

## SCHEDULE C

### MODIFICATION TO “NO SURCHARGE” RULE

With a view to modeling its No Surcharge Rule in Canada on the amended No Surcharge Rule in the United States (as of the Effective Date of this Agreement) that resulted from the 2012 U.S. settlement agreement in MDL 1720, Visa will amend its No Surcharge Rule in Canada, including, but not limited to, the following modifications:

- (a) Visa will permit surcharging on credit cards only at the brand (i.e., network) level or at the product level (i.e., different types of cards offered by a given network) but not both. Where surcharging is permitted, a merchant may surcharge a transaction either using a fixed value or based on a percentage of transaction value (“ad valorem”) in accordance with the modified rule. For clarity, regardless of whether surcharging occurs as a fixed value or ad valorem, the surcharge must be equal to or less than the amount provided for in sections (c), (d) and (e) below. Visa will not permit surcharging at the issuer level;
- (b) Any surcharge that a merchant imposes on Visa credit card transactions must be no greater (after accounting for any discounts or rebates offered at the point of sale) than the surcharge that the merchant imposes on transactions of American Express or PayPal;
- (c) When a merchant surcharges at the brand level, the amount of the surcharge shall not exceed the merchant’s average effective merchant discount rate (“EDMR”) (as that term is defined in footnote 3 of the *Code of Conduct for the Credit and Debit Card Industry in Canada (the “Code of Conduct”)*) for that brand during the last 1 month or 12 months;
- (d) When a merchant surcharges at the product level, regardless of whether the merchant surcharges every product within a brand or only some products within a brand, the amount of the surcharge shall not exceed the merchant’s average EMDR for that product during the last 1 month or 12 months;
- (e) Notwithstanding sections (a), (c) and (d) above, a merchant cannot impose a surcharge greater than the “maximum surcharge cap”. The maximum surcharge cap is the lesser of (1) 2.5%; or (2) 1% plus Visa’s average annual effective rate of interchange for credit card transactions in Canada as set out in any voluntary or mandatory commitment to a Canadian governmental entity or otherwise reasonably determined by Visa if not so regulated, expressed as a percentage of transaction value. Visa shall publish the “maximum surcharge cap” on the portion of its website and its rules that sets forth merchants’ surcharging rights and obligations. However, should the annual effective rate of interchange established by the voluntary or mandatory commitment to a Canadian government entity, or otherwise reasonably determined by Visa, referred to above be increased from its current 1.5%, the maximum surcharge cap of 2.5% noted above shall be increased by the same amount as any such increase. By way of example,

should such rate be raised to 2.0%, the surcharge cap of 2.5% shall increase to 3.0%;

- (f) A merchant who elects to surcharge Visa or any Visa products shall provide reasonable notice and disclosure, including, but not limited to, (1) at least 30 days advanced, written notice and registration with Visa and the merchant's acquirer; (2) signage requirements on the merchant's entrance door and at the checkout/payment area; (3) explicitly showing the surcharge amount on the merchant receipt; (4) a clear indication that the surcharge was imposed by the merchant and not by Visa; (5) provide the cardholder with the opportunity to cancel or opt-out of the transaction; and (6) such further and other disclosure as may be required, on a voluntary or mandatory basis, by any Canadian governmental entity;
- (g) Surcharging is prohibited on transactions that already have service fees;
- (h) Third party agents are not permitted to surcharge Visa transactions;
- (i) Visa Opt-Outs may not be permitted to surcharge Visa transactions; and
- (j) Nothing in the modified No Surcharge Rule shall preclude Visa and any merchant from entering into an agreement that prohibits that merchant from surcharging some or all Visa credit card transactions.