

Introduction

Visa, MasterCard and Discover are making changes to some fee structures in October 2010. These changes are specific to select interchange categories, programs and fees. This announcement is designed to help you better understand the changes taking place and how they may impact you.

What are the Changes?

Discover is initiating three changes:

- Discover is increasing its assessment fee from 0.0925% + \$0.0075 to 0.10% + \$0.0185
- Discover will add new interchange programs with the introduction of a new Premium Plus rewards card. Details of the interchange fee programs are identified in **Appendix A**.
- Discover is making changes to the International Processing and International Service Fees. Details for the interchange rate changes are identified in **Appendix B**.

Visa is initiating two changes:

- Visa will implement changes that will apply to the interchange fee structure for certain Visa Commercial cards. Details for the interchange rate changes are identified in **Appendix C**.
- Visa will implement changes that will apply to the interchange fee structure for Visa Infinite and Visa Signature Preferred cards. Details for the interchange rate changes are identified in **Appendix D**.

MasterCard is initiating one change:

- MasterCard is expanding the merchant categories (MCCs) that qualify for Commercial Data Rate II and Commercial Face-to-Face interchange rates when transactions are submitted with no tax value.

Why are these Changes Happening?

These changes are initiated by Visa, MasterCard and Discover. Typically, rate changes occur in April and October of each year.

When will these Changes Take Effect?

Changes will take effect in October 2010. They will be reflected on October statements that become available in November 2010.

What is the Impact of these Changes?

Wind River Financial has conducted an analysis of the October 2010 changes and determined that rate impact among Wind River clients will be minimal.

Some clients may be positively affected by the MasterCard modifications of zero tax edits. Merchants in certain categories will now qualify for the Commercial Data Rate II or Commercial Face-to-Face interchange rates when entering zero for the tax amount. The following MCCs will benefit from this modification:

- 4111 Transportation—Suburban and Local Commuter Passenger, including Ferries
- 4131 Bus Lines
- 4215 Courier Services—Air and Ground, Freight Forwarders
- 4784 Bridge and Road Fees, Tolls
- 8211 Schools, Elementary and Secondary
- 8220 Colleges, Universities, Professional Schools, and Junior Colleges
- 8398 Organizations, Charitable and Social Service
- 8661 Organizations, Religious
- 9211 Court Costs including Alimony and Child Support
- 9222 Fines
- 9311 Tax Payments
- 9399 Government Services—not elsewhere classified
- 9402 Postal Services—Government

What action should I take as a result of these changes?

No action is necessary on your part. Changes will be automatically reflected on future statements.

How is Wind River Financial implementing these changes?

Wind River Financial is implementing the Visa and MasterCard changes with three guiding principles:

- **Rate changes are passed on at cost:** We will pass on to you—at cost—all card association increases and decreases with no additional mark-up by Wind River Financial.
- **Your program will remain competitively priced:** As always, we will ensure—and validate as needed—that your program is competitively priced with programs from other reputable providers.
- **We can help you understand how these changes impact you:** We can help you quantify and understand the impact of these changes on your business once all changes have taken effect.

Are my rates decreasing as a result of the Financial Reform legislation passed this summer?

Most of the regulations and provisions associated with Financial Reform are still being developed by the appropriate agencies. As a result, there is, as yet, very little impact of the legislation at the merchant level. We encourage merchants to visit the blog on the Wind River website to stay up to date as reform-related legislation is crafted.

As always, Wind River Financial is available to answer your questions at any time.

Addendums A, B, C, D
October 2010 Discover and Visa Changes

Appendix A

Recurring Payments	1.80% + \$0.05
Utilities	0.00% + \$0.75
Real Estate	2.30% + \$0.10
Insurance	2.30% + \$0.05
Supermarkets/Warehouse Clubs	1.90% + \$0.10
Emerging Markets	2.30% + \$0.10
Public Services	1.50% + \$0.10
Express Services	2.10% + \$0.05
Petroleum	1.73% + \$0.05
Retail	2.10% + \$0.10
Restaurants	2.30% + \$0.10
Hotels/Car Rentals	2.30% + \$0.10
Passenger Transport	2.30% + \$0.10
Card Not Present/E-Commerce	2.30% + \$0.10
Key Entry	2.10% + \$0.10
Mid Submission Level	2.40% + \$0.10
Base Submission Level	2.95% + \$0.10

Appendix B

International Processing Fee	+ 0.10%
International Servicing Fee	+ 0.10%

Appendix C

Business Card	+ 0.20%
Corporate Card	+ 0.20%
Purchasing Card	+ 0.20%

Appendix D

Infinite Card	+ 0.17%
Signature Preferred Card	+ 0.17%
International Signature Preferred Card	+ 0.17%