

AFFILIATE MEMBER AGREEMENT  
FOR AFFILIATE MEMBERS LOCATED OUTSIDE THE UNITED STATES,  
PUERTO RICO, U.S. VIRGIN ISLANDS, OTHER U.S. TERRITORIES, CANADA and the EEA

THIS AGREEMENT, is by and between AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC., a New York corporation (“Amex”, “our”, “us” or “we”), with an office at American Express Tower, World Financial Center, New York, New York 10285 and Affiliate Member (as defined below) a member of Preferred Hotel Group, Inc. (“Affiliate Group”).

RECITALS

WHEREAS Affiliate Group has entered into the Lodging Affiliate Group Card Acceptance and Marketing Agreement with Amex as of January 1, 2015, governing Affiliate Group’s and its Affiliate Member’s participation in the Card Service (“Master Agreement”);

WHEREAS, Amex, its subsidiaries, Affiliates, and the licensee of each of them that issue American Express® Cards and other American Express account access and payment devices bearing the American Express name or bearing a trademark, service mark or logo owned or marketed by Amex, its subsidiaries or Affiliates and persons named on currently effective Cards may charge purchases of goods and services with Cards at establishments participating in the American Express Card Service; and

WHEREAS, Affiliate Member is engaged in the food and lodging business (including goods and services sold at spas, retail stores, eating facilities and other typical facilities housed at lodging properties) at its Establishments (as defined below) located outside the United States, Puerto Rico, U.S. Virgin Island, Other U.S. territories, Canada and the European Economic Area owned and/or operated by Affiliate Member and held out to the public as affiliated with Affiliate Group.

WHEREAS, Affiliate Member desires to participate in the Card Service outside the United States, Puerto Rico, U.S. Virgin Islands, Other U.S. Territories, Canada and the European Economic Area pursuant the Master Agreement permitting Affiliate Members to aggregate Charge Volume to take

advantage of potential Discount Rate and marketing benefits.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto agree as follows:

Definitions:

“ACH” means the Automated Clearing House of the Federal Reserve System.

“Acquirer” means Amex, an Affiliate of Amex, or an Entity licensed by Amex or an Affiliate in a particular territory, as the case may be, having arrangements with merchants (i) entitling Cardmembers to charge purchases of the merchants’ goods or services on the Card and (ii) providing for those merchants to transfer such Charges to the Acquirer for processing on the American Express Network.

“Advance Payment Charge” means a Charge for which full payment is made in advance of the provision of goods and/or rendering the services to the Cardmember, terms of which are set forth in Section 16.

“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.

“Affiliate Member”, “you” and “your” (sometimes called the “Merchant”, “Service Establishment,” or “SE” in our materials) means (i) your independent lodging Establishment(s) (as defined below) owned and operated by you in which you are a member of the group of hotels known as Preferred Hotel Group,

Inc., and for which Affiliate Group provides marketing and other services and (ii) the Entity who duly entered into this Member Agreement with Amex to honor Cards.

“Agreement” or “Member Agreement” means this document, the accompanying Schedules, any Exhibits, and Amex’s other policies and procedures (which may be amended from time to time).

“American Express Card” and “Card” mean (i) any card, account access device, or payment device bearing Amex’s or Amex’s Affiliates’ Marks and issued by an Issuer or (ii) a Card Number.

“American Express Network” and “Network” – means the network of merchants that accept Cards and the operational, service delivery, systems, and marketing infrastructure that supports this Network and the American Express brand.

“Amex”, “our”, “us” or “we” means American Express Travel Related Services Company, Inc.

“Applicable Law” means (i) any law, statute, regulation, rule, ordinance, or subordinate legislation in force from time to time to which a party or its Affiliates is subject, (ii) the common law as applicable to them from time to time, (iii) any court order, judgment, consent or decree that is binding on them, (iv) any directive, policy, rule, guidance, 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.

“Authorization/Authorized” means the process by which Affiliate Member’s obtain approval (a message from Amex granting Authorization in response to a request for Authorization from an Establishment, consisting of an approval code) for a Charge in accordance with this Agreement.

“Bank Account” means a deposit account (also known as a demand deposit account, DDA, or checking account) that you or your Establishment(s) holds at a bank or other financial institution.

“Cardmember” means an individual or Entity (i) that has entered into an agreement establishing a Card

account with an Issuer or (ii) whose name appears on the Card.

“Cardmember Information” means any information about Cardmembers and Transactions including, but not limited, Transaction Data, and Cardmember name, addresses, Card Numbers, and Card Identification Numbers “CIDs.

“Card Number” means the unique identifying number that the Issuer assigns to the Card when it is issued.

“Card Service” means the American Express® Card service operated by Amex its subsidiaries, Affiliates, and the licensees of each them.

“Central Billed Account” means a Card product whereunder all Charges made by authorized individuals are billed to a central Card account.

“Charge” means a payment or purchase made on the Card.

“Chargeback” when used as a verb, means (i) our reimbursement from you for the amount of a Charge subject to such right, or (ii) our reversal of a Charge for which we have not paid you; when used as a noun, means the amount of a Charge subject to reimbursement from you or reversal. (Chargeback is sometimes called “full recourse” or “Full Recourse” in our materials).

“Charge Record” means a reproducible (both paper and electronic) record of Charge that meets Amex’s requirements and the Technical Specifications. Establishments may use one of the following options: (i) Amex’s standard Charge Record form; or (ii) any other record format Amex approves in advance (such as a Folio).

“Chip Card” (sometimes called a “smart Card”, an “EMV Card”, or an “ICC” or “integrated circuit Card” in Amex’s materials) means a Card that contains an integrated chip and could require a PIN as a means of verifying the identity of the Cardmember or information contained in the integrated chip (or both).

“Claim” means any claim (including initial claims, counterclaims, cross-claims, and third party claims),

dispute, or controversy between the parties arising from or relating to this Agreement, or the relationship resulting from this Agreement, whether based in contract, tort (including negligence, strict liability, fraud, or otherwise), statutes, regulations, or any other theory).

“Close of Business” means, in the United States is 4:00 p.m. Mountain Time, and is the time which Amex designates outside the United States.

“Credit” means the amount of the Charge that the Establishment refunds to Cardmembers for purchases or payments made on the Card.

“Credit Record” means a record of Credit that meets with Amex’s requirements and the Technical Specifications.

“Discount” means an amount that we charge you for accepting the Card, which amount is: (i) a percentage (*Discount Rate*) of the face amount of the Charge that you submit, or a flat per-Transaction fee, or a combination of both; and/or (ii) a Monthly Flat Fee (if you meet our requirements).

“Disputed Charge” means a Charge about which a claim, complaint, or question has been brought.

“Domestic Area” means the United States, Puerto Rico, the U.S. Virgin Islands, Other U.S. Territories and Canada.

“DSOP” means the then current American Express Security Data Operating Policy for Domestic and Non-Domestic Area Affiliate Members and Establishments attached hereto as Schedule E, which incorporates by reference the then current PCI DSS.

“EEA” means the European Economic Area.

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

“Establishment” means Affiliate Member’s lodging properties, locations, outlets, websites, online networks, and all other methods for selling goods and services, including methods that you adopt in the future that are owned and/or operated by you and

such lodging properties are held out to the public as affiliated with Affiliate Group.

“Extended Payment” means any product of Amex or its Affiliates (other than the Optima Card and other revolving credit card products) which allows the user to make a purchase on an extended payment basis, whether by installments or otherwise.

“Issuer(s)” means any Entity (including American Express and its Affiliates) licensed by American Express or an American Express Affiliate to issue Cards and to engage in the Card issuing business.

“Local Currency” means the currency of the country, as listed in the Technical Specifications, in which the original Transaction is to be incurred; for the avoidance of doubt, but not by way of limitation, for non in-person Charges, the Local Currency is the currency in which the Establishment presents the original sales transaction to the Cardmember.

“Local Platform” means Amex’s or an Acquirer’s platform in a particular Territory providing, among other things, local Transaction submission services and one or more settlement payment options in Local Currency.

“Local Priced Country” means a certain selected country or countries that Amex may, from time to time, at its sole discretion, generally offer a Discount Rate which is different than the Discount Rates set forth in Schedules A, A-1 and A-2. Local Discount Rates and Payment Plans for a Local Priced Country may be changed by Amex at its sole discretion.

“Merchant Number” (sometimes called the “Merchant ID” or “Establishment” or “SE” number in our materials) means a unique number we assign to your Establishment.

“Net Annual Local Charge Volume” means the aggregate of Charges accepted by Amex from Affiliate Members and their respective Establishment(s) located in a Local Priced Country during the preceding calendar year under the Agreement less Credits, adjustments and amounts charged back by Amex pursuant to its rights to Chargeback under this Agreement.

“Net Annual Worldwide Charge Volume” is defined as the aggregate of Charges accepted by Amex from Affiliate Members and their respective Establishment(s) located worldwide during the preceding calendar year under this Agreement (except for Charges from Affiliate Member’s Establishments located in a Local Priced Country if Local Discount Rate is applied), and the separate Card acceptance agreements between Amex and Affiliate Members (collectively “Affiliate Member Agreements”) respectively, less Credits, adjustments and amounts charged back by Amex pursuant to its rights to Chargeback under this Agreement and the Affiliate Member Agreements.

“Non-Domestic Area” means the area outside of the Domestic Area.

“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.

“Other Payment Products” means any charge, credit, debit, stored value, prepaid, or smart cards, account access devices, or other payment cards, services, or products other than the Card.

“Payment Plan(s)” means the current 7-day payment plan for Affiliate Member Establishments located in the Non-Domestic Area; and those available local payment plan options in countries located the Non-Domestic Area.

“PCI DSS” means the then-current Payment Card Industry Data Security Standard.

“Personal Identification Number (PIN)” means a secret alpha or numeric code that allows the Cardmember to be positively identified for the purpose of approving a Transaction.

“Point of Sale System” means an information processing system or equipment, including a terminal, personal computer, electronic cash register, contactless reader, or payment engine or process, used by a merchant, to obtain Authorizations or to collect and submit Transactions (or both).

“Prepaid Cards” means a Card that is marked “Prepaid” or bearing such other identifiers used by Amex from time to time.

“Processor” means a service provider to merchants who facilitates Authorization and Submission processing to the Network (sometimes referred to as an “Authorized Gateway Provider”) in our materials.

“Reserve” a fund established by Amex upon the occurrence of events as described in Section 22 of this Agreement.

“Submission” means the collection of Transaction Data and the electronic Transmission of the Transaction Data to Amex or another Issuer or, in certain circumstances, submission of Transaction Data on paper.

“Technical Specifications”, “Specifications” means the set of mandatory, conditional, and optional requirements related to connectivity to the Network and electronic Transaction processing, including Authorization and submission of Transactions, including those specifications set out in Amex’s then-current Global Credit Authorization Guide and Global Financial Settlement Guide, as available at [www.americanexpress.com/merchantspecs](http://www.americanexpress.com/merchantspecs) or upon request from Affiliate Member’s or Establishment’s American Express representative. Amex reserves right to modify the Technical Specifications from time to time.

“Territory” means a country, region, or sovereign territory approved by Amex in which Affiliate Member and Establishments makes goods or services available.

“Transaction” means a Charge or Credit completed by the means of a Card.

“Transaction Data” means all information required by Amex evidencing Charges or Credits, including information obtained at the point of sale, information obtained or generated during Authorization and Submission, and any Chargeback.

“Transmission” means a transmission of Transaction Data over communications lines (or if in some countries communications lines are not available, then via magnetic tape in machine readable format).

Other defined terms appear in the body of this Agreement.

1. Participation in the Card Service.

(a) Affiliate Member represents and warrants that it has a written agreement with Affiliate Group whereby Affiliate Member:

(i) is permitted, pursuant to said written agreement, to use the tradename and/or trademark, service mark, logo or other similar proprietary designation of Affiliate Group (the "Affiliate Group Designation");

(ii) displays to the public, to the extent permitted by law, prominent exterior and/or interior signage bearing the Affiliate Group Designation at Establishments. The Affiliate Group Designation shall be within reasonable proximity to the Establishment's own tradename and/or trademark, service mark, logo or other similar proprietary designation;

(iii) appears to the public as being clearly affiliated with Affiliate Group, including by the prominent use of the Affiliate Group Designation on all advertising for lodging services, other promotional materials, collateral materials such as in-room brochures, stationery and folios, such Affiliate Group Designation being within prominent interior and exterior signage bearing the Affiliate Group Designation in direct association with the Affiliate Member's tradename and/or trademark, service mark, logo or other similar proprietary designation;

(iv) displays association with representation entities other than Affiliate Group, if at all, no more prominently than the display the Affiliate Group affiliation. In addition, Affiliate Member may not have or display any affiliation with any lodging chain or group;

(v) utilizes a central reservations system operated by and maintained by or on behalf of Affiliate Group; and

(vi) complies with quality guidelines of Affiliate Group governing such areas as hotel maintenance, customer service, marketing and promotional activities.

In addition to any other termination rights contained herein, Affiliate Member shall notify Amex as far in advance as reasonably practicable if Affiliate Member (or any of its Establishments, as applicable) ceases to be affiliated with Affiliate Group. Unless and until the parties enter into a new agreement for Affiliate Member's and its applicable Establishment's participation in the Card Service, this Agreement shall continue in full force and effect and Amex's shall

have the right, in its sole discretion to modify Affiliate Member's Discount Rate in accordance with Amex's then current standard lodging industry Discount Rate table.

(b) Affiliate Member agrees that Affiliate Group was authorized to negotiate the terms of this Agreement on Affiliate Member's behalf. By accepting Cards for the purchase of goods and services, Affiliate Member and Establishments are bound by the terms of this Agreement and any amendments received by Affiliate Member from Amex.

(c) Affiliate Member will cause all Establishments to honor Cards and will be responsible and liable to Amex for the performance by Establishments of all of the terms and provisions of this Agreement.

(d) Each year of the Term, Affiliate Member will supply to Amex and keep current a list of Establishments.

(e) Notwithstanding any provision of this Agreement, Amex may, upon any reasonable business basis, including but not limited to a legal/compliance risk or a risk of credit or fraud losses, (i) refuse to allow Affiliate Member or any Establishment to participate in the Card Service or (ii) suspend participation in the Card Service.

(f) Area of Applicability. This Agreement will apply to Affiliate Member and Establishments located outside the United States, Puerto Rico, U.S. Virgin Islands, other U.S. territories, Canada and the European Economic Area.

2. Honoring of Cards. (a) This Agreement governs Card acceptance for the purchase of ordinary lodging goods and services (and those services described in Section 4(g) hereof) at all Affiliate Member's Establishments. Subject to 2(b) below, Affiliate Member's Establishment(s) shall accept the Card when presented for payment; provided, however, Prepaid Cards (defined in Section 7(a) below) shall only be accepted for Charges that are "real time" purchases that can be Authorized, as defined in Section 12 hereof, at the time of purchase. For clarity, Prepaid Cards shall not be accepted at registration/check-in for a lodging stay and for

Charges made during the lodging stay and added to a folio. When a customer asks what payment methods are accepted, or when acceptable payment methods are listed, Affiliate Member and Establishments will mention/list the American Express Card. Except as expressly permitted by Applicable Law, you must not: (i) indicate or imply that you prefer, directly or indirectly, any Other Payment Products over our Card, (ii) try to dissuade Cardmembers from using the Card, (iii) criticize or mischaracterize the Card or any of our services or programs, (iv) try to persuade or prompt Cardmembers to use any Other Payment Products or any other method of payment (e.g., payment by check), (v) impose any restrictions, conditions, disadvantages or fees when the Card is accepted that are not imposed equally on all Other Payment Products, except for electronic funds transfer, or cash and check, (vi) suggest or require Cardmembers to waive their right to dispute any Transaction, (vii) engage in activities that harm our business or the American Express Brand (or both), (viii) promote any Other Payment Products (except your own private label card that you issue for use solely at your Establishments) more actively than you promote our Card, or (ix) convert the currency of the original sale Transaction to another currency when requesting Authorization or submitting Transactions (or both). Further, neither Affiliate Member nor Establishments will directly or indirectly, state or publish or otherwise indicate a preference for any Other Payment Product over the Card or participate in a program with a third party which so states or publishes or otherwise indicates a preference. Affiliate Member agrees that this Section 2 is reasonable and necessary to protect the Cardmember's choice of which Card to use.

(b) Prohibited Uses. Establishments must not accept the Card for: (i) damages, losses, penalties, or fines of any kind; (ii) costs or fees over the normal price of Establishment's goods or services (plus applicable taxes) or Charges that Cardmembers have not specifically approved; (iii) overdue amounts (e.g. collection of bad debt), or amounts covering returned or stop-payment checks; (iv) gambling services (including online gambling), gambling chips, or gambling credits; or lottery tickets; (v) adult digital content sold via internet Electronic Delivery Transactions ("Electronic Delivery Transactions" means goods or services ordered online and electronically delivered online, e.g., images or software

downloads); (vi) cash or cash equivalent (e.g. gold, silver, platinum, and palladium bullion and/or bars); (vii) except as permitted in Section 4(g), sales made by third parties; (viii) amounts that do not represent bona fide sales of goods or services at Establishments; (ix) illegal business transactions; or (x) other items of which Amex may notify Affiliate Member. Establishments must not use the Card to verify a customer's age.

### 3. Card Acceptance Procedures.

(a) Except as may otherwise be provided in Sections 3(b), 16 and 17 hereof, the Card will be accepted in accordance with subsection 3(a)(i) – (viii) below. Generally, non-Chip Cards must be swiped through the Point of Sale System (a "swiped Transaction"). If a Chip Card is presented, or if Affiliate Member upgrades its Point Of Sale System for Chip and PIN acceptance for Other Payment Products, then Affiliate Member (or the applicable Establishment as the case may be) must comply with the Technical Specifications and other requirements of Amex's local operating centers related to Chip Card acceptance in the relevant country or region.

Establishments must:

- (i) verify the Card's valid date;
- (ii) verify the Card is not visibly altered or mutilated;
- (iii) verify the Card bears the signature in the name of the person whose name appears on the face of the Card (not required for Prepaid Cards that show no name on the face of the Card);
- (iv) swipe, insert, or key-enter the Card and obtain an Authorization of the Charge in the manner set forth in Section 12 of this Agreement;
- (v) a Charge Record (or other form approved by Amex, such as a folio) is signed by the Cardmember in the presence of an employee of the Establishment, with the same apparent signature as that written on the signature panel of the Card. If a form such as a folio is used as a Charge Record, it must contain language above the Cardmember's signature stating that the Cardmember agrees that the goods and services will be charged to his/her Amex Card account;
- (vi) a Charge Record is completed for each sale containing: (1) the imprint of the Cardmember's Card by means of an imprinter acceptable to Amex or a registration of the

Cardmember's name, Card account number (if permitted by Applicable Law) and expiration date taken from the magnetic strip, microprocessor chip or other mechanism of the Card in the event an electronic point of sale device is used; (2) the date the Charge(s) were incurred; (3) the amount of the Charge, including applicable taxes; (4) the Cardmember's apparent signature, (5) the imprint, impression or electronic registration of the Establishment's name, address and Merchant Number assigned by Amex; (6) the Authorization approval code; and (7) all other information as required from time to time by Amex, or pursuant to applicable law, to be included on the Charge Record; and

(vii) Chip Cards. Generally, Chip Cards must first be inserted in the reader of the point of sale terminal. The Point of Sale System should advise whether Cardmembers are to enter their PINs (a "chip and PIN Transaction") or sign for the Transaction:

(1) In the case of chip and PIN Transactions, Establishment(s) must instruct Cardmembers to enter their PINs into the keypad of the Point of Sale System. If Establishments are unable to complete the chip and PIN Transaction due to a technical problem, the Point of Sale System should show an error message the Establishment must follow the procedure for swiped Transactions in the preceding sub-section.

(2) In the case of a chip and signature Transaction, Establishment(s) must obtain the Cardmember's signature on Charge Record printed by the point of sale terminal; and

(viii) all other provisions respecting the manner in which Cards are presented and accepted in this Agreement or any amendment to this Agreement are met.

(ix) Affiliate Member and Establishments will comply with such changes to operational and policy procedures respecting acceptance of the Card as Amex may issue from time to time.

(b) Central Billed Accounts. Individuals authorized to use the Central Billed Account may not have a physical Card. With respect to Charges made to a Central Billed Account when a physical card is not presented, Establishments will accept use of the

Central Billed Account in accordance with the following acceptance procedures:

(i) the Central Billed Account number must be provided to the Establishment at the time of reservation;

(ii) at check-in, reasonable valid identification is presented by the Cardmember;

(iii) at check-in Authorization is obtained in accordance with Section 12 of this Agreement (if the Cardmember does not have a physical card, Authorization must be obtained either by keying the Card number into the electronic point of sale device or via telephone)

(iv) The Establishment complies with Sections 3(a)(v) and (vi) above.

(c) Additional terms and conditions for internet Charges: Amex shall provide a separate Merchant Number for Charges made via the internet which must be used by the Establishment for internet orders in all Establishment's requests for Authorization and submissions of Charges for internet Charges. Charges for internet orders are subject to the following terms and conditions: Establishments shall:

(i) not send Card Data via the internet or via any other electronic mail medium to anyone other than the Cardmember who made the internet order or to us;

(ii) submit all Charges for internet orders electronically;

(iii) provide Amex with at least one (1) month's advance written notice of any change in Affiliate Member's or its Establishment(s) address;

(iv) must clearly and conspicuously disclose its policies related to returns and/or cancellations to Cardmembers prior to the completion of the purchase of goods and/or services; and

(v) comply with any additional requirements we may have from time to time for internet orders.

Notwithstanding compliance with the procedures contained in (c)(i) – (iv) above, if a Cardmember denies making the Charge for the internet Charge order, Amex shall have the right to Chargeback for the amount of the Charge pursuant to Paragraph 11 hereof.

4. Submission of Charges and Credits. (a) Establishments will submit all Charges to

Amex within seven (7) days of the date they are incurred or from the date of check-out, whichever is later, provided, however, that, subject to the exceptions set forth in Sections 16 and 17, Charges will not be submitted until the goods or services purchased have been delivered to the Cardmember. Establishments must submit Credits as described in Section 14 hereof. Charges and Credits will be deemed accepted on a given business day if received and processed before Amex' close of business for that day at the location Amex designates. All submissions, whether paper or electronic, will be submitted in the Local Currency of the country in which the Charge is incurred in accordance with this Agreement, including Schedules B and B-1, unless otherwise agreed to by Amex in writing, or unless required by local law or exchange control regulations.

(b) Affiliate Member and Establishments warrant that all indebtedness arising from Charges submitted are for a bona fide sale of goods and/or services and are genuine and free of any liens, claims or encumbrances other than ordinary sales or value added taxes.

(c) If Establishments submit Charges and Credits on paper, the Charge Records and Credit Records used must be approved by Amex, contain the information specified by Amex, and be submitted in accordance with the instructions Amex provides.

(d) Charges and Credits shall be submitted electronically wherever made available by Amex in accordance with the requirements of the local Amex operating center. Charges and Credits transmitted electronically must be transmitted over communications lines (if in some countries communications lines are not available, via magnetic tape in machine readable format). Even if Transaction Data is transmitted electronically, Charge Records and Credit Records must still be completed and retained. Transmissions must comply with the Technical Specifications, including but not limited to a description of the goods or services purchased with the Card (e.g., a breakdown of items contained on the folio). Amex is not obligated to accept any Transmission that does not comply with its requirements, and has the right to assess non-compliance fees for nonconforming Transmissions that Amex does accept.

(e) Establishments may retain, at their expense a Processor. Any fees charged by the Processor to Amex are the responsibility of the Establishment. Establishments and not Amex, are responsible for any errors, omissions, delays or expenses caused by such Processors. As between Amex and the Affiliate Member or the applicable Establishment, any fees charged by the Processor to Amex are the responsibility of Affiliate Member or the applicable Establishment.

(f) Affiliate Member, Establishments and any third party retained to act on their behalf, will obtain Authorization, submit or transmit Charges and receive payments under this Agreement only for Charges made at Establishments. Affiliate Member, Establishments, and any third party acting on their behalf will not sell or provide the Authorization services to a third party, submit or transmit Charges for a third party, or receive payment on behalf of any third party.

(g) Notwithstanding Section 4(f), it is understood that as a convenience to customers, Establishments arrange for excursions, car services and other services provided by third parties and bill such services through the Establishment. If the Establishment submits Charges for such services, such Charges are subject to the terms of this Agreement (including but not limited to Amex's rights to Chargeback) and the Establishment is liable therefore.

(h) Affiliate Member acknowledges and agrees that in the event Amex makes available to Cardmembers an extended payment option for Charges at Establishments, and if a Cardmember indicates the desire to extend payment for such Charge, the Establishment will record and submit such election to Amex in accordance with current procedures and instructions which Amex will provide to Affiliate Member and Establishments.

5. Document Retention. Establishments will retain Charge Records and Credit Records, or legible copies or microfilm thereof, and all documents evidencing such transactions, for a period of time equal to the time that such Charge Records and Credit Records are ordinarily retained by the Establishment, or for twenty-four (24) months from the date the Charge or Credit was



submitted/transmitted to Amex, whichever period is greater. Establishments will provide Amex with the original or legible copy or microfilm of the Charge Form and other documentation requested by Amex relating to the Card transaction within twenty (20) calendar days of the date of Amex's request therefor. If the Establishment does not provide to Amex the requested Form(s) and information within twenty (20) calendar days, Amex will exercise its Chargeback rights for the amount of the Charge.

6. Transfer and Acceptance of Charges.

(a) Affiliate Member and Establishments agree that all Charges by Cardmembers will be transferred and sent to Amex and that Affiliate Member and Establishments will not bill any such Cardmember directly.

(b) Amex will accept from Establishments all Charges arising from purchases made by Cardmembers in accordance with the provisions of this Agreement at a price equal to the total face amount of such Charges less the applicable Discount determined as provided in Section 7 hereof. Amex will make payment for Charges in Local Currency in accordance with Schedules B and B-1 or, at Amex's discretion, in U.S. Dollars, and will pay Establishments at the place designated by the Establishments (i.e., account for electronic pay or address for payment by check), provided, however, in selected countries (of which Amex will notify Affiliate Member) the Establishment may be required to pick up its check at a designated Amex location. Amex shall charge Establishments a fee for each payment that is made by check in the United States, Puerto Rico and U.S. Virgin Islands (as set forth in Schedule C, attached hereto and made a part hereof) and reserves the right to charge a fee for payments by check in other parts of the world upon reasonable prior written notice to Affiliate Group.

7. Discount Rate. (a) Your initial Discount is 3.00% or as otherwise provided to you in writing by us in accordance with the Net Annual Worldwide Charge Volume pursuant to the Discount Rate table indicated in Schedule A. Schedule A is a part of, and is hereby incorporated by reference into, the Agreement. The Discount Rate for all Cards other than Prepaid Cards shall be as follows:

(i) For Establishments located in the Non-Domestic Area that (A) obtain

Authorization of Charges electronically and (B) submit Charges and Credits electronically, the Discount Rate will be so determined based upon the Net Annual Worldwide Charge Volume according to Schedule A.

(ii) For Establishments located anywhere in the world that do not obtain Authorization and transmit Charges and Credits electronically in which Amex does not offer electronic Authorization and Submission, the Discount Rate is set forth on Schedule A-1 attached hereto and made a part hereof.

(iii) For any Establishments in the world that do not obtain Authorization and transmit Charges and Credits electronically, but Amex offers electronic Submission of Charges and Credits the Discount Rate is set forth on Schedule A-2 attached hereto and made a part hereof.

(b) Amex will use its best efforts to advise Affiliate Group of its prior year's Net Annual Worldwide Charge Volume as soon as possible, but in no event later than April 1<sup>st</sup> of each calendar year. Any new Discount Rate will become on the first of the month which is at least forty-five (45) days following Affiliate Group's receipt of its Affiliate Members Net Annual Worldwide Volume of Charges.

(c) The Discount Rate for Prepaid Card Charges in the Non-Domestic Area shall be set locally by Amex.

(d) Local Priced Countries, Amex may offer additional Discount Rates ("Local Discount Rates") which are different than the Discount Rates set forth in Schedules A, and A-1 to Affiliate Members which electronically Authorize and transmit Charges (in countries in which Amex does not offer such electronic processing, Amex may also offer Local Discount Rates to paper submitters). Affiliate Group only may choose to have Local Discount Rates apply for all Affiliate Members in Local Priced Countries.

(i) Local Discount Rates and applicable Payment Plans for each Local Priced Country will be set forth in a schedule (the "Local Discount Rate Schedule") in the Master Agreement.

(ii) If Local Discount Rates are selected by Affiliate Group, the applicable Local Discount Rate for Affiliate Members in a Local Priced Country will be determined during the first calendar

quarter of each year and will be based upon the preceding calendar year's Net Annual Local Charge Volume in that country.

(iii) Local Discount Rates and Payment Plans may be changed by Amex at its sole discretion upon written notice to Affiliate Group. Local Discount Rates may be eliminated and Local Priced Countries may be added or withdrawn by Amex at its sole discretion; if in the event Local Discount Rates are eliminated or Local Priced Countries are withdrawn, Affiliate Member and Establishments will automatically revert to the applicable Discount Rate contained in Schedules A, A-1 or A-2.

(e) Notice of Error or Omission. Affiliate Member and Establishments must notify Amex in writing of any error or omission in respect of Affiliate Member's or Establishment's Discount or other fees or payments for Charges, Credits or Chargebacks within ninety (90) days of the date of the statement containing such claimed error or omission, or Amex will consider the statement to be conclusively settled as complete and correct in respect of such amounts.

(f) Payments in Error. If Amex determines at any time that Amex has paid an Establishment in error, Amex may exercise Chargeback to recover such erroneous payment. If an Establishment receives any payment from Amex not owed to an Establishment under this Agreement, then the Establishment must promptly notify Amex (by calling Amex's telephone service center) and the Establishment's Processor and promptly return such payment to Amex. Whether or not the Establishment notifies Amex, Amex has the right to withhold future payments to the Establishment or debit the Establishment's designated bank account until Amex fully recovers the amount. Amex has no obligation to pay any party other than the Establishment under this Agreement.

(g) MCCY Platform. "MCCY Platform" means the multicurrency platform providing, among other things, processing and/or submission services and different settlement payment options in various combinations of multi-currencies. If an Establishment wishes to utilize the MCCY Platform, the following applies:

(i) The Establishment that wishes to utilize the

MCCY Platform must work with Amex to agree upon the systems development work and timetable to complete their interface to the MCCY Platform and alter their submission and settlement practices to submit all Transactions to the MCCY Platform processing center according to the Technical Specifications for the MCCY Platform. Local country requirements may apply as part of certifying an MCCY Affiliate Member Establishment, including establishing local demand deposit accounts ("Bank Account") where required by Applicable Law. Each party shall bear its own costs in respect of all such work on its respective systems;

(ii) Establishments must submit all Charges on the MCCY Platform electronically;

(iii) Processors. Establishments must use a Processor whom Amex has certified to the MCCY Platform;

(iv) Merchant Numbers – Establishments must establish a separate and unique Merchant Number for each currency combination for which it is submits and/or settles Charges; and

(v) Annual MCCY Platform Fee – Establishment(s) shall pay annual fee(s) to participate on the MCCY Platform in accordance with the fee schedule attached hereto as Schedule C, as modified from time to time.

(h) Additional Fees. In addition to your Discount, Amex may charge you additional fees and assessments. Schedule C lists some of Amex's current fees and assessments. Amex may adjust any of these amounts and may change any other amount Amex charges you for accepting the Card. Amex will notify you of such fees and assessments.

8. Payment Plans. (a) For Affiliate Member Establishments located in the Non-Domestic Area will be paid in accordance with a 7-day Payment Plan whereby payment is initiated (for purposes of this Section 8, "initiated" shall mean placed in the mail or put in process if some other form of payment is made available by Amex and mutually agreed upon by the parties) by Amex to Establishments seven (7) days after the date that Amex receives and processes the Charges submitted by Establishments prior to the Close of Business on

any particular business day subject to and in conformance with the requirements of this Agreement. In a given country, Amex may offer different Payment Plans with different speeds of pay (with different Discount Rate incentives) and/or methods of pay than what is provided in this Section 8(c) or a different Payment Plan may be required by Amex or pursuant to applicable law. Any Establishment selecting or subject to such Payment Plan must agree to the terms and conditions for such Payment Plan, which may include a Discount Rate different than the Discount Rates listed in this Agreement and the Schedules hereto.

(b) Establishments will elect the Payment Plan for submission of Charges at the time it executes its agreement with Amex. If more than one Payment Plan is available in a country, Establishments may change the Payment Option it has selected, at any time upon seven (7) business days prior written notice to Amex by delivering such notice to Amex at the location designated by the Amex sales representative.

(c) Electronic payment, where available, shall be mutually agreed upon by the parties. Payment by check is subject to the fees described in Section 6(b) above.

(d) Effect of Economic Conditions. In the event of economic (including but not limited to inflation or currency devaluation), political or other conditions beyond the control of Amex in a particular country(ies) that alters the financial value to Amex of the Discount Rate or the speed of payment under one of the Payment Plans described in this Section, Amex may, upon seven (7) days written notice to the Establishment(s) in that particular country, increase the Discount Rate and/or change the speed of payment and/or mode of pay (e.g., cease electronic pay) applicable to Charges made at such Establishment(s). If Establishment continues to accept the Card during the pendency of the condition, then after such economic, political or other condition that prompted Amex to take action ceases, any such increase in the Discount Rate and/or change in the speed of payment and/or mode of pay will be rescinded by Amex at the time Amex rescinds the increase in Discount Rate and/or change in the speed of payment for other similarly situated merchants in the affected country. Such changes may be made as often as warranted by Amex, and will be applicable

only to Charges made seven (7) days subsequent to the date Amex provides such notice. Affiliate Member or the affected Establishment may choose, within thirty (30) days prior written notice to Amex, to discontinue accepting Cards at the Establishment affected by such change for the duration of the change, and will resume accepting Cards within seven (7) days written notice by Amex that the change(s) is no longer in effect.

9. Promotional Material. Whenever Affiliate Member and Establishments communicate the payment methods they accept to customers, Affiliate Member and Establishments must indicate their acceptance of the Card and display Card identifying insignia (e.g. decals, plaques or other materials signifying Card acceptance) signifying card acceptance in a manner of comparable prominence as Affiliate Member and Establishments display or advertises such identifying insignia for Other Payment Products.

10. Collection of Payments. Neither Affiliate Member nor any Establishment will solicit any remittance from any Cardmembers on account of a purchase made with the Card, but if such remittance is received, Affiliate Member (or the Establishment as applicable) will promptly endorse it to the order of, and send it to Amex.

11. Chargeback. (a) In the exercise of Amex's right to Chargeback, Amex may Chargeback by deducting, withholding, recouping from or offsetting against Amex's payments hereunder (or debiting the Bank Account), or Amex may notify Affiliate Member or the applicable Establishment of the obligation to pay Amex, which Affiliate Member or the applicable Establishment, must do promptly and fully.

(b) Amex may exercise its rights of Chargeback with respect to any Charge in which:

(i) Affiliate Member or the applicable Establishment has not complied with the terms and conditions contained in Sections 2-6 and 15-18 of this Agreement, regardless of whether Amex had notice of such failure to comply at the time of receipt, acceptance or payment and regardless of whether Authorization was obtained for the Charge;

(ii) Authorization was not obtained as required in Section 12 hereof, or an

Authorization approval code was not submitted/transmitted with the Charge Record or Transaction Data, regardless of whether Amex accepted such Charge with actual knowledge that Authorization was not obtained or the approval code was missing;

(iii) Any portion of such Charge(s) constitutes amounts which were not on the Charge Record, folio or similar record reviewed by the Cardmember at the time of check-out (unless such Charge(s) were added as "delayed charges" in accordance with Amex's operating procedures) and if the Cardmember subsequently refuses to pay Amex for such amount;

(iv) Where applicable in particular Territories, if an Affiliate Member's (and or the applicable Establishment's Point of Sale Systems have not been upgraded or Amex has not certified the Affiliate Member for Chip and PIN Transactions;

(v) A Cardmember has a right under any law, rule or regulation of any state, federal or other governmental body, to assert against Amex or an Issuer any claim or defense which the Cardmember has against Affiliate Member, or Establishment(s) and such a Cardmember withholds payment to Amex or an Issuer or asserts such a claim or defense against Amex; and

(vi) Transaction Data by Transmission either does not conform to the Technical Specifications or the Charge Form was not prepared in accordance with this Agreement.

(c) Amex shall retain the Discount with regard to Charges for which Amex exercises its right to Chargeback.

(d) Amex will have other rights to Chargeback as provided in this Agreement.

(e) Amex's rights to Chargeback will survive termination of this Agreement.

12. Authorization. (a) Establishments will obtain Authorization using the procedures described below for every Charge, regardless of the amount of Charge. The obtaining of Authorization does not waive any rights to Chargeback that Amex may otherwise have under this Agreement, and does not guarantee that the person making the Charge is the Cardmember. Authorization requests must contain the data elements required by the Amex

Credit Authorization Guide provided to Affiliate Member. Affiliate Member and its Establishments will comply with the most current version of the Amex Credit Authorization Guide (located at [www.americanexpress.com/merchantspecs](http://www.americanexpress.com/merchantspecs)). Amex will provide an Authorization approval code to indicate that such Authorization was given, and such approval code will be submitted/transmitted to Amex with the Charge Record or Transaction Data, as applicable.

(b) Authorization – Electronic. The following applies only to Affiliate Member and Establishments that obtain Authorization of Charges electronically, i.e. those have established a direct or indirect electronic link between (1) the computer system or other authorization terminal or electronic point of sale device utilized by an Establishment and (2) Amex's credit authorization system. Establishments which have established an electronic link must obtain Authorization electronically for every Charge using said electronic link by swiping the Card through the Establishment's terminal or point of sale device. Notwithstanding Establishment's obligation to use the electronic link as provided above, there may be times when a telephone call will be necessary, such as when there is a technical malfunction with the electronic link, a "please call" response to an Authorization request, a "code 10" stolen card message, or an Emergency Check-in as described in Section 18 hereof. All telephone Authorization calls other than those listed in the prior sentence shall be subject to a fee as provided in subsection 12(c) below.

(c) Authorization - Non-Electronic. The following applies only to Establishments that have not established an electronic link as provided in subsection 12(b) above. Establishments will request Authorization for every Charge by telephoning the respective authorization center designated by Amex. Amex will, from time to time, advise Affiliate Member of the telephone number of the center or centers where Authorization may be obtained. Establishments may request Authorization from Amex by telephone call to the nearest Amex authorization center which is in operation at that time, or by such other method(s) as Amex may make available. In the Domestic Area, and subject to the next sentence, Establishments may call using a toll-free number, and in the Non-Domestic Area all such communication will be at the Establishment's

expense. Amex shall charge a fee for each telephone Authorization call, other than calls due to a "please call" response, "code 10" stolen card message, Emergency Check-In or when the electronic link is malfunctioning. Amex may, due to system constraints, charge the fee for calls when the electronic link is malfunctioning, and if that happens, Amex will refund the Establishment for such fees.

(d) Authorization Procedures. When a Cardmember wishes to use the Card to pay for a lodging stay, at the time of check-in, Establishment(s) will obtain Authorization for the full estimated amount of the Charge based upon the room rate and the number of days that the Cardmember expects to stay, plus taxes and other known ancillary amounts ("Estimated Charge"). Establishment(s) shall not overestimate this amount. Upon check-out:

(i) If the final Charge is no greater than the Estimated Charge plus fifteen percent (15%) of the Estimated Charge, no further Authorization is necessary.

(ii) If the final Charge is greater than the Estimated Charge by more than fifteen percent (15%), the Establishment will obtain Authorization for any additional amount of the Charge which is greater than the Estimated Charge. If the Establishment fails to request such Authorization for the additional amount, or requests Authorization for the additional amount but Authorization is declined, and the Cardmember fails to pay the Charge for any reason, Amex will have Chargeback for the amount of the Charge in excess of the Estimated Charge.

(iii) An Authorization for Estimated Charges is valid for the duration of the lodging stay. If the Charge is not submitted/transmitted to Amex within said seven (7) day period as set forth in the prior sentence, then Establishment(s) must obtain a new Authorization for the full amount of that Charge. For Charges of goods or services that are shipped or provided more than seven (7) days after an order is placed, Establishments must obtain an Approval for the Charge at the time the order is placed and again at the time they ship or provide the goods or services to the Cardmember.

(iv) If a Cardmember desires to use a Prepaid Card at the time of check-out when the final Charge is known, Establishment(s) shall obtain Authorization for the full amount of the Charge to be placed on the Prepaid Card. If the Prepaid Card does

not have sufficient funds available to cover the total price of the purchase, then Authorization is required only for the amount of funds used on the Prepaid Card; in this event Establishment(s) may follow its own policy on combining payment on Prepaid Cards with other payment methods (if the other payment method is a Card, then all the provisions of this Agreement apply).

(v) Visa/MasterCard Gateways. Establishments may route Authorization requests through the Visa/MasterCard Gateways to Amex and vice versa. "Visa/MasterCard Gateways" refer to connections under which Authorization requests are routed through Visa or MasterCard to Amex, as opposed to an Establishment(s) or an independent third party's direct connection to Amex for the submission of Authorization requests. Visa and MasterCard charge Amex fees for Authorizations through Visa/MasterCard Gateways. Amex will pass such Visa and MasterCard fees, which may vary depending on Authorization volume and other factors, on to Establishment(s) for all its Authorizations that are routed through such Visa and MasterCard Gateways in a given month.

13. Proprietary Rights and Permitted Uses. Neither party has any rights in the other party's Marks, except as otherwise expressly specified, nor shall one party use the other party's Marks without its prior written consent, except that we may use your name, address (including your website addresses or URLs), and customer service telephone numbers in any media at any time. Cardmember Information is confidential and Amex's and/or the Issuer's sole property. Except as otherwise specified, you must not disclose Cardmember Information, nor use it other than to facilitate Card transactions in accordance with this Agreement.

14. Processing of Credits. Establishment(s) will submit (or transmit electronically if Establishment(s) transmits Charges electronically) to Amex at such office or offices as Amex may reasonably designate from time to time, all Credit Records. Credit Records and related summary of credit forms will be submitted promptly but in no event more than seven (7) days from the date the credit is issued. Credit Records will not give cash refunds for Charges. All Credits and refunds will be made in the currency in which the original Charge was submitted to Amex for payment. Upon receipt

of Credit Records from Credit Records, Amex will deduct an amount equal to the gross amount of the Credit Records, less the applicable Discount Rate, from subsequent payments due to Establishment(s) or Affiliate Member hereunder. If Amex is unable to deduct such amount because of insufficient payments owing from which to deduct, the Establishment or Affiliate Member, as applicable must pay Amex promptly upon receipt of an invoice from Amex. Amex reserves the right to implement a policy to retain the Discount on Credits upon fourteen (14) days prior written notice to Affiliate Member.

15. Disputed Charges. With respect to a Disputed Charge, (i) Amex shall have the right to Chargeback, prior to contacting the Establishment, if Amex determines that it has sufficient information to resolve the Disputed Charge in favor of the Cardmember or (ii) Amex may contact the Establishment prior to exercising its right to Chargeback with respect to a Disputed Charge. In either case of (i) or (ii) above, Establishments shall have up to a maximum of twenty (20) days after said notice of Chargeback or contact to provide a response to Amex which contains such information as Amex requires. Amex shall have the right to exercise Chargeback, or Amex's previous decision to exercise Chargeback rights shall remain in effect, for the amount of the Disputed Charge if, by the end of that twenty (20) day time period, the Establishment has not fully resolved the Disputed Charge or provided Amex with the information requested enabling Amex to resolve the Disputed Charge. If a Cardmember, despite a response from the Establishment within the twenty (20) day period, continues to withhold payment for the Disputed Charge, Amex shall make a final determination, based upon the information provided by the Cardmember and by the Establishment, whether the Disputed Charge should be resolved in favor of the Cardmember or the Establishment. If resolved in favor of the Cardmember, Amex shall have the right to exercise Chargeback for that Disputed Charge, or Amex's previous exercise of Chargeback rights shall remain in effect.

(b) If Amex receives a disproportionately high number of Disputed Charges per number of individual Transactions submitted within a month, relative to the applicable Establishment's prior history or industry standards, Amex may charge the

applicable Establishment a fee. "Immediate Chargeback Program" allows Amex to offset from the applicable Establishment's Submission or debit the applicable Establishment's Bank Account for a Charge without first sending an Inquiry any time a Cardmember disputes a Charge for any reason other than actual or alleged fraud. (An Establishment may choose to enroll in the Immediate Chargeback Program to avoid receiving Inquiries or Disputes; or Amex may place an Establishment in the Immediate Chargeback Program if Amex receives a disproportionately high number of Disputed Charges relative to the applicable Establishment's prior history). An Establishment's inquiries and Charges where Amex exercised its right to Chargeback may be considered excessive if any of the following conditions are present:

- An Establishment is consistently unable to provide supporting documentation for Charges made at an Establishment;
- The ratio of Disputed Charges to gross Charges exceeds three percent (3%) two (2) times or more within a rolling twelve (12) month period;
- The number of no reply and insufficient Chargebacks at Establishment is deemed to be excessive relative to the applicable Establishment's prior history or industry standards.

This list is illustrative and does not reflect all circumstances under which Amex may act to protect its interests.

16. Assured Reservation Program. (a) The Assured Reservation program is available and the following procedures apply for all Cards, other than Prepaid Cards, countries mutually agreed upon in writing by the parties. Affiliate Member will honor Assured Reservations in countries where the Assured Reservation Program is available. Prepaid Cards shall not be accepted by Affiliate Member and Establishments for Assured Reservations.

(b) When accepting an Assured Reservation, the Establishment must advise the Cardmember that, if the Cardmember does not claim the Assured Reservation, or cancel it within the time specified in the Establishment's stated cancellation policy, the Cardmember may be charged for one

night's lodging plus applicable taxes. If the Cardmember does not claim (and so cancel) the Assured Reservation, and the Establishment decides to charge the one night's lodging, the Establishment must transmit the appropriate no-show descriptor on the Transaction Data or, if the Establishment submits Charges on paper, submit a completed Charge Record with the words "Assured Reservation - No Show" on the Cardmember signature line. If the Cardmember cancels, the Establishment must provide the Cardmember with a cancellation number.

(c) If the Establishment does not honor an Assured Reservation, it must 1) pay for the Cardmember to stay at comparable accommodations nearby for one night; 2) pay for the Cardmember's transportation to the alternate location; 3) pay for a three minute telephone call by the Cardmember; and 4) forward all communications directed to the Cardmember to the alternate location.

(d) Whenever Affiliate Member advertises Assured Reservations, the advertisement must include clear and conspicuous notice of Affiliate Member's or the applicable Establishment's cancellation policy.

17. Advance Payment Charges. Affiliate Member and Establishment must follow the procedures below if Establishments offer Cardmembers the option to pre-pay for lodging stays or requires room deposits. For an Advance Payment Charge, Establishments must:

(i) Affiliate Member's and/or Affiliate Group's reservation and cancellation policies must be fully disclosed to the Cardmember for Advanced Payment Charges for pre-paid lodging stays made over the phone and at counters at the time the Cardmember makes the reservation. In addition, Affiliate Member's (or Affiliate Group's website, if the reservation is made through Affiliate Group's website) website shall display Affiliate Member's reservation and cancellation policies for Advanced Payment Charges at the time the Cardmember makes his/her online reservation. The Cardmember must agree to the terms and conditions of said reservation and cancellation policies by the industry standard "click-through" process of Affiliate Member's (or Affiliate Group's, as applicable) Advanced Payment Charges payment procedure;

(ii) all Advanced Payment Charges made via the Internet shall be made through

Affiliate Member's (or Affiliate Group's website as applicable) website and not via any other third party reservation system or website;

(iii) For each Advanced Payment Charge, Establishment(s) must complete a Charge Record with the word "Advanced Payment Charge" on the Cardmember signature line or the appropriate descriptor on Transaction Data. The Establishment must also indicate on the Charge Form the scheduled arrival date. Within twenty-four (24) hours of the Charge being incurred, provide the Cardmember written confirmation (e.g., email or facsimile) of the Advance Payment Charge, the amount, the confirmation number (if applicable), a detailed description and expected delivery date of the goods and/or services to be provided (including expected arrival and departure dates, if applicable) and details of Affiliate Member's cancellation/refund policy.

(vi) If an Establishment does not honor an Advance Payment Charge, Affiliate Member must (1) issue a Credit for the Advance Payment Charge; (2) pay for the Cardmember to stay at comparable accommodations nearby for the duration of the original reservation or until the original location accommodations are available, whichever occurs first; (3) 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 (4) pay for one three-minute telephone call for the Cardmember to advise of the alternate location and one three-minute telephone call to advise of being moved back to the original location.

(vii) Additional Charges for items which the Cardmember has requested during the lodging stay shall be authorized and submitted in accordance with the terms of this Agreement;

(viii) If there is a dispute as to whether the Cardmember cancelled the Advanced Payment Charge in accordance with Affiliate Member's (or Affiliate Group's, as applicable) cancellation policy, Amex shall have the right to Chargeback for the Advanced Payment Charge.

18. Emergency Check-In. Where Amex makes this service available, if a Cardmember whose Card is lost or stolen requests check-in, Establishment(s), instead of following Sections 3(a) (i)-(iii), must call Amex' telephone Authorization number, ask for an "Authorizer," request Authorization for an "Emergency Check-In" and

follow the Establishment may then submit a Charge for the approved amount and transmit the appropriate descriptor on Transaction Data or submit a Charge Form with the words "Emergency Check-In" under the Cardmember's signature. All other terms contained in this Agreement shall apply to Emergency Check-In Charges.

19. Non-Assignability. Affiliate Member shall not assign this Agreement, whether voluntarily or by operation of law (including by way of sale of assets, merger, or consolidation), without our prior written consent, not to be unreasonably withheld. Any purported assignment by operation of law is voidable in our sole discretion. Amex may assign the Agreement without Affiliate Member's consent. Except as otherwise specified herein, the Agreement binds, and inures to the benefit of, the parties and their respective successors and permitted assigns.

20. Confidentiality and Protection of Cardmember Information.

(a) Confidentiality. You and we, respectively, must keep confidential and not disclose to any non-Affiliated third party the provisions of the Agreement and any information that it receives from the other under the Agreement that is not publicly available, except: (i) if such information is subject to disclosure pursuant to an order, decree, subpoena or other validly issued judicial or governmental agency process (including through requests for information or by oral questions), the receiving party shall use commercially reasonable efforts to promptly notify and cooperate with the other party of such request or requirement so that such other party may seek to avoid or minimize the required disclosure and/or to obtain an appropriate protective order or other appropriate relief to ensure that any information so disclosed is maintained in confidence to the maximum extent possible by the agency or other person receiving the disclosure; or (ii) if such information is requested from us by our or any of our Affiliates' regulators. Affiliate Member hereby consents that Amex may disclose information to Affiliate Group regarding Affiliate Member's Amex Charge volume, Discount Rate and other financial information relating to Affiliate Member's transactions under this Affiliate Member Agreement, including Affiliate Member's merchant identification number(s).

(b) Protection of Cardmember Information. Except as set forth herein, Affiliate Member and its Establishments must comply with Amex's DSOP (which is available at [www.americanexpress.com/datasecurity](http://www.americanexpress.com/datasecurity), a copy of Amex's DSOP as of the Effective Date is attached hereto as Schedule D), as such DSOP may be modified by Amex from time to time in its sole discretion.

(c) This Section 20 shall survive the termination of the Agreement.

21. Indemnification. Each party shall indemnify, defend, and hold harmless the other party and its 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 either Affiliate Member's or Amex's respective breach, negligent or wrongful act or omission, performance of this Agreement or failure to perform under the Agreement ("Indemnity Obligations"), and in addition to the foregoing, Affiliate Member's Indemnity Obligations to Amex, Amex's Affiliates, successors, and permitted assigns hereunder also apply to failure in the provision of Affiliate Member and its applicable Establishment's goods or services. This Section 21 will survive termination of the Agreement.

22. Entire Agreement. This Agreement, including all schedules, exhibits and attachments hereto, contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes the previous agreements including amendments, supplements and extensions thereto, between Amex and Affiliate Member, which are hereby terminated.

23. Term of Agreement. (a) This Agreement will be effective as of January 1, 2015 ("Effective Date") and will continue for a period of five (5) years from the Effective Date. Thereafter this Agreement will continue for successive one (1) year periods unless terminated by either party giving at least ninety (90) days prior written notice of termination to the other, terminated pursuant to subsections 23(b) or 23(c) hereof, or automatically terminated if the Master Agreement terminates. Affiliate Member and Establishments will continue to



honor Cards in accordance with this Agreement until the effective date of any termination.

(b) If either party materially breaches the performance of its obligations hereunder and such material breach continues for a period of thirty (30) days (fourteen (14) days in the case of a monetary default) after written notice of such breach, such other party may, without further demand, by written notice, terminate this Agreement.

(c) If Affiliate Member will:

(1) admit in writing an inability to pay its debts as they become due or, generally fail to pay its debts as they become due; or

(2) commence a case under any chapter of title 11 of the United States Code as now comprised or in the future amended or similar codes in other countries ("Bankruptcy Code"); or

(3) have commenced against it an involuntary case under the Bankruptcy Code; or

(4) consent to the entry of an order for relief under the Bankruptcy Code; or

(5) consent to or suffer the appointment of a custodian, receiver or trustee for all or a major part of its property; or

(6) make an assignment for the benefit of creditors; or

(7) consent to the entry of a court order under any law ordering the winding up or liquidation of its affairs, or suffer the entry of such an order; or

(8) suffer the issuance by any court of a writ, warrant of attachment or similar process against all or any substantial part of its property;

then Amex will have the right to terminate this Agreement immediately and/or take other reasonable actions including withholding payments due to Affiliate Member. In addition, Affiliate Member agrees that if any of the foregoing events occur with respect to Affiliate Member, Affiliate Member will not submit any Charges to Amex for payment incurred after Amex properly terminates this Agreement pursuant to this Section 23. Each party's rights and obligations hereunder with respect to Charges made prior to termination of this Agreement are applicable to such Charges if processed by Amex after termination. This subsection 23(c) shall survive termination of the Agreement.

(d) If Affiliate Member, or a subsidiary or affiliate owning or operating Establishments ceases or materially adversely alters its operations in a way that Amex reasonably believes puts into question the ability of Affiliate Member or Establishment(s) to meet their obligations hereunder, Amex may immediately terminate this Agreement and/or may take other reasonable actions including but not limited to maintaining a reserve from payments otherwise payable to Affiliate Member or Establishments to protect Amex's rights under this Agreement or any other agreement ("Other Agreement") between on the one hand Amex, its subsidiaries or affiliates, and on the other hand Affiliate Member, its subsidiaries or affiliates.

(e) Grounds for Termination. In addition to the termination rights in Sections 23(a) and 23(c)(ii), if Affiliate Member engages in any activities that harm Amex's business or the American Express Brand, without waiving Amex's other rights and remedies, Amex may terminate the Agreement immediately upon notice to Affiliate Member. If Amex determines or has reason to believe, in Amex's sole discretion, that Affiliate Member is involved (or knowingly participate or have participated) in a fraudulent or illegal business activity, Amex may terminate the Agreement immediately without prior notice to Affiliate Member. The Agreement is a contract to extend financial accommodations, and if bankruptcy or similar proceedings are filed with respect to Affiliate Member's business, then the Agreement will terminate automatically.

(i) Termination for Breach. If a party commits a material breach of the Agreement (other than as specified in the preceding subsection), without waiving its other rights and remedies, the other party has the right to send the breaching party a notice specifying the breach and providing the breaching party an opportunity to cure the breach within a period of time no less than thirty days ("Cure Period"). If the breach is not cured within the Cure Period, then the non-breaching party has the right to terminate the Agreement by notice to the breaching party, with termination to be effective not less than ten days following the end of the Cure Period.

(ii) Post-Termination. If the Agreement terminates, without waiving Amex's other rights and remedies, Amex may withhold from Establishment(s) or Affiliate Member, as applicable, any payments until

Amex has fully recovered all amounts owing to Amex and Amex's Affiliates. If any amounts remain unpaid, Affiliate Member's applicable, successors and permitted assigns remain liable for such amounts and shall pay Amex within thirty (30) days of Amex's request. Affiliate Member and Establishments must also remove all displays of Amex's Marks, return Amex's materials and equipment immediately, and submit to Amex any Charges and Credits incurred prior to termination.

(iii) Effect of Termination. Termination of the Agreement for any reason does not relieve the parties of their respective rights and duties arising prior to the effective date of termination that by their nature are intended to survive termination, Amex's Chargeback rights, and Affiliate Member's and Establishment's duties set forth in this Agreement to protect Cardmember Information, indemnify Amex, retain documents evidencing Transactions, and notify Affiliate Member's or the Establishment's (as applicable) Recurring Billing customers of such termination. Amex's right of direct access to the Bank Account will also survive until such time as all credits and debits permitted by the Agreement, and relating to Transactions prior to the effective date of termination, have been made.

(iv) Providing Information. Affiliate Member must provide to Amex promptly, upon request, information about Affiliate Member's finances, creditworthiness, and operations, including Affiliate Member's (or the Establishment, as applicable) most recent certified financial statement.

25. Modification/Waiver/Cumulative Rights/Savings. A failure or delay of either party to this Agreement to enforce at any time any of the provisions of this Agreement, or to exercise any option which is hereby provided, or to require at any time performance of the provisions hereof, will in no way be construed a waiver of any of the provisions of this Agreement. All rights and remedies of the parties are cumulative and not alternative. If any provision of the Agreement is held by a court of competent jurisdiction to be illegal or unenforceable, that provision shall be replaced by an enforceable provision most closely reflecting the parties' intentions, with the balance of the Agreement remaining unaffected.

26. Notice. All notices required or permitted to be given hereunder must be in writing

either hand-delivered or mailed, or by expedited mail courier service (with tracking capabilities), by first-class mail, postage prepaid and shall be deemed received upon receipt by Affiliate Member as follows:

To Amex:

American Express Travel Related Services Company, Inc.  
3 World Financial Center  
200 Vesey Street  
New York, New York 10285  
Attn: Senior Vice President, Global Client Group

With a copy to:

American Express Travel Related Services Company, Inc.  
3 World Financial Center  
200 Vesey Street, 49th Floor  
New York, NY 10285  
Attn: General Counsel's Office

To Affiliate Member:

The address Amex has on file for sending communications to Affiliate Member regarding Disputed Charges.

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27. Governing Law and Jurisdiction. For all purposes, this Agreement will be governed by, construed and implemented in accordance with the laws of the State of New York and the Federal laws of the United States applicable therein, without regard to principals of conflicts of laws.

28. Limitation of Liability. NOTWITHSTANDING ANY OTHER PROVISION HEREOF, IN NO EVENT SHALL EITHER PARTY BE LIABLE ONE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, LOST REVENUES, LOSS OF

PROFITS OR LOSS OF BUSINESS, IT BEING UNDERSTOOD THAT ANY PAYMENTS REQUIRED TO BE MADE BY A PARTY TO A THIRD PARTY AS A RESULT OF A BREACH OF THIS AGREEMENT BY THE OTHER PARTY OR ITS REPRESENTATIVES IS TO BE CONSIDERED HEREUNDER AS DIRECT DAMAGES AS TO WHICH THERE IS LIABILITY UNDER THIS AGREEMENT. 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 Chargebacks will not be impaired by such events. This Section 28 shall survive termination of the Agreement.

#### 29. Negotiation/Arbitration of Disputes.

This Section explains how Claims can be resolved through mediation, arbitration or litigation. It includes an arbitration provision.

(a) Notice of Claim. Before filing a lawsuit or beginning a mediation or arbitration regarding a Claim, you and we agree to send a written notice (“Claim notice”) to each party against whom the Claim is asserted. This provides the parties an opportunity to resolve the Claim informally or through mediation. The Claim notice must describe the nature and basis of the Claim and state the specific amount or other relief demanded. Notice to us must include your name, your Merchant name, address, and Merchant Number and be sent to our notice address set forth in Section 26 above. If the Claim proceeds to arbitration, the amount of any relief demanded by you or us in a Claim notice shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or we are entitled on the Claim.

(b) Mediation. In mediation, a neutral mediator helps parties resolve a claim. The mediator does not decide the claim but helps parties reach agreement.

(i) Initiation of Mediation. Before beginning a mediation, you or we must first provide the Claim notice described above. Within thirty (30) days after sending or receiving a Claim notice, you or we may submit the Claim to JAMS (1-800-352-5267, jamsadr.com) or the American Arbitration

Association (“AAA”) (1-800-778-7879, adr.org) for mediation, or to an alternative mediator mutually agreed upon in writing by you and us.

(ii) Conduct of Mediation. You and we agree to cooperate in selecting a mediator from a panel of neutrals and in scheduling the mediation proceedings. Both parties will share equally the costs of any mediation proceedings.

(iii) Confidentiality/Tolling. All communications made for the purpose of, in the course of, or pursuant to the mediation shall be confidential, and no evidence of any such communication shall be admissible for any purpose or subject to discovery. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled from thirty days following the sending of the Claim notice for sixty (60) days or until termination of the mediation, whichever is earlier.

(iv) Termination. Either you or we may terminate the mediation at any time following the first mediation proceeding. Your or our submission or failure to submit a Claim to mediation shall not affect your or our right to elect to resolve a Claim through arbitration.

(c) Arbitration. You or we may elect to resolve any Claim by individual arbitration. Claims are decided by a neutral arbitrator.

**If arbitration is chosen by any party, neither you nor we will have the right to litigate that Claim in court or have a jury trial on that Claim. Further, you and we will not have the right to participate in a representative capacity or as a member of any class pertaining to any Claim subject to arbitration. Arbitration procedures are generally simpler than the rules that apply in court, and discovery is more limited. The arbitrator’s decisions are as enforceable as any court order and are subject to very limited review by a court. Except as set forth below, the arbitrator’s decision will be final and binding. Other rights you or we would have in court may also not be available in arbitration.**

(i) Initiation of Arbitration. Before beginning an arbitration, you or we must first provide the Claim notice described above. Claims will be

referred to either JAMS or AAA, as selected by the party electing arbitration. Claims will be resolved pursuant to this Arbitration provision and the selected organization's rules in effect when the Claim is filed, except where those rules conflict with this Agreement. If we choose the organization, you may select the other within thirty (30) days after receiving notice of our selection. Contact JAMS or AAA to begin an arbitration or for other information. Claims also may be referred to another arbitration organization if you and we agree in writing or to an arbitrator appointed pursuant to section 5 of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (FAA). Any arbitration hearing that you attend shall take place in the federal judicial district where your headquarters is located or New York, New York, at your election.

(ii) **Limitations on Arbitration. If either party elects to resolve a Claim by arbitration, that Claim will be arbitrated on an individual basis. There will be no right or authority for any Claims to be arbitrated on a class action basis or on bases involving Claims brought in a purported representative capacity on behalf of the general public, other merchants or other persons similarly situated.** The arbitrator's authority is limited to Claims between you and us alone. Claims may not be joined or consolidated unless you and we agree in writing. An arbitration award and any judgment confirming it will apply only to the specific case and cannot be used in any other case except to enforce the award. This prohibition is intended to, and does, preclude you from participating in any action by any trade association or other organization against us. Notwithstanding any other provision and without waiving the right to appeal such decision, if any portion of these *Limitations on Arbitration* is deemed invalid or unenforceable, then the entire Arbitration provision (other than this sentence) will not apply.

(iii) **Previously Filed Claims/No Waiver.** You or we may elect to arbitrate any Claim that has been filed in court at any time before trial has begun or final judgment has been entered on the Claim. Either you or we may choose to delay enforcing or to not exercise rights under this arbitration provision, including the right to elect

to arbitrate a Claim, without waiving the right to exercise or enforce those rights on any other occasion. For the avoidance of any confusion, and not to limit its scope, this section applies to any class-action lawsuit relating to the "Honor All Cards," "non-discrimination," or "no steering" provisions of Section 2 above, or any similar provisions of any prior Card acceptance agreement, that was filed against us prior to the effective date of the Agreement.

(iv) **Arbitrator's Authority.** The arbitrator shall have the power and authority to award any relief that would have been available in court, including equitable relief (e.g., injunction, specific performance) and, cumulative with all other remedies, shall grant specific performance whenever possible. The arbitrator shall have no power or authority to alter the Agreement or any of its separate provisions, including this Section, nor to determine any matter or make any award except as provided in this Section.

(v) **Split Proceedings for Equitable Relief.** Either you or we may seek equitable relief in aid of arbitration prior to arbitration on the merits to preserve the status quo pending completion of such process. This Section shall be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all costs, including legal fees, to be paid by the party against whom enforcement is ordered.

(vi) **Small Claims Court; Injunctive Relief.** We shall not elect to use arbitration under this Section for any Claim you properly file in a small claims court so long as the Claim seeks individual relief only and is pending only in that court. Injunctive relief sought to enforce the provisions of Sections 13 and 20(a) above is not subject to the requirements of this section. This Section is not intended to, and does not, substitute for our ordinary business practices, policies, and procedures, including our rights to Chargeback and to create Reserves.

(vii) **Governing Law/Arbitration Procedures/Entry of Judgment.** This Section is made pursuant to a transaction involving interstate commerce and is governed by the FAA. The arbitrator shall apply New York law and

applicable statutes of limitations and shall honor claims of privilege recognized by law. The arbitrator shall apply the rules of the arbitration organization selected, as applicable to matters relating to evidence and discovery, not the federal or any state rules of civil procedure or rules of evidence, provided that any party may request that the arbitrator expand the scope of discovery by doing so in writing and copying any other parties, who shall have fifteen days to make objections, and the arbitrator shall notify the parties of his/her decision within twenty (20) days of any objecting party's submission. If your Claim is for \$10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the rules of the selected arbitration organization. At the timely request of a party, the arbitrator shall provide a written and reasoned opinion explaining his/her award. The arbitrator's decision shall be final and binding, except for any rights of appeal provided by the FAA. If the amount of the award exceeds \$100,000, either party can appeal that award to a three-arbitrator panel administered by the selected arbitration organization, which shall reconsider de novo any aspect of the initial award requested and whose decision shall be final and binding. The decision of that three-person panel may be appealed as provided by the FAA. Judgment upon an award rendered by the arbitrator or by a panel of arbitrators on appeal may be entered in any state or federal court in the federal judicial district where your headquarters or your assets are located.

(viii) Confidential Proceedings. The arbitration proceeding and all testimony, filings, documents, and any information relating to or presented during the proceedings shall be deemed to be confidential information not to be disclosed to any other party. All offers, promises, conduct, and statements, whether written or oral, made in the course of the Claim resolution, negotiations, mediations, arbitration, and proceedings to confirm arbitration awards by either party, its agents, employees, experts or attorneys, or by the mediator or arbitrator, including any arbitration award or judgment related thereto, are confidential, privileged, and inadmissible for any

purpose, including impeachment or estoppel, in any other litigation or proceeding involving any of the parties or non-parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation, mediation, or arbitration.

(ix) Costs of Arbitration Proceedings. Both parties will share equally the costs of any arbitration proceedings.

(d) Definitions. For purposes of Section 29 herein only, (i) *we*, *our*, and *us* include any of our Affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables, and all agents, directors, and representatives of any of the foregoing, and (ii) *you* and *your* include any of your Affiliates, licensees, predecessors, successors, or assigns, any purchasers of any receivables and all agents, directors, and representatives of any of the foregoing.

(e) Continuation. This Section will survive termination of this Agreement, any legal proceeding to collect a debt, any bankruptcy and any sale of you or your assets (in the case of a sale, its terms will apply to the buyer). If any portion of this Dispute Resolution section, except as otherwise provided in the *Limitations on Arbitration* subsection, is deemed invalid or unenforceable, it will not invalidate the remaining portions of this Dispute Resolution Section, the Agreement or any predecessor agreement you may have had with us, each of which shall be enforceable regardless of such invalidity.

30. Miscellaneous. (a) No Third-Party Beneficiaries. 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 person other than the parties hereto, their successors and permitted assigns.

(b) You and we, respectively, represent and warrant to the other that: (i) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized; (ii) it is duly qualified and licensed to do business in all jurisdictions in which it conducts business; (iii) it has full authority to enter into the Agreement and all

necessary assets and liquidity to perform its obligations and pay its debts hereunder as they become due; (iv) there is no circumstance threatened or pending that might have a material adverse effect on its business or its ability to perform its obligations or pay its debts hereunder; (v) the individual who signs the Agreement on behalf of a party has the authority to bind that party to the Agreement; and (vi) it is a sophisticated business, has negotiated individually each of the material provisions of the Agreement on an arm's length basis with the advice of competent counsel, in order to meet the respective needs of each party, and that no ambiguity in the drafting of the Agreement shall be construed against the drafter. You further represent and warrant to us that: (vii) you are authorized to enter into the Agreement on behalf of your Establishments and Affiliates, including those indicated in the Agreement; (viii) you are not (1) listed on the U.S. Department of Treasury, Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List (available at [www.treas.gov/ofac](http://www.treas.gov/ofac)), (2) listed on the U.S. Department of State's Terrorist Exclusion List (available at [www.state.gov](http://www.state.gov)), or (3) located in or operating under license issued by a jurisdiction identified by the U.S. Department of State as a sponsor of international terrorism, by the U.S. Secretary of the Treasury as warranting special measures due to money laundering concerns, or as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization of which the United States is a member; (ix) you have not assigned to any third party any payments due to you under the Agreement and all indebtedness arising from Charges are for bona fide sales of goods or services (or both) at your Establishments and free of any liens, claims, and encumbrances other than ordinary sales taxes; (x) all information that you provided in connection with the Agreement is true, accurate, and complete; and (xi) you have read the Agreement and kept a copy for your file. If any of your representations or warranties in the Agreement becomes untrue, inaccurate, or incomplete at any time, we may immediately terminate the Agreement in our discretion.

(c) Compliance with Laws. You and we, respectively, shall comply with all applicable laws, regulations, and rules.

(d) Press Releases. Neither party shall issue any press release or make any public announcement (or both) in respect of the Agreement or the other party without the other party's prior written consent.

(e) Disclaimer of Warranties. AMEX DOES NOT MAKE AND HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES, WHETHER EXPRESS, IMPLIED, OR ARISING BY LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY OF TITLE OR NON-INFRINGEMENT.

(f) Independent Contractors. Affiliate Member and Amex 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.

(g) 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; and (vi) all captions, headings, and similar terms are for reference only.

31. Counterparts and Facsimile Versions. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile is as effective as executing and delivering this Agreement in the presence of the other party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective authorized officers as of the day and year first above written.

Affiliate Member Name:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Affiliate Member  
Merchant Number(s):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AMERICAN EXPRESS TRAVEL  
RELATED SERVICES COMPANY, INC.

By: Anne Williams

Name: Anne Williams

Date: 11/5/14

## SCHEDULE A

Affiliate Members located in the Non-Domestic Area  
with electronic Authorization and electronic Submission

Prior Calendar Year's Net Annual Worldwide Charge Volume (\$U.S.)	Discount Rate*
\$ 610,200,000 - \$ 2,033,999,999	3.05%
\$2,034,000,000 - \$ 4,067,999,999	3.00%
\$4,068,000,000 - \$ 7,118,999,999	2.95%

(\*Based on prior calendar year's Net Annual Worldwide Charge Volume and the current 7-Day Payment Plan.)

Prepaid Card Discount Rate in the Non-Domestic Area shall be set locally by Amex.



SCHEDULE A-1

Non-electronic Affiliate Members located Worldwide in  
countries in which Amex does not offer electronic  
Authorization and Submission

Prior Calendar Year's Net  
Annual Worldwide Charge  
Volume(\$U.S.)

Discount Rate\*

\$ 610,200,000 - \$ 2,033,999,999	3.20%
\$2,034,000,000 - \$ 4,067,999,999	3.15%
\$4,068,000,000 - \$ 7,118,999,999	3.10%

\* Discount Rate for Affiliate Members in the Domestic Area are based upon prior calendar year's Net Annual Worldwide Charge Volume and the current 3-Day Payment Plan. Discount Rate for Affiliate Members in the Non-Domestic Area are based upon prior calendar year's Net Annual Worldwide Charge Volume and the current 7-day Payment Plan.

SCHEDULE A-2

Non-electronic Affiliate Members located Worldwide  
in countries in which Amex offers  
electronic Authorization and Submission

\*Discount Rate: 3.60%

\*Based upon the current 3-Day Payment Plan in the Domestic Area and the current 7-Day Payment Plan in the Non-Domestic Area.

## SCHEDULE B

### AMEX WORLDWIDE ACCOUNT PAYMENT PROCEDURES

#### 1. SUBMISSION OF CHARGES

A. The currencies listed on Schedule B-1 are the currencies in which Charges may be submitted. Charges incurred in the currencies listed on this Schedule B will be sorted, batched, summarized and submitted separately by Affiliate Member to Amex.

B. If, subsequent to the Effective Date of this Agreement, Affiliate Member begins permitting Cardmembers to make Charges in a currency not listed in Schedule B and not previously agreed to as a submission currency, it will immediately notify Amex in writing; and Affiliate Member will, after written notification from Amex of Amex's agreement to such submission, submit Charges in that currency.

C. If, subsequent to the Effective Date of this Agreement, Amex begins billing Cardmembers in a currency not listed in Schedule B and Affiliate Member permits Cardmembers to make Charges in that currency, Affiliate Member will, after written notification from Amex of Amex's agreement to such submission, submit Charges, sorted, batched and summarized in that currency and accept payment for such Charges in that currency, or at Amex's discretion in U.S. dollars, converted in accordance with Section 2 of this Schedule B.

D. In all cases, submission and payment of Charges will be subject to immediate review and amendment in the event that exchange control regulations or other unforeseen events inhibit the settlement operation for either party.

#### 2. CURRENCY CONVERSION

Any currency conversions made by Amex pursuant to this Agreement will be made as of the date of processing the Charge(s) by Amex or at such other date as Amex may provide notice. Unless specified by local laws or regulations, the exchange rate used for such conversions by Amex will be based on quotes obtained by Amex from major financial institutions.

#### 3. SUBMISSION ERRORS AND ADJUSTMENTS

In the event that a reconciliation of Charges by Amex indicates any error in the submitted amounts, such as incorrect calculations, inclusion of another company's charge forms, or inclusion of invalid account numbers, the following procedures will be followed:

A. The adjustment(s) will be calculated in the currency in which the Charges were submitted.

B. If monies are due Amex, Amex will, upon presentation to Affiliate Member of appropriate documentation substantiating the amount due, deduct such amount from the payment due to the relevant Affiliate Member(s) for such submission.

C. In the event monies are due Affiliate Member(s), Amex will add the appropriate amount to payment due for said submission.

D. Amex will return to Affiliate Member any charge forms of other companies which were submitted by Affiliate Member.

E. Any currency conversions used to make the adjustments described in this Section will be made in accordance with Section 2 of this Schedule B.

#### 4. CHARGEBACKS

In the event Amex exercises its rights to Chargeback with respect to a Charge Amex will utilize the following procedures:

A. The adjustment will be calculated in the currency in which the Charge(s) were submitted.

B. If monies are due Amex for Charges submitted by an Affiliate Member, Amex will immediately deduct such amount from subsequent payments to the Affiliate Member in the currency of such payment, with applicable conversions made in accordance with Section 2 of this Schedule B.

#### 5. CREDITS

Credits will be issued in the currency in which the original Charge was submitted to Amex for payment.

#### 6. TAXES

Amex shall bear withholding taxes applicable in any jurisdiction on payment of the Discount from Establishments to Amex (if any), provided that Affiliate Member(s) shall withhold such taxes only if required to do so by Applicable Law and shall furnish to Amex within thirty (30) days, or as soon as practicable thereafter, the official receipts of the applicable tax authorities for the taxes invoiced. Business taxes or equivalent indirect taxes such as goods and services taxes or value added taxes on the Discount or other merchant fees (if any) shall be borne and payable by Affiliate Member.

If you are a U.S. citizen, resident of the U.S., or a U.S. Entity, you must either provide to us a valid, true, complete, and correct U.S. Tax Identification Number or U.S. Internal Revenue Service Form W-9. We hereby notify you that, if you do not provide either a Tax Identification Number or the properly completed and valid Form W-9, that we and our Affiliates have the obligation and right to backup withhold on payments to you as required by Applicable Law and to remit such withheld funds to the U.S. Internal Revenue Service. If you are not a U.S. citizen, resident of the U.S., or a U.S. Entity, you must complete a U.S. Internal Revenue Service Form W-8BEN (or a Form W-8ECI if conducting a trade or business within the U.S. to which our payments relate) so that we are not required to report to the U.S. Internal Revenue Service and backup withhold on payments to you. Prior to payment of any funds to you, whether under the Agreement, or otherwise, you shall submit to us a valid, true, complete, and correct U.S. Internal Revenue Service Form W-8BEN (or Form W-8ECI, if applicable). We hereby notify you that, if you do not provide the properly completed and

valid Form W-8BEN (or Form W-8ECI, if applicable), that we or our Affiliates have the obligation and right to backup withhold on payments to you as required by Applicable Law and to remit such withheld funds to the U.S. Internal Revenue Service.

## SCHEDULE B-1

<i>Afghanistan Afghani</i>	Fiji Dollar
Albanian Lek	Gambia Dalasi
Algerian Dinar	Georgia Lari
<i>Angolan Kwanza</i>	Ghanaian Cedi
Argentine Peso*	Gibraltar Pound
Armenian Dram	Guatemalan Quetzal
Aruban Guilder	Guinean Franc
Australian Dollar	Guyana Dollar
Azerbaijani Manat	Haiti Gourde
Bahamian Dollar	Honduran Lempira
Bahraini Dinar	Hong Kong Dollar
Bangladesh Taka	Hungarian Forint
Barbados Dollar	Icelandic Krona
Belarusian Ruble	Indian Rupee
Belize Dollar	Indonesian Rupiah
Bermudian Dollar	<i>Iraqi Dinar</i>
Bhutan Ngultrum	Jamaican Dollar
Bolivian Boliviano	Japanese Yen
Bosnian Mark	Jordanian Dinar
Botswana Pula	Kazakhstan Tenge
<i>Brazilian Real*</i>	Kenyan Shilling
Brunei Dollar	Kuwaiti Dinar
Bulgarian Lev	Kyrgyzstan Som
<i>Burundi Franc</i>	<i>Laotian Kip</i>
Cambodian Riel	Latvian Lats
Canadian Dollar	Lebanese Pound
Cape Verde Escudo	Lesotho Loti
Cayman Islands Dollar	Liberian Dollar
Central French Polynesian Franc	<i>Libyan Dinar</i>
CFA Franc BCEAO, West Africa	Lithuanian Litas
CFA Franc BEAC, Central Africa	Macao Pataca
Chilean Peso	Macedonia Denar
China Yuan Renminbi*	Malagasy Ariary
Colombian Peso	Malawi Kwacha
Comoro Franc	Malaysian Ringgit
Congolese Franc	Maldives Rufiyaa
Costa Rican Colon	Mauritania Ouguiya
Croatian Kuna	Mauritius Rupee
Czech Koruna	Mexican Peso*
Danish Krone	Moldovan Leu
Djibouti Franc	Mongolian Tugrik
Dominican Republic Peso	Moroccan Dirham
E. Caribbean Dollar	Mozambique Metical
Egyptian Pound	Namibian Dollar
El Salvadorian Colon	Nepalese Rupee
Ethiopian Birr	Netherlands Antillian Guilder
Euro	New Israeli Shekel
<i>Falkland Islands Pound</i>	New Taiwan Dollar

New Zealand Dollar  
Nicaraguan Cordoba Oro  
Nigeria Naira  
Norwegian Krone  
Oman Rial  
Pakistan Rupee  
Panama Balboa  
Papua New Guinea Kina  
Paraguayan Guarani  
Peruvian Nuevo Sol  
Philippine Peso  
Polish Zloty  
Qatari Rial  
Romanian Leu  
Russian Federation Ruble  
Rwanda Franc  
Samoa Tala  
Sao Tome and Principe Dobra  
Saudi Arabian Riyal  
Serbian Dinar  
Seychelles Rupee  
Sierra Leone Leone  
Singapore Dollar  
Solomon Islands Dollar  
Somali Shilling  
South African Rand  
South Korean Won  
Sri Lanka Rupee  
*St. Helena Pound*  
Surinam Dollar  
Swaziland Lilangeni  
Swedish Krona  
Swiss Franc  
Syrian Pound

Tajik Somoni  
Tanzanian Shilling  
Thailand Baht  
Tongan Pa'anga  
Trinidad and Tobago Dollar  
Tunisian Dinar  
Turkish Lira  
Turkmenistan New Manat  
U.A.E. Dirham  
U.S. Dollar  
Uganda Shilling  
Ukraine Hryvnia  
United Kingdom Pound Sterling  
Uruguayan Peso  
Uzbekistan Som  
Vanuatu Vatu  
Venezuelan Bolivar Fuerte\*  
Vietnamese Dong  
Yemeni Rial  
Zambia Kwacha  
Zimbabwe Dollar

Currencies in *italics* must be discussed with the Establishment's American Express representative.

**THE FOLLOWING CURRENCIES ARE PROHIBITED:**

Cuban Peso  
Iranian Real  
North Korean Won  
Myanmar Kyat  
South Sudanese Pound  
Sudanese Pound

\* Sections 7 and 8 (a) through (e) of the Agreement shall not be applicable to Charges incurred by Cardmembers in Argentina, Brazil, China, Mexico and Venezuela. Until such time as Amex and Affiliate Member reach agreement on the Discount Rate and payment plans applicable to Charges incurred in each of these countries, Amex will determine the Discount Rate and payment plans applicable to such countries. If Amex does not apply the Discount Rate and payment plan provisions under Sections 7 and 8 of the Agreement in a particular country and Amex and Affiliate Member cannot reach agreement on the Discount Rate and payment plans applicable to Charges incurred in any such country, either party has the option to discontinue acceptance in any such country on thirty (30) days written notice to the other party. If Affiliate Member has elected to discontinue Card acceptance in any such country and thereafter wishes to resume permitting Cardmembers to make Charges in such country, Affiliate Member will give Amex thirty (30) days notice of such intention and Amex will determine the Discount Rates and payment plans applicable to such country. Amex reserves the right to expand the list of countries to which these provisions will apply on seven (7) days written notice to Affiliate Member in accordance with Section 8 (f) of the Agreement.

SCHEDULE C

List of Fees

This schedule lists some of Amex’s current fees and assessment that apply in the Domestic Area, which Amex may charge Affiliate Member in addition to the Discount. These fees may be expressed in their local currency equivalents. Different or additional fees or assessments may apply in the Non-Domestic Area. Amex may adjust these amounts, change any other amount Amex charge you for accepting the Card, and charge additional fees and assessments from time to time.

Fee	Description	Amount		
Check Fee (U.S. only)	A fee may be assessed for each check that Amex issues/creates.	Varies		
Credit Transaction Fee (U.S. and Canada only)	Each Credit you process for which we do not retain the Discount is subject to a fee.	\$0.50 for each Credit transaction or Retention of the Discount Rate, whichever amount is lower.		
Data Incident Non-Compliance Fee	A fee assessed to Affiliate Member in respect of a data incident under Amex’s Data Security Operating Policy.	Not to exceed \$100,000 per data incident.		
Data Security NonValidation Fee	<p>Depending on Affiliate Member’s Transaction volume, Affiliate Member has reporting obligations under Amex’s Data Security Operating Policy including providing Validation Documentation to Amex. Affiliate Member may be assessed non validation fees if Affiliate Member fails to provide the mandatory Validation Documentation to American Express by the applicable deadline. Amex will notify Affiliate Member of the applicable deadline for each reporting period.</p> <ul style="list-style-type: none"> <li>• A non validation fee will be assessed if the Validation Documentation is not received by the first deadline.</li> <li>• An additional non validation fee will be assessed if the Validation Documentation is not received within 30 days of the first deadline.</li> <li>• An additional non validation fee will be assessed if the Validation Documentation is not received within 60 days of the first deadline.</li> </ul>	Deadline	Level 1	Level 2
		First Deadline	\$25,000	\$5,000
		30 days past due	\$35,000	\$10,000
		60 days past due	\$45,000	\$15,000
Data Pass Violation Fee (U.S. only)	A fee applied to you if (i) you accept or have accepted Transaction Data from; or (ii) provide or have provided Transaction Data to, any third parties other than your Covered Parties. If, in our sole discretion, we determine that you or any of your Establishments have violated this provision, you may be assessed data pass violation fees. At the time we determine you have violated this provision, we may take the following actions, including assessment of a fee based on the gross Charge volume at your highest Merchant Account level over a rolling	Charge Volume	Fee and Actions	
		Less than \$1,000,000	First violation: \$2,500 and warning letter specifying date for correction. Second violation:	

	twelve (12) month period. We may, at any time, suspend Card acceptance privileges at Affiliate Member and its Establishments or terminate this Agreement.		\$5,000 and final notice.	
		\$1,000,000 to \$10,000,000	First violation: \$5,000 and warning letter specifying date for correction. Second violation: \$10,000 and final notice.	
		Over \$10,000,000	First violation: \$25,000 and warning letter specifying date for correction. Second violation: \$50,000 and final notice.	
Excessive Dispute Fee (U.S. only)	If, in any 3 months, the monthly ratio of Disputed Charges to gross Charges (less Credits) at an Establishment exceeds 3%, and thereafter in any month when the Establishment again exceeds this ratio, we may charge Affiliate Member a fee for each Disputed Charge in excess of this ratio.	\$5 per Disputed Charge if Affiliate Member is in the Immediate Chargeback program or \$15 per Disputed Charge if Affiliate Member is not in the Immediate Chargeback program		
Inbound Fee (U.S. and Canadian Establishments only)	A fee applied on any Charge made using a Card that was issued outside the United States. (As used here, the United States does not include Puerto Rico, the U.S. Virgin Islands, and other U.S. territories and possessions.)  In Canada, this is a fee applied on any Charge made using a Card that was issued outside Canada.	0.40% of the face amount of the Charge.		
Gateway Fee (U.S. only)	If Affiliate Member or Affiliate Member's Covered Parties route Authorization requests to Amex through the Visa or MasterCard processing gateways, Visa and MasterCard charge Amex fees for these Authorizations. Amex will pass their fees, which may vary depending on Authorization volume and other factors, on to Affiliate Member for all of Affiliate Member's Authorization requests that are routed through their gateways in a given month.	Varies		
MCCY Platform Fee	A fee assessed each year to MCCY Establishments for each unique combination of MCCY Currencies, per year, and calculated in the MCCY Settlement Currency.	Code	MCCY Settlement Currency	
		MC2US	USD	USD 200
		MC2UK	GBP	GBP 200
		MC2EU	Euro	Euro 160
		CZKMC	CZK	CZK 5100



		DKKMC	DKK	DKK 1200
		HUFMC	HUF	HUF 40000
		NOKMC	NOK	NOK 1350
		PLNMC	PLN	PLN 725
		SKKMC	SKK	SKK 6500
		CHFMC	CHF	CHF 250
		SEKMC	SEK	SEK 1500
		MCAUD	AUD	AUD 250
		MCNZ	NZD	NZD 285
		MCSGD	SGD	SGD 300
		MCHKD	HKD	HKD 1560
		MCJPN	JPN Yen	Yen 24000
			CAD	CAD 200
Monthly Gross Pay Fee (U.S. and Canada only)	If you enroll in the monthly gross Pay option, we may charge this fee if the amount of Charges exceeds a threshold amount we determine.	0.03% of the face amount of the Charge		
Paper Statement Fee	If Affiliate Member chooses to receive paper statements, Amex may charge Affiliate Member a fee for each paper statement.	Not to exceed \$7.95 per statement		
Specifications Non Compliance Fee (U.S. and Canada only)	A fee applied to any Transaction submitted to us that does not comply with the Specifications. This fee applies to Transactions submitted via both Processors and/or direct to us.	In the United States: 0.75% of the face amount of the Transaction; and In Canada: 0.25% of the face amount of the Transaction.		
Voice Authorization Fee	If your Point of Sale System is unable to reach our computer Authorization system for Authorization, or you do not have such Point of Sale Systems, you must request the Authorization for all Charges by calling the American Express Authorization department. We may charge you a fee for each Charge for which you request Authorization by telephone unless such failure to request Authorization electronically is due to the unavailability or inoperability of our computer Authorization system, or you are prompted with a "Please Call" or "Referral" message by your Point of Sale System, you contact us for a voice Authorization on the same day you receive the message, and you enter the same dollar amount (within \$1) over the telephone that you initially entered in the Point of Sale System when you received the message.	\$0.65 per Charge		

## SCHEDULE D

American Express Data Security Operating Policy – see attached.

# American Express Data Security Operating Policy – U.S.

As a leader in consumer protection, American Express has a long-standing commitment to protect Cardmember Information, ensuring that it is kept secure.

*Compromised data negatively impacts consumers, merchants, Service Providers and card issuers. Even one incident can severely damage a company's reputation and impair its ability to effectively conduct business. Addressing this threat by implementing security operating policies can help improve customer trust, increase profitability, and enhance a company's reputation.*

*American Express knows that our merchants and Service Providers (collectively, "you") share our concern and requires, as part of your responsibilities, that you comply with the data security provisions in your agreement to accept (in the case of merchants) or process (in the case of Service Providers) the American Express® Card (each, respectively, the "Agreement") and this Data Security Operating Policy, which we may amend from time to time. These requirements apply to all your equipment, systems, and networks on which Cardholder Data or Sensitive Authentication Data (or both) are stored, processed, or transmitted.*

**Capitalized terms used but not defined herein have the meanings ascribed to them in the glossary at the end of this policy.**

## Section I – Standards for Protection of Cardholder Data and Sensitive Authentication Data

You must, and you must cause your Covered Parties to:

- (i) store Cardholder Data only to facilitate American Express Card Transactions in accordance with, and as required by, the Agreement and
- (ii) comply with the current version of the Payment Card Industry Data Security Standard ("PCI DSS") no later than the effective date for implementing that version.
- (iii) use, when deploying new or replacement PIN Entry Devices or Payment Applications (or both), only those that are PCI-Approved.

You must protect all American Express 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 American Express for ensuring your Covered Parties' compliance with these data security provisions (other than for demonstrating your Covered Parties' compliance with this policy under Section 4 below.)

## Section 2 – Data Incident Management Obligations

You must notify American Express immediately and in no case later than twenty-four (24) hours after discovery of a Data Incident.

To notify American Express, please contact the American Express Enterprise Incident Response Program (EIRP) toll free at (888) 732-3750/US only, or at 1-(602) 537-3021/International, or email at EIRP@aexp.com. You must designate an individual as your contact regarding such Data Incident.

You must conduct a thorough forensic investigation of each Data Incident. For Data Incidents involving 10,000 or more unique American Express Card account numbers (or otherwise at American Express's request), a PCI Forensic Investigator ("PFI") must conduct this investigation. You must promptly provide to American Express all Compromised Card Numbers and the forensic investigation report of the Data Incident. You must work with American Express to rectify any issues arising from the Data Incident, including consulting with American Express about your communications to American Express Cardmembers affected by

the Data Incident and providing (and obtaining any waivers necessary to provide) to American Express all relevant information to verify your ability to prevent future Data Incidents in a manner consistent with the Agreement. Forensic investigation reports must include forensic reviews, reports on compliance, and all other information related to the Data Incident; identify the cause of the Data Incident; confirm whether or not you were in compliance with the PCI DSS at the time of the Data Incident; and verify your ability to prevent future Data Incidents by providing a plan for remediating all PCI DSS deficiencies. Upon American Express's request, you shall provide validation by a Qualified Security Assessor ("QSA") that the deficiencies have been remediated.

Notwithstanding any contrary confidentiality obligation in the Agreement, American Express has the right to disclose information about any Data Incident to American Express Cardmembers, issuers, other participants on the American Express network, and the general public as required by applicable law; by judicial, administrative, or regulatory order, decree, subpoena, request, or other process in order to mitigate the risk of fraud or other harm or otherwise to the extent appropriate to operate the American Express network.

## Section 3 – Indemnity Obligations for a Data Incident

Your indemnity obligations to American Express under the Agreement for Data Incidents shall be determined, without waiving any of American Express's other rights and remedies, under this Section 3.

American Express will not seek indemnification from you for a Data Incident (a) involving less than 10,000 unique Compromised Card Numbers or (b) if:

- (i) you notified American Express of the Data Incident pursuant to Section 2 of this policy,
- (ii) you were in compliance at the time of the Data Incident with the PCI DSS, and the Data Incident involved only PCI-Approved PIN Entry Devices or Payment Applications, or both (as determined by the PFI's investigation of the Data Incident), and
- (iii) the Data Incident was not caused by your wrongful conduct or that of your Covered Parties.

You are liable for all other Data Incidents as follows. For a Data Incident involving American Express Card account numbers alone, you shall compensate American Express promptly by paying a Data Incident non-compliance fee not to exceed \$100,000 per Data Incident. For a Data Incident involving American Express Card account numbers with Sensitive Authentication Data, you shall compensate American Express promptly for:

- Incremental Fraud (defined below) within the Data Incident Event Window and
- Card monitoring and replacement costs of (i) \$1.00 per Card account number for 90% of the total number of Compromised Card Numbers and (ii) \$5.00 per Card account number for 10% of the total number of Compromised Card Numbers, respectively, and
- A Data Incident non-compliance fee not to exceed \$100,000 per Data Incident.

American Express shall calculate “Incremental Fraud” according to the following methodology:

Incremental Fraud = (X – Y) multiplied by Z, where:

X = (i) Card issuers’ total fraud losses excluding fraud chargebacks and losses from fraudulent Card applications on Compromised Card Numbers during the Data Incident Event Window divided by (ii) Card issuers’ total Charge volume on Compromised Card Numbers during the Data Incident Event Window.

Y = (i) Card issuers’ total fraud losses excluding fraud chargebacks and losses from fraudulent American Express Card applications on non-Compromised Card Numbers during the Data Incident Event Window, divided by (ii) Card issuers’ total Charge volume on non-Compromised Card Numbers during the Data Incident Event Window.

Z = Card issuers’ total Charge volume on Compromised Card Numbers during the Data Incident Event Window.

American Express will exclude from its calculations of Incremental Fraud and Card monitoring and replacement costs any American Express Card account number that was involved in another Data Incident involving American Express Card account numbers with Sensitive Authentication Data, provided that American Express received notification of the other Data Incident within the twelve (12) months prior to the Notification Date. All calculations made by American Express under this methodology are final.

Merchants’ indemnity obligations for Data Incidents hereunder shall not be considered incidental, indirect, speculative, consequential, special, punitive, or exemplary damages under the Agreement; provided that such obligations do not include damages related to or in the nature of lost profits or revenues, loss of goodwill, or loss of business opportunities.

#### Section 4 – IMPORTANT! Periodic Validation of Your Systems

You must take the following steps to validate under PCI DSS annually and quarterly as described below, the status of your equipment, systems and/or networks (and their components) on which Cardholder Data or Sensitive Authentication Data (or both) are stored, processed or transmitted.

#### Step 1 – Enroll in American Express’s Compliance Program under this Policy

Level 1 merchants, Level 2 merchants, those Level 3 merchants whom American Express has designated (as described below), and Level EMV merchants and all Service Providers, as described below, must enroll in American Express’s compliance program under this policy by providing the full name, e-mail address, telephone number, and physical mailing address of an individual who will serve as their general data security contact. You must submit this information to Trustwave, which administers the program on behalf of American Express, by one of the methods listed in Step 3 below. You must notify Trustwave if this information changes, providing updated information where applicable.

American Express may require certain Level 3 merchants to enroll in American Express’s compliance program under this policy by sending them written notice. The designated Level 3 merchant must enroll no later than 90 days following receipt of the notice.

#### Step 2 – Determine your Level and Validation Requirements

There are four Levels for merchants and two Levels for Service Providers. Most levels are based on your volume of American Express Card Transactions. For merchants, this is the volume submitted by their establishments that roll-up to the highest American Express merchant account level. You will fall into one of the Levels specified in the Merchant and Service Provider tables below.

##### Merchant table

Level	Definition – Merchants only	Validation Documentation	Requirement
1	2.5 million American Express Card Transactions or more per year; or any merchant or that American Express otherwise deems a Level 1.	Annual Onsite Security Assessment Report, and Quarterly Network Scan	Mandatory
2	50,000 to 2.5 million American Express Card Transactions per year	Annual Self Assessment Questionnaire and Quarterly Network Scan	Mandatory
3*	Less than 50,000 American Express Card Transactions per year	Annual Self Assessment Questionnaire and Quarterly Network Scan	Strongly Recommended, except Mandatory for designated Level 3 merchants
EMV**	50,000 American Express Card Transactions or more per year, of which total Transactions at least 75% are made by the Cardmember with the physical Card present at a Point of Sale System compliant with EMV Specifications and capable of processing contact and contactless American Express Chip Cards.	Annual EMV Attestation	Mandatory

\*For the avoidance of doubt, Level 3 merchants (other than designated Level 3 merchants) need not submit Validation Documentation, but nevertheless must



comply with, and are subject to liability under all other provisions of this Data Security Operating Policy  
 \*\*Level EMV is not available for merchants that have had a Data Incident within twelve (12) months prior to the date of their Annual EMV Attestation.

*Service Provider table*

Level	Definition – Service Providers only	Validation Documentation	Requirement
1	2.5 million American Express Card Transactions or more per year; or any Service Provider that American Express otherwise deems a Level 1.	Annual Onsite Security Assessment Report, and Quarterly Network Scan	Mandatory
2	<u>Service Provider:</u> Any Service Provider other than a Level 1 Service Provider.	Annual Self Assessment Questionnaire and Quarterly Network Scan	Mandatory

Determine your level and the Validation Documentation that you must send to American Express.

**Annual Onsite Security Assessment Validation Documentation –** The Annual Onsite Security Assessment is a detailed onsite examination of your equipment, systems, and networks (and their components) where Cardholder Data or Sensitive Authentication Data (or both) are stored, processed or transmitted. It must be performed by (i) a QSA or (ii) you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal and submitted annually to American Express on the applicable Attestation of Compliance (“AOC”). To fulfill validation obligations under this policy, the AOC must certify compliance with all requirements of the PCI DSS and, upon request, include copies of the full report on compliance

**Annual Self Assessment Questionnaire Validation Documentation –** The Annual Self Assessment is a process using the PCI DSS Self-Assessment Questionnaire (“SAQ”) that allows self-examination of your equipment, systems, and networks (and their components) where Cardholder Data or Sensitive Authentication Data (or both) are stored, processed, or transmitted. It must be performed by you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal. The AOC section of the SAQ must be submitted annually to American Express. To fulfill validation obligations under this policy, the AOC section of the SAQ must certify your compliance with all requirements of the PCI DSS and include full copies of the SAQ on request.

**Quarterly Network Scan Validation Documentation –** The Quarterly Network Scan is a process that remotely tests your internet-connected computer networks and web servers for potential weaknesses and vulnerabilities. It must be performed by an Approved Scanning Vendor (“ASV”). You must complete and submit the ASV Scan Report Attestation of Scan Compliance (“AOSC”) or the executive summary of findings of the scan (and copies of the full scan, on request), quarterly to American Express. To fulfill validation obligations under this policy, the AOSC or executive summary must certify that the results satisfy

the PCI DSS scanning procedures, that no high risk issues are identified, and that the scan is passing or compliant.

**Annual EMV Attestation Validation Documentation –** The Annual EMV Attestation (“AEA”) involves a process using PCI DSS requirements that allows self-examination of your equipment, systems, and networks (and their components) where Cardholder Data or Sensitive Authentication Data (or both) are stored, processed, or transmitted. It must be performed by you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal. You must complete the process by submitting the AEA form annually to American Express. To fulfill validation obligations under this policy, the AEA form must certify that you have 50,000 American Express Card Transactions or more per year, of which total Transactions at least 75% are made by the Cardmember with the physical Card present at a Point of Sale System compliant with EMV Specifications and capable of processing contact and contactless American Express Chip Cards.

**Non Compliance with PCI DSS –** If you are not compliant with the PCI DSS, then you must complete an AOC including “Part 4. Action Plan for Non-Compliant Status” and designate a remediation date, not to exceed twelve months following the date of the AOC, for achieving compliance. You must submit this AOC with “Action Plan for Non-Compliant Status” to American Express by one of the methods listed in Step 3 below. You shall provide American Express with periodic updates of your progress toward remediation under the “Action Plan for Non-Compliant Status”.

American Express shall not impose non-validation fees (described below) on you for non-compliance prior to the remediation date, but you remain liable to American Express for all indemnity obligations for a Data Incident and are subject to all other provisions of this policy.

*Step 3 – Send the Validation Documentation to American Express*

Level 1 merchants, Level 2 merchants, designated Level 3 merchants, Level EMV merchants, and all Service Providers must submit the Validation Documentation marked “mandatory” in the table in Step 1.

- o Validation Documentation for Level 1 merchants and Level 1 Service Providers must include the AOC from the Annual Onsite Security Assessment Report and the AOSC or executive summaries of findings of the Quarterly Network Scans, as described above.
- o Validation Documentation for Level 2 merchants, and designated Level 3 merchants, and Level 2 Service Providers must include the AOC from the SAQ and the AOSC or the executive summaries of findings of the Quarterly Network Scans, as described above.
- o Level 3 merchants (other than designated Level 3 merchants) are not required to submit Validation Documentation (but must comply with, and are subject to liability under, all other provisions of this policy).
- o Level EMV merchants may submit the AEA instead of other Validation Documentation. (For the avoidance of doubt, Level



1 and 2 merchants that are classified as Level EMV need submit only the AEA, not the other Level 1 and 2 Validation Documentation set forth in the table above.)

You must submit your Validation Documentation to Trustwave by one of these methods:

*Secure Portal:* Validation Documentation may be uploaded via Trustwave’s secure portal. Please contact Trustwave at (866) 659-9016 or via email at AmericanExpressCompliance@trustwave.com for instructions in using this portal.

*Secure Fax:* Validation Documentation may be faxed to: (312) 276-4019. Please include your name, DBA (Doing Business As) name, the name of your data security contact, your address and phone number, and, for merchants only, your 10-digit American Express merchant number.

*Mail:* Validation Documentation may be copied in an encrypted format on a compact disc. Place in an envelope marked “Mandatory” and mail to:

American Express - DSOP Compliance Program  
c/o Trustwave  
70 West Madison, Suite 1050  
Chicago, IL 60602

E-mail the encryption key required to decrypt the Validation Documentation along with your name, DBA (Doing Business As) the name of your data security contact, your address and phone number and, for merchants only, your 10-digit American Express merchant number, to Trustwave at AmericanExpressCompliance@trustwave.com.

If you have general questions about the program or the process above, please contact Trustwave at (866) 659-9016 or via email at AmericanExpressCompliance@trustwave.com.

Compliance and validation are completed at your expense. By submitting Validation Documentation, you represent and warrant to American Express that you are authorized to disclose the information contained therein and are providing the Validation Documentation to American Express without violating any other party’s rights.

**Non-Validation Fees and Termination of Agreement**  
American Express has the right to impose non-validation fees on you and terminate the Agreement if you do not fulfill these requirements or fail to provide the mandatory Validation Documentation to American Express by the applicable deadline. American Express will notify you separately of the applicable deadline for each annual and quarterly reporting period.

	Level 1 Merchant or Service Provider	Level 2 Merchant or Service Provider, Level EMV Merchant	Designated Level 3 Merchant only
A non-validation fee will be assessed if the Validation Documentation is not received by the first deadline.	\$25,000	\$5,000	\$20 per month
An additional non-validation fee will be assessed if the Validation Documentation is not received within 30 days of the first deadline.	\$35,000	\$10,000	
An additional non-validation fee will be assessed if the Validation Documentation is not received within 60 days of the first deadline.	\$45,000	\$15,000	

If American Express does not receive your mandatory Validation Documentation within 60 days of the first deadline, then American Express has the right to terminate the Agreement in accordance with its terms as well as impose the foregoing non-validation fees cumulatively on you.

**Section 5 – Confidentiality**

American Express shall take reasonable measures to keep (and cause its agents and subcontractors, including Trustwave, to keep) your reports on compliance, including the Validation Documentation in confidence and not disclose the Validation Documentation to any third party (other than American Express’s affiliates, agents, representatives, service providers, and subcontractors) for a period of three years from the date of receipt, except that this confidentiality obligation does not apply to Validation Documentation that:

- (i) is already known to American Express prior to disclosure;
- (ii) is or becomes available to the public through no breach of this paragraph by American Express;
- (iii) is rightfully received from a third party by American Express without a duty of confidentiality;
- (iv) is independently developed by American Express; or
- (v) is required to be disclosed by an order of a court, administrative agency or governmental authority, or by any law, rule or regulation, or by subpoena, discovery request, summons, or other administrative or legal process, or by any formal or informal inquiry or investigation by any government agency or authority (including any regulator, inspector, examiner, or law enforcement agency).



## Section 6 – Disclaimer

AMERICAN EXPRESS HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, AND LIABILITIES WITH RESPECT TO THIS DATA SECURITY OPERATING POLICY, THE PCI DSS, THE EMV SPECIFICATIONS AND THE DESIGNATION AND PERFORMANCE OF QSAs, ASVs, or PFIs (OR ANY OF THEM), WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS

FOR A PARTICULAR PURPOSE. American Express Card issuers are not third party beneficiaries under this policy.

### Useful Web Sites

American Express Data Security:

<http://www.americanexpress.com/datasecurity>

PCI Security Standards Council, LLC:

<http://www.pcisecuritystandards.org>

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## GLOSSARY

**For purposes of this policy only, the following definitions apply:**

*American Express Card, or Card*, means (i) any card, account access device, or payment device or service bearing American Express' or an affiliate's name, logo, trademark, service mark, trade name, or other proprietary design or designation and issued by an issuer or (ii) a card account number.

*Annual EMV Attestation, or AEA*, means a declaration of the status of your compliance with the PCI DSS, in the form which is available at <https://login.trustwave.com>.

*Attestation of Compliance, or AOC*, means a declaration of the status of your compliance with the PCI DSS, in the form provided by the Payment Card Industry Security Standards Council, LLC.

*Approved Scanning Vendor, or ASV*, means an entity that has been qualified by the Payment Card Industry Security Standards Council, LLC to validate adherence to certain PCI DSS requirements by performing vulnerability scans of internet facing environments.

*Attestation of Scan Compliance, or AOSC*, means a declaration of the status of your compliance with the PCI DSS based on a network scan, in the form provided by the Payment Card Industry Security Standards Council, LLC.

*Cardholder Data* has the meaning given to it in the then current Glossary of Terms for the PCI DSS.

*Cardmember* means an individual or entity (i) that has entered into an agreement establishing a Card account with an issuer or (ii) whose name appears on the Card.

*Cardmember Information* means information about American Express Cardmembers and Card transactions, including names, addresses, card account numbers, and card identification numbers ("CIDs").

*Charge* means a payment or purchase made on a Card.

*Chip* means an integrated microchip embedded on a Card containing Cardmember and account information.

*Chip Card* means a Card that contains a Chip and could require a PIN as a means of verifying the identity of the Cardmember or account information contained in the Chip, or both (sometimes called a "smart Card", an "EMV Card", or an "ICC" or "integrated circuit Card" in our materials).

*Compromised Card Number* means an American Express Card account number related to a Data Incident.

*Covered Parties* means any or all of your employees, agents, representatives, subcontractors, Processors, service providers, 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.

*Data Incident* means an incident involving at least one American Express Card account number in which there is (i) unauthorized access or use of Cardholder Data or Sensitive Authentication Data (or both) that are stored, processed, or transmitted on your equipment, systems, and/or networks (or the components thereof); (ii) use of such Cardholder Data or Sensitive Authentication Data (or both) 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 Cardholder Data or Sensitive Authentication Data (or both).

*Data Incident Event Window* means the period that begins 365 days prior to the Notification Date and ends 33 days after the Notification Date.

*EMV Specifications* means the specifications issued by EMVCo, LLC, which are available at <http://www.emvco.com>.

*Notification Date* means the date, designated by American Express, that issuers receive notification of the Data Incident.

*Payment Application* has the meaning given to it in the then current Glossary of Terms for Payment Card Industry Payment Application Data Security Standard, which is available at <https://www.pcisecuritystandards.org>.

*PCI-Approved* means that a PIN Entry Device or a Payment Application (or both) appears at the time of deployment on the list of approved companies and providers maintained by the PCI Security Standards Council, LLC, which is available at <https://www.pcisecuritystandards.org>.

*PCI DSS* means Payment Card Industry Data Security Standard, which is available at <https://www.pcisecuritystandards.org>.

*PCI Forensic Investigator, or PFI*, means an entity that has been approved by the Payment Card Industry Security Standards Council, LLC to perform forensic investigations of a breach or compromise of payment card data.

*PIN Entry Device* has the meaning given to it in the then current Glossary of Terms for the Payment Card Industry PIN Transaction Security Requirements, which is available at <https://www.pcisecuritystandards.org>.

*Point of Sale (POS) System* means an information processing system or equipment, including a terminal, personal computer, electronic cash register, contactless reader, or payment engine or process, used by a merchant, to obtain authorizations or to collect Transaction data, or both.

*Processor* means a service provider to merchants who facilitate authorization and submission processing to the American Express network.

*Qualified Security Assessor, or QSA*, means an entity that has been qualified by the Payment Card Industry Security Standards Council, LLC to validate adherence to the PCI DSS.

*Self-Assessment Questionnaire, or SAQ*, means a self assessment tool created by the Payment Card Industry Security Standards Council, LLC, intended to evaluate and attest to compliance with the PCI DSS.

*Sensitive Authentication Data* has the meaning given it in the then current Glossary of Terms for the PCI DSS.

*Service Providers* means authorized processors, third party processors, gateway providers, and any other providers to merchants of point of sale equipment, software, or systems, or other payment processing solutions or services.

*Transaction* means a Charge or a Credit completed by means of a Card.

*Validation Documentation* means the AOC rendered in connection with an Annual Online Security Assessment or SAQ, the AOSC and executive summaries of findings rendered in connection with Quarterly Network Scans, or the Annual EMV Attestation.