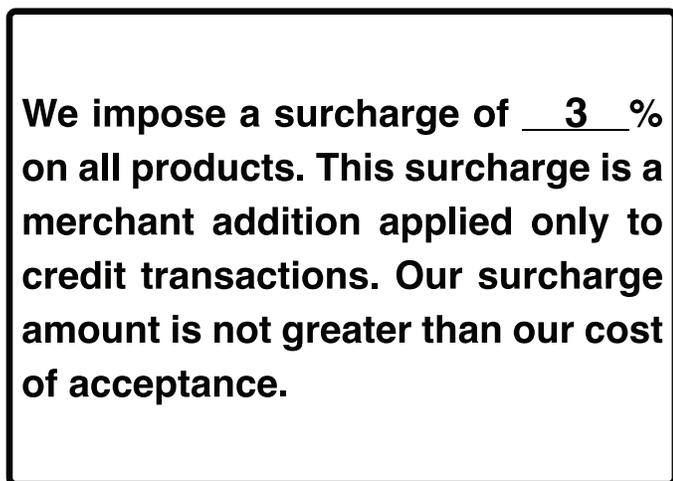
- Remove/Cover any previous signage/stickers from the merchant's location and doors belonging to Swipe4Free, your office's name, **OR any other previous processor.**



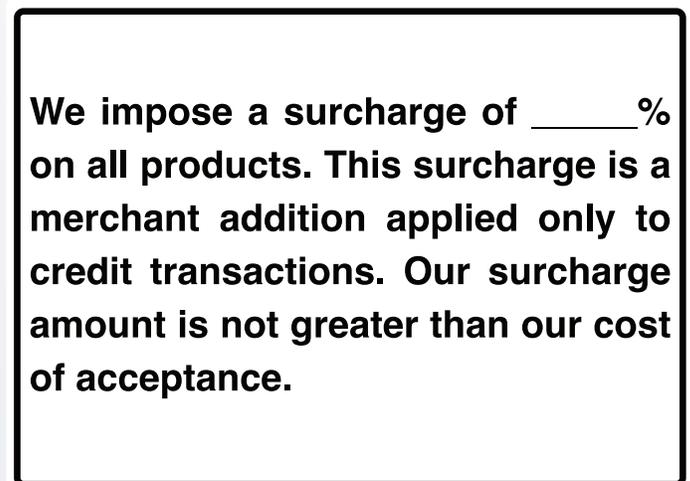
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3% Surcharge Sticker



Blank Surcharge Sticker

- Once a surcharge merchant is approved, Merchant Industry will automatically register the merchant with MasterCard and notify our sponsor bank.

Virtual Terminal Merchants

All Virtual Terminal merchants can offer their customers either a Surcharge or Convenience Fee.

VT/eCommerce/Online

Convenience Fee

A convenience fee can only be charged to the consumer when the merchant has a physical location but is giving the customer the convenience to pay online. Unlike surcharges, convenience fee's can apply to both debit and credit card payments and is a flat fee (NOT a %) that is charged and does not fluctuate from sale to sale. Example: A movie theater provides consumers to pay in person by many forms of payment, however they may provide an option to pay online with pre-selected seats and a convenience fee of \$2.50 per ticket purchased. You CAN NOT charge a convenience fee at a card present location.

In order to determine the Convenience Fee Flat Dollar amount accurately, you must request 3 months of previous processing statements from the merchant and send to your Relationship Manager. Based on the merchant's average ticket the RM can determine blended cost of card acceptance/Interchange and then determine a convenience fee that covers cost and creates around 100 BPS of profit.

Surcharge Signage Rules

Transaction Type	Point-of-Entry	Point-of-Transaction
Face-to-Face Transaction	Main entrance(s) of the Merchant Outlet, in a minimum 32-point Arial font, but in any case no smaller or less prominent than surrounding text.	Every customer checkout or payment location, in a minimum 16-point Arial font, but in any case no smaller or less prominent than surrounding text.
Electronic Commerce Transaction	The first page that references credit card brands accepted, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text.	Checkout page, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text
Mail Order Transaction	The first page the catalog that references credit card brands accepted, in a minimum 8-point Arial font, but in any case no smaller or less prominent than surrounding text.	Mail order form, in a minimum 10-point Arial font, but in any case no smaller or less prominent than surrounding text
Telephone order Transaction	The first page the catalog that references credit card brands accepted, in a minimum 8-point Arial font, but in any case no smaller or less prominent than surrounding text.	Verbal notice from the telephone order clerk, including Credit Card Surcharge amount.
Unattended Cardholder - Activated Terminal	Main entrance(s) of the Merchant Outlet (if applicable) (for example gas [petrol] station store) in a minimum 32-point Arial font, but in any case no smaller or less prominent than surrounding text.	On the Unattended Cardholder - Activated Terminal or virtual disclosure on the payment terminal screen, in a minimum 16-point Arial font, but in any case no smaller or less prominent than surrounding text.